

# **ANNUAL REPORT**

**2014-2015**

**SMC CREDITS LIMITED**

**BOARD OF DIRECTORS**

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

**STATUTORY AUDITORS**

AVP & CO.  
(Chartered Accountants)

**REGISTRAR & SHARE TRANSFER AGENTS**

Beetal financial & Computer Services (P) Ltd

**BANKERS**

Canara Bank  
HDFC Bank Ltd

**REGISTERED OFFICE**

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

**SMC CREDITS LIMITED**

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

CIN: L65910DL1992PLC049566

**NOTICE**

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the company will be held on Tuesday the 29<sup>th</sup> September, 2015 at 9.30 A.M. at the Registered Office of the company to transact the following business:-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Profit & Loss Account for the year ended on that date and report of the Board of Directors and Auditors' thereon.
2. To appoint the Director in place of Mr. Y.P. Arya who retire by rotation and being eligible, offer himself for re-appointment.
3. To appoint the Auditors of the company and fix their remuneration.

By Order of the Board



Chairman  
(Prasahesh Arya)

Place : New Delhi

Dated : 11.08.2015

**Notes:-**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company.
2. The instrument appointing a proxy should be deposited at the company's registered office not less than 48 hours before the time of holding the aforesaid meeting.
3. Members are requested to notify change/ corrections in their address quoting their folio numbers.
4. The Register of Members and share transfer books will remain closed on 29<sup>th</sup> of September, 2015

## **SMC CREDITS LIMITED**

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

**CIN: L65910DL1992PLC049566**

### **Directors' Report**

To  
The Members,

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Reports together with the Audited Accounts of the company for the year ended 31st March, 2015.

#### **FINANCIAL RESULTS:-**

	<b>31st March, 2015</b>	<b>31st March, 2014</b>
	<b>(Amount in Rs.)</b>	<b>(Amount in Rs.)</b>
Profit before depreciation and taxation	<b>4,81,34,709</b>	<b>1,51,70,263</b>
Less: Depreciation	4,92,687	3,90,463
Provision for Tax		
a) Current Tax	21,25,000	18,00,000
b) Deferred Tax	36,727	6,838
I. Tax adjustment of earlier year	(20540)	(39295)
Profit after depreciation and taxation	4,55,00,835	1,30,12,257

#### **DIVIDEND:**

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

#### **DIRECTORS :**

During the year under review Mr Y.P. Arya, Director of the Company retires by rotation and is eligible for re-appointment.

Mrs Sukeerti Arya appointed as additional Director of the Company, who shall hold office upto the ensuing annual General Meeting. The company has received requisite notices in writing from members of the Company proposing the candidature of Mrs Sukeerti Arya for the office of Director

#### **DIRECTORS RESPONSIBILITY STATEMENT**

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

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

(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair



view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

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

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

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

## **DEPOSITS**

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

## **AUDITORS & AUDITORS REPORT**

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

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

## **DISCLOSURES**

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

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

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

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

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

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

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

There are no material changes and commitments, affecting the financial position which has occurred between the end of the financial year of the Company i.e. 31<sup>st</sup> March, 2015 and the date of the Directors' Report.

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

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

**f. PARTICULARS OF EMPLOYEES**

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

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

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

**i. EXTRACT OF ANNUAL RETURN**

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

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

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

**CORPORATE GOVERNANCE**

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance together with a certificate from the Company's Auditors confirming compliance is set out in the Annexure forming part of this report.

**ACKNOWLEDGEMENT**

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

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

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

BY ORDER OF THE BOARD



CHAIRMAN  
(Prasahesh Arya)

Place : New Delhi  
Dated : 30.05.2015



**SMC CREDITS LIMITED**

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

**CIN: L65910DL1992PLC049566**

**ANNEXURE - I**

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended 31<sup>st</sup> March, 2015

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

**I. REGISTRATION & OTHER DETAILS:**

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

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

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

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

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



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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF			-				-		
b) Central Govt			-				-		
c) State Govt(s)			-				-		
d) Bodies Corp.	950000	451200	1401200	13.98%	950000	451200	1401200	13.98%	0.00%
e) Banks / FI			-						
f) Any other			-						
<b>Sub Total (A) (1)</b>	950000	451200	1401200	13.98%	950000	451200	1401200	13.98%	0.00%
(2) Foreign									
a) NRI Individuals			-						
b) Other Individuals			-						
c) Bodies Corp.			-						
d) Any other			-						
<b>Sub Total (A) (2)</b>	-		-						
<b>TOTAL (A)</b>	950000	451200	1401200	13.98%	950000	451200	1401200	13.98%	0.00%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds			-						
b) Banks / FI			-						
c) Central Govt			-						
d) State Govt(s)			-						
e) Venture Capital			-						

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

**(ii) Shareholding of Promoter-**

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

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

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

**(ii) Shareholding Pattern of top ten Shareholders:****(Other than Directors, Promoters and Holders of GDRs and ADRs):**

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



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

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

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

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



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

**NOT APPLICABLE**

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

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

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

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

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

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

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

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

## Corporate Governance Report

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

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

### **Board of Directors**

The Company's Board presently comprises of 3 Non-Executive Directors. Attendance of each Director at the Board meetings, last Annual General Meeting and number of other directorship and chairmanship/membership of committee of each Director in various companies:

Other relevant Details of Directors (Directorship as at 31<sup>st</sup> March, 2015 unless otherwise stated)

S no.	Name of Directors	Category	No of Directorship(s)		No of Other committee(s)*	
			Public	Private	Member	Chairman
1.	Prasahesh Arya	ED	2	12	3	2
2.	Yashpriya Dev Priya Arya	NED		2	1	-
3	Harsh Priya.Arya	Independent	-	1	1	-
4	Sukeerti Arya (Appointed w.e.f 30 <sup>th</sup> March, 2015)	Additional Director		2	-	-

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

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

Five Board Meetings were held during the financial year 2014-2015 on , 30.06.2014, 13.08.2014, 14.11.2014, 13.02.2015 and 30.03.2015. The last Annual General Meeting was held on 29<sup>th</sup> September, 2014.

S No.	Name of Directors	No. of meeting attend Total meeting held 5	Whether attended last AGM
1.	Prasahesh Arya	4	Yes
2.	Yashpriya Dev Priya Arya	4	Yes
3	Harsh Priya.Arya	4	Yes
4	Sukeerti Arya (Appointed w.e.f 30 <sup>th</sup> March, 2015)	NA	NA



**Audit Committee:**

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

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

The Audit Committee met Four times during the financial year 2014-15 (30<sup>th</sup> June 2014, 13<sup>th</sup> August, 2014, 14<sup>th</sup> November, 2014 and 13<sup>th</sup> February 2015). All the committee members were present at all the meetings.

**Remuneration committee:**

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

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

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

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

**General Body Meetings:**

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

Year	Location	Date	Time
2011-2012	24, Ashoka chambers, 5-B, Rajindra Park, Pusa Road, New Delhi- 110060	28 <sup>th</sup> September, 2012	9.30 a.m.
2012-2013	24, Ashoka chambers, 5-B, Rajindra Park, Pusa Road, New Delhi- 110060	27 <sup>th</sup> September, 2013	9.30 a.m.
2013-2014	24, Ashoka chambers, 5-B, Rajindra Park, Pusa Road, New Delhi- 110060	29 <sup>th</sup> September, 2014	9.30 a.m.

**Disclosures**

During 2014-2015, the Company had no materially significant related party transactions which are considered to have potential conflict with the interests of the Company at large.

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

**General shareholder information****Annual General Meeting**

Date and time : 29<sup>th</sup> September, 2015 at 9.30 A.M.  
 Venue : 24, Ashoka Chambers, 5-B, Rajindra Park,  
 Pusa Road, New Delhi-110 060



#### Financial Calendar

(tentative and subject to change):

First Quarter	-August 2015
Second Quarter	- November 2015
Third Quarter	- February 2016
Year ending on 31 <sup>st</sup> march, 2015	- May 2016

Book closure date : 29<sup>th</sup> September, 2015

Dividend date : Not Applicable

Equity Shares Listed on  
Stock Exchange at : Bombay Stock Exchange Ltd, Mumbai

Demat ISIN in NSDL : INE440E01012

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

Share Transfer system : Presently, the share transfers in physical form are processed  
and share certificates returned with in a period of 10 to 20  
days from the date of receipt, subject to the documents being  
clear in all respects. The Company also offer transfer-cum-  
demat facility for the convenience of the investors.

Distribution of Shareholding  
as on 31st March, 2015

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

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

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

**To**  
**The Members of SMC Credits Limited**

We have examined the compliance of the conditions of Corporate Governance by SMC Credits Limited, for the year ended 31.03.2015, stipulated in clause 49 of the listing agreement of the Company with Stock Exchanges in India.

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

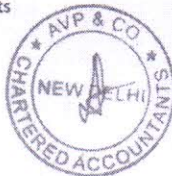
In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above listing agreement.

We state that no investor grievance(s) is pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

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

  
Arvind Sharma  
M. N.: 525962  
Partner



Date : 30/05/2015  
Place : New Delhi

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Global Economy**

The global economy is growing more slowly than expected, with disappointments in developing countries, especially in oil exporting countries and some emerging countries. Forecasts have been revised upwards in the Euro Area and India, but downwards in the United States, Brazil and oil-exporting countries. As a result, growth in the BRICS is increasingly diverging. Oil prices are at an all time low as unconventional supplies have begun to adjust which otherwise has pressure, current account deficit and other issues. Currency volatility and low commodity prices present challenges to monetary and fiscal policy. The Global GDP growth in the year 2014 was a modest 3.4%, reflecting a pickup in growth in advanced economies relative to the previous year and a slowdown in emerging markets and developing economies. Complex forces affected global activity in the year 2014 such as lower oil prices and many country or region-specific factors and exchange rate swings triggered by actual and expected changes in monetary policies. Overall, global growth is projected to reach 3.8% in year 2016, in line with the projections in the January 2015 World Economic Outlook (WEO). Global recovery will continue to be moderate and uneven. While developed economies are expected to strengthen, aided by lower oil prices and low interest rates, most emerging economies are expected to slow down moderately, due to country specific reasons with India being an exception. The Indian economy is expected to grow by around 8% in 2015-16.

### **Indian Economy**

Growth in the gross domestic product is expected to accelerate to around 8% in financial year 2015-16 on improved performance in both industry and services as policy addresses structural bottlenecks and external demand improves. Growth is expected to edge up further to 8.2% in FY 2016-17, helped by a supportive monetary policy in 2015, as inflation continues to trend lower and by a pickup in capital expenditure.

### **Industry Structure and Developments**

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

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

### **Opportunities and Threats:**



### **Opportunities**

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

### **Threats**

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

### **Risks and Concerns**

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

### **Outlook**

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

### **Segment wise Performance**

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

### **Operations:**

During the year under review the company had a turnover of Rs 51090647/- and earned a profit of Rs . 47642022/-

### **Internal Control Systems**

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



**Human Resources Policies**

The Company has employee friendly HR policy.

**Industrial Relations**

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

**Acknowledgement**

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

**Forward Looking Statement**

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

**INDEPENDENT AUDITORS' REPORT**

To The Members of  
SMC CREDITS LIMITED

**Report on the Financial Statements**

We have audited the accompanying financial statements of SMC Credits Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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

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

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

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

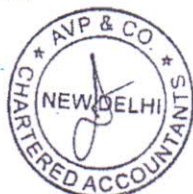
**Opinion**

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.



2. As required by section 143(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statement comply with the Accounting Standards specified in section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the Directors, as on 31st March, 2015, taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2015 from being appointed as a Director in terms of section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations which would impact its financial position as on March 31, 2015.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

  
Arvind Sharma  
M. No. : 525962  
Partner



Date : 30/5/15  
Place : New Delhi



SMC Credits Limited

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) In respect of the Fixed Assets of the Company:
  - (a) The company is maintaining proper records, showing full particulars including quantitative details and situation of fixed assets.
  - (b) All the Fixed Assets have been physically verified by the Management during the year based on a phased program of verifying the assets which in our opinion is reasonable having regard to the size of the company and the nature of its Fixed Assets. No discrepancy has been noticed on such verification.
- (ii) In respect of the Inventories of the Company:
  - (a) Securities held as stock in trade and in custody of the company have been verified by the management, at the reasonable intervals and stock in trade under demat account has been reconciled with demat statements on regular basis.
  - (b) In our opinion and according to information and explanation given to us, the procedures of physical verification and reconciliation of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) The company is maintaining proper records of inventory and no discrepancies were noticed on physical verification and reconciliation thereof.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit no major weaknesses have been noticed in internal control.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) The provisions of clause 3 (vi) of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.
- (vii) According to the information and explanation given to us and records of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues including income-tax and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, wealth-tax, service-tax, sales-tax, customs duty, excise duty and cess were in arrears, as at 31-03-2015 for a period of more than six months from the date they became payable.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank during the year and did not have any amount outstanding to financial institutions or debenture holders.
- (x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others.
- (xi) During the period covered by our audit report, the Company has not taken any Term loan.





(xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

  
Arvind Sharma  
M. N.: 525962  
Partner



Date : 20/5/15  
Place : New Delhi

SMC Credits Limited  
Balance Sheet as at 31st March, 2015

Amount in ₹

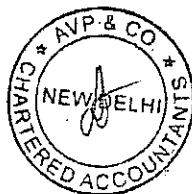
Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share capital	2.01	100,222,000	100,222,000
Reserves and surplus	2.02	166,139,513	120,701,523
		<u>266,361,513</u>	<u>220,923,523</u>
<b>Non-Current liabilities</b>			
Deferred tax liability	2.03	67,774	31,047
<b>Current liabilities</b>			
Trade payables	2.04	20,787	60,500
Short term provisions	2.05	56,785	58,297
Other current liabilities	2.06	1,000,000	1,000,000
		<u>1,077,572</u>	<u>1,118,797</u>
		<u>267,506,859</u>	<u>222,073,367</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	2.07	22,796,655	23,352,187
Non - Current Investment	2.08	170,574,915	169,574,915
Long term loans and advances	2.09	5,280	5,280
		<u>193,376,850</u>	<u>192,932,382</u>
<b>Current assets</b>			
Current investment	2.10	34,599,569	367,804
Inventories	2.11	312,630	60,900
Trade receivables	2.12	1,491,796	1,043,070
Cash and cash equivalents	2.13	874,491	3,985,572
Short term loans and advances	2.14	36,851,523	23,683,639
		<u>74,130,009</u>	<u>29,140,985</u>
		<u>267,506,859</u>	<u>222,073,367</u>
Accounting policies and notes to the financial statements	1 & 2		

In terms of our Audit Report

For AVP & Co  
FRN. 025193N  
Chartered Accountants

Arvind Sharma  
M. No. 525962  
Partner

Place: New Delhi  
Date: 22/5/15



For and on behalf of the Board

Director

(P. ARYA)

DIN: 00006507

Director

(Y. P. ARYA)

DIN: 00505675

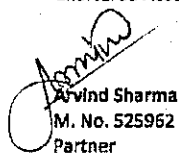
**SMC Credits Limited**  
**Statement of Profit and Loss for the year ended 31st March 2015**

Amount in ₹

Particulars	Note No.	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>REVENUE</b>			
Revenue from operations	2.15	42,240,716	8,637,868
Other income	2.16	8,849,931	8,178,710
<b>Total revenue</b>		<b>51,090,647</b>	<b>16,816,578</b>
<b>EXPENSES</b>			
Employee benefit expense	2.17	815,814	755,140
Depreciation and amortization expense	2.18	492,687	390,463
Other expenses	2.19	2,140,124	891,175
<b>Total expenses</b>		<b>3,448,625</b>	<b>2,036,778</b>
<b>Profit before tax</b>		<b>47,642,022</b>	<b>14,779,800</b>
<b>Tax expense:</b>			
Current tax		2,125,000	1,800,000
Deferred tax		36,727	6,838
Prior period tax		(20,540)	(39,295)
<b>Profit for the year</b>		<b>45,500,835</b>	<b>13,012,257</b>
<b>Earnings per share of ₹ 10 each:</b>			
Basic & Diluted	2.24	4.54	1.30
<b>Accounting policies and notes to the financial statements</b>	<b>1 &amp; 2</b>		

**In terms of our Audit Report**


For AVP & Co  
FRN. 025193N  
Chartered Accountants


  
Arvind Sharma  
M. No. 525962  
Partner



Place: New Delhi  
Date: 29/5/15

For and on behalf of the Board

  
Director  
(P. ARYA)  
DIN: 00026507

  
Director  
(C. P. ARYA)  
DIN: 00505675



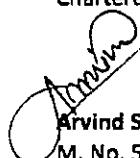
**SMC Credits Limited**  
**Cash Flow Statement for the year ended 31st March, 2015**

Amount in ₹

Description	Note No.	For the year ended 31st March 2015	For the year ended 31st March 2014
<b>A. CASH FLOW FROM OPERATIVE ACTIVITIES</b>			
Net profit before tax & extraordinary items		47,642,022	14,779,800
Adjustment for :			
Provision for standard assets		(1,512)	20,997
Depreciation		492,687	390,463
<b>Operating Profit before working capital change</b>		<b>48,133,197</b>	<b>15,191,260</b>
Adjustment for :			
Trade and other receivable		(448,726)	30,603,302
Inventories		(251,730)	43,450
Loans & advances		(13,167,884)	9,664,495
Trade Payable		(39,713)	(2,346,487)
<b>Cash generated from operations</b>		<b>34,225,144</b>	<b>53,156,020</b>
Direct Taxes paid		(2,104,460)	(1,760,705)
<b>Net cash from operating Activities</b>		<b>32,120,684</b>	<b>51,395,315</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets		-	(45,500)
Purchase of Investment		(35,231,765)	(48,367,799)
Proceed from sale of Investment		-	-
<b>Net cash flow (used) from / in Investing Activities</b>		<b>(35,231,765)</b>	<b>(48,413,299)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Net cash flow (used) from / in Financing Activities</b>		<b>-</b>	<b>-</b>
Net increase in cash & cash equivalents ( A+B+C)		(3,111,081)	2,982,016
Cash & cash equivalents at the beginning of the year		3,985,572	1,003,556
Cash & cash equivalents at the close of the year	2.13	<b>874,491</b>	<b>3,985,572</b>
Accounting policies and notes to the financial statements	1 & 2		

In terms of our Audit Report


For AVP & Co  
FRN. 025193N  
Chartered Accountants


  
Arvind Sharma  
M. No. 525962  
Partner



Place: New Delhi  
Date: 30/5/15

For and on behalf of the Board

  
Director  
(R. A. R. A.)  
DIN: 0000650

  
Director  
(Y. P. A. R. A.)  
DIN: 00505675

**SMC CREDITS LIMITED**

**Significant Accounting Policies & Notes to the Financial Statements for the year ended March 31, 2014.**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**1.01 Accounting Convention**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

**1.02 Fixed Assets and Depreciation**

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

**Depreciation**

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has revised depreciation rates on tangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act.

In accordance with AS-6 "Depreciation", depreciation on tangible fixed assets is computed on straight line method basis considering useful life provided in the Schedule - II of the Companies Act, 2013. During the previous year and earlier periods, the company was providing depreciation on straight line method basis at the rate prescribed in Schedule XIV of the Companies Act, 1956.

As a result of change in rate/useful life, the depreciation charge for the year end March 31, 2015 is higher by ₹ 1,65,069 (including ₹ 62,845 adjusted in Reserves & Surplus). In respect of assets whose useful life is already exhausted as on 1 April 2014, depreciation of ₹ 62,845 has been adjusted in Reserves and Surplus in accordance with requirements of Schedule II of the Act (also refer to Note No. 2.02 & 2.07).

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

**1.03 Inventories**

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

**1.04 Investments**

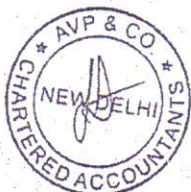
Investments are classified as non-current (long term) or current. Non-current investments are carried at cost, however, provision for diminution in the value of non-current investments is made to recognize a decline, other than temporary, in the value of Investments, at lower of cost or market value,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

**1.05 Prudential Norms:**

The company follows the prudential norms prescribed by the Reserve Bank of India Non-Banking Finance Companies Prudential Norms, 1998 for revenue recognition, Asset classification and provisioning. The Reserve Bank of India ("RBI") directions in respect of "Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) directions, 2007 ("RBI Directions, 2007"), dated February 22, 2007 in respect of income recognition, income from investment, accounting of investment, asset classification, disclosures in the balance sheet and provisioning are followed by the company. Accounting Standards (AS) as notified by the Companies (Accounting Standards) Rules, 2006 and Guidance Notes issued by The Institute of Chartered Accountants of India ("ICAI") are followed insofar as they are not inconsistent with the RBI Directions, 2007.

**1.06 Use of Estimates**

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



**1.07 Revenue Recognition**

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

**1.08 Impairment of Assets**

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

**1.09 Taxation**

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

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

**1.10 Provision, Contingent Liabilities and Contingent Assets**

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

**1.11 Earnings per share**

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

**1.12 Other Accounting Policies**

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





SMC Credits Limited  
Notes to the financial statements

Amount in ₹

Note No.	Description	As at 31st March, 2015	As at 31st March, 2014
2.01	Share Capital		
a	Authorised 1,10,00,000 Equity Shares of ₹ 10 each	11,00,00,000	11,00,00,000
b	Issued, subscribed and paid up 1,00,22,200 Equity Shares of ₹ 10 each, fully paid up in cash	10,02,22,000	10,02,22,000
c	<b>Reconciliation of Number of Equity Shares Outstanding</b>		
	<b>Particulars</b>	<b>Number of Shares</b>	<b>Amount in ₹</b>
	<b>As At 31.03.2015</b>		
	At the beginning of the year	1,00,22,200	10,02,22,000
	Issued during the year	-	-
	<b>At the end of the year</b>	<b>1,00,22,200</b>	<b>10,02,22,000</b>
	<b>As At 31.03.2014</b>		
	At the beginning of the year	1,00,22,200	10,02,22,000
	Issued during the year	-	-
	<b>At the end of the year</b>	<b>1,00,22,200</b>	<b>10,02,22,000</b>
d	<b>Shares held by shareholders holding more than 5% shares</b>		
	<b>Name of Shareholder</b>	<b>No. of Shares held</b>	<b>%age of holding</b>
	<b>AS AT 31.03.2015</b>		
	Shuklamber Exports Limited	14,93,300	14.90%
	Focal Leasing & Credits Limited	14,01,200	13.98%
	A To Z Securities Ltd.	14,03,100	14.00%
	Amity Infotech Pvt. Ltd.	14,03,100	14.00%
	Zeal Impex & Traders Private Limited	13,59,900	13.57%
	JBH International Ltd.	9,52,100	9.50%
	There is no change in shareholders and their shareholding during the financial year.		
e	<b>Terms/Rights attached to Equity Shares</b>		
	The Company has only one class of Equity Shares having a par Value of ₹ 10 per Share. In the event of Liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
2.02	<b>Reserves &amp; Surplus</b>		
	<b>Statutory reserve</b>		
	Opening Balance	1,68,47,010	1,42,44,559
	Addition during the Year	91,00,167	26,02,451
	Closing Balance	2,59,47,177	1,68,47,010
	<b>Surplus in Statement of Profit and Loss</b>		
	Opening Balance	10,38,54,513	9,34,44,707
	Less: Transitional adjustment *	(62,845)	-
		10,37,91,668	9,34,44,707
	Add: Profit for the year	4,55,00,835	1,30,12,257
		14,92,92,503	10,64,56,964
	Less: Transfer to Statutory Reserve	(91,00,167)	(26,02,451)
	Closing Balance	14,01,92,336	10,38,54,513
	<b>Total</b>	<b>16,61,39,513</b>	<b>12,07,01,523</b>

\* also refer to Note No. 2.02 & accounting policy no. 1.02



SMC Credits Limited  
Notes to the financial statements

Amount in ₹

Note No.	Description	As at 31st March, 2015	As at 31st March, 2014
2.03	Deferred tax liability/(assets) - Net		
	Deferred tax liability		
	On account of difference in WDV under Companies act and Income tax act	85,321	49,060
	Deferred tax asset		
	On account of provision for standard assets	(17,547)	(18,013)
	<b>Deferred tax liability (net)</b>	<b>67,774</b>	<b>31,047</b>
2.04	Trade Payable (Current)		
	-Due to micro and small enterprises *	-	-
	-Others	20,787	60,500
	<b>Total</b>	<b>20,787</b>	<b>60,500</b>
	<p>* The company has initiated the process of identification of suppliers registered under Micro, Small and Medium Enterprise Development Act ,2006, by obtaining confirmations from all suppliers. Information has been collected only to the extent of information received as at balance sheet date. Based on the information available with the company, there are no suppliers who are registered as micro, small or medium enterprise under " The Micro, Small and Medium Enterprises Development Act 2006" as at 31st March, 2015.</p>		
2.05	Short term provisions		
	Provision for Income Tax		
	Income Tax		
	(net of advance/self assessment tax & TDS ₹ 40,62,467; PY ₹ 37,28,681)		
	Other Provisions		
	Provision for standard assets	56,785	58,297
	<b>Total</b>	<b>56,785</b>	<b>58,297</b>
2.06	Other current liabilities		
	Security deposit	10,00,000	10,00,000
	<b>Total</b>	<b>10,00,000</b>	<b>10,00,000</b>





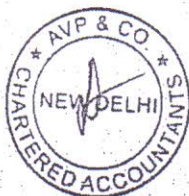
SMC Credits Limited  
Notes forming part of the financial statements

Note : 2.07 Fixed Asset

Amount in ₹

Particulars	Gross Block			As at		Transitional adjustment *	Depreciaton for the year	adjustment	Net Block		
	As at 1st April, 2014	Addition	Sale	As at 31st March, 2015	As at 1st April, 2014				As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
Tangible Assets											
Land	56,38,400	-	-	56,38,400	-	-	-	-	-	56,38,400	56,38,400
Building	2,09,23,378	-	-	2,09,23,378	37,38,161	-	3,29,110	-	40,67,271	1,68,56,107	1,71,85,217
Furniture & Fixture	5,63,195	-	-	5,63,195	1,99,935	12,190	64,753	-	2,76,878	2,86,317	3,63,260
Office Equipment	3,16,605	-	-	3,16,605	1,51,295	50,655	98,824	-	3,00,774	15,831	1,65,310
<b>Total</b>	<b>2,74,41,578</b>	<b>-</b>	<b>-</b>	<b>2,74,41,578</b>	<b>40,89,391</b>	<b>62,845</b>	<b>4,92,687</b>	<b>-</b>	<b>46,44,923</b>	<b>2,27,96,655</b>	<b>2,33,52,187</b>
Previous Year	2,73,96,078	45,500	-	2,74,41,578	36,98,928	-	3,90,463	-	40,89,391	2,33,52,187	2,36,97,150

\* also refer to Note No. 2.02 & accounting policy no. 1.02



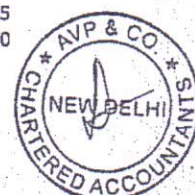


SMC Credits Limited  
Notes to the financial statements

Amount in ₹

Note No.	Description	As at	As at
		31st March, 2015	31st March, 2014
2.08	Non-current Investment (at cost)		
	Other Investments		
A.	Investment in equity Instruments		
	Quoted		
	Fully paid up of face value ₹ 10 each		
	840000 shares of A to Z securities Ltd	33,55,478	33,55,478
	43 shares of Reliance Power Ltd	12,150	12,150
	233000 shares of Shuklamber Exports Ltd	8,20,160	8,20,160
	Fully paid up of face value ₹ 5 each		
	822800 shares of Jay Bharat Maruti Ltd	39,18,585	39,18,585
	Fully paid up of face value ₹ 5 (PY ₹ 10) each		
	7570020 (PY 1892505) shares of JBM Auto Ltd ^	2,97,00,772	2,97,00,772
		<u>3,78,07,145</u>	<u>3,78,07,145</u>
	Unquoted		
	Fully paid up of face value ₹ 10 each		
	3200 shares of Gurera Udyog Ltd.	6,400	6,400
	495200 shares of Focal Leasing & Credits Ltd	7,42,800	7,42,800
	1930000 shares of Neel Metal Products Ltd.	96,50,000	96,50,000
	30000 shares of Prasha Technologies Ltd	3,00,000	3,00,000
	85000 shares of Neel Industries Pvt Ltd	1,06,25,000	1,06,25,000
	217633 shares of Jbm Ind Ltd	1,44,03,615	1,44,03,615
	89300 shares of Shreeaumji Infrastructure & Projects Pvt. Ltd.	1,11,62,500	1,11,62,500
	Fully paid up of face value ₹ 100 each		
	3808 shares of NAP Investment & Leasing Pvt. Ltd	76,160	76,160
		<u>4,69,66,475</u>	<u>4,69,66,475</u>
		<u>8,47,73,620</u>	<u>8,47,73,620</u>
B.	Investment in preference shares		
	11% Non-Cumulative redeemable in :		
	60000 shares of ₹ 10 each, of JBM International Ltd.	6,00,000	6,00,000
	25000 shares of ₹ 100 each, of JBM Builders Pvt Ltd	25,00,000	25,00,000
	4% Non-Cumulative redeemable in :		
	10690 shares of ₹ 100 each, of NAP Investment & Leasing Pvt. Ltd.	2,13,800	2,13,800
	1% Non Cumulative redeemable preference shares of ₹ 10 each		
	267900 shares of Shreeaumji Infrastructure & Projects Pvt. Ltd.	3,34,87,500	3,34,87,500
	1% non cummulative redeemable preference shares of ₹ 10 each		
	850000 shares of JBM Projects & Infrastructure Pvt. Ltd	85,00,000	85,00,000
	16469 shars of JBM Corporate Services Pvt. Ltd.	24,99,995	24,99,995
	2500000 shares of Faridabad Presswell Pvt. Ltd.	2,50,00,000	2,50,00,000
	550000 shares of Radhika compusoft Pvt. Ltd.	55,00,000	55,00,000
	650000 shares of Satish buildwell Pvt. Ltd.	65,00,000	65,00,000
C.	Investment in 0.001% Compulsory convertible debentures		
	1,00,000 debentures of Satish Buildwell Private Limited of ₹ 10 each	10,00,000	-
		<u>8,58,01,295</u>	<u>8,48,01,295</u>
	<b>Total</b>	<b>17,05,74,915</b>	<b>16,95,74,915</b>
	Aggregate market value of quoted investments	1,76,91,73,842	32,35,33,003
	Aggregate book value of quoted investments	3,78,07,145	3,78,07,145
	Aggregate book value of unquoted investments	13,27,67,770	13,17,67,770

^ Number of shares has been Increased on account of reduction in face value from ₹ 10 to ₹ 5 and 1:1 bonus.



SMC Credits Limited  
Notes to the financial statements

Amount in ₹

Note No.	Description	As at 31st March, 2015	As at 31st March, 2014
2.09	Long term loans and advances Unsecured, considered good		
	Security deposits	5,280	5,280
	<b>Total</b>	<b>5,280</b>	<b>5,280</b>
2.10	Current Investment Non trade (Fully Paid Up) Investment in units of Mutual Fund		
	1092.73 (96.390) Units Reliance money manager fund	1,02,958	96,593
	22565.388 (177.408) Units Reliance Liquid fund cash plan	3,44,96,611	2,71,211
	<b>Total</b>	<b>3,45,99,569</b>	<b>3,67,804</b>
2.11	Inventories Inventories (Stock of Shares)	3,12,630	60,900
	<b>Total</b>	<b>3,12,630</b>	<b>60,900</b>
2.12	Trade receivables (Current) Outstanding for less than six months Unsecured, considered good	14,91,796	10,43,070
	<b>Total</b>	<b>14,91,796</b>	<b>10,43,070</b>
2.13	Cash & Cash Equivalent: Cash-in-Hand Balance with Banks on current accounts	1,40,464 7,34,027	25,432 39,60,140
	<b>Total</b>	<b>8,74,491</b>	<b>39,85,572</b>
2.14	Short term loans and advances Unsecured, considered good		
	Loans and advances	2,27,14,056	2,33,13,642
	Advances Recoverable in cash or in kind	1,40,00,000	1,41,316
	Income tax & TDS	1,37,467	2,28,681
	(net of provision for tax ₹ 39,25,000; PY ₹ 35,00,000)		
	<b>Total</b>	<b>3,68,51,523</b>	<b>2,36,83,639</b>

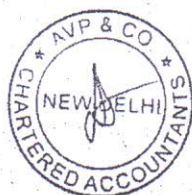




SMC Credits Limited  
Notes to the financial statements

Amount in ₹

Note No.	Description	For the Year ended 31 March, 2015	For the Year ended 31 March, 2014
2.15	Revenue from operations		
	Dividend earned	3,96,61,960	73,17,134
	Interest earned	25,08,189	13,09,144
	Securities dealing	70,567	11,590
	<b>Total</b>	<b>4,22,40,716</b>	<b>86,37,868</b>
2.16	Other income		
	Rent Received	88,24,435	81,78,710
	Interest on Income Tax Refund	25,496	-
	<b>Total</b>	<b>88,49,931</b>	<b>81,78,710</b>
2.17	Employee benefit expense		
	Salaries and wages	7,50,500	7,03,000
	Staff welfare	65,314	52,140
	<b>Total</b>	<b>8,15,814</b>	<b>7,55,140</b>
2.18	Depreciation and amortization expense		
	Depreciation on tangible assets	4,92,687	3,90,463
	<b>Total</b>	<b>4,92,687</b>	<b>3,90,463</b>
2.19	Other expenses		
	Travelling and conveyance	44,075	39,640
	Printing and stationery	18,710	16,905
	Rent	1,08,000	1,08,000
	Rates and taxes	44,547	33,778
	Postage & telephone expenses	18,200	15,600
	Property Tax	58,116	59,795
	Advertisement	23,665	36,202
	Legal and professional	15,526	71,001
	Computer & data processing expenses	3,700	3,600
	Office Repairs and maintenance	96,493	2,02,583
	Depository charges	2,047	1,481
	Donation	14,68,500	-
	Listing Fee	28,090	93,815
	News paper & periodicals	2,455	2,310
	Brokerage paid	-	1,51,686
	Meeting expenses	5,140	3,240
	Insurance	26,629	-
	Bank charges	2,940	3,042
	Miscellaneous	12,700	2,500
	Provision for standard assets	(1,512)	20,997
	Balance written off	1,41,316	-
	<b>Remuneration to Auditor</b>		
	- Statutory Audit	16,854	20,000
	- Other services	3,933	5,000
	<b>Total</b>	<b>21,40,124</b>	<b>8,91,175</b>





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

2.20 Contingent Liabilities Nil (PY Nil)

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

2.22 Particular of Opening Stock and Closing Stock of shares

Particulars	31.03.2015		31.03.2014	
Shares	Qty	Value	Qty	Value
Opening Stock	1200	60900	5200	104350
Purchases/Additions	67800	5078042	5100	6637339
Sale	68500	4896879	9100	6692379
Closing Stock	600	312630	1200	60900

2.23 Segment Reporting

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

- Non banking financial services
- Others

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

Particulars	NBFC	OTHERS	TOTAL
Amount in ₹			
Segment Revenue			
External Revenue	42170149 (8626278)	8920498 (8190300)	51090647 (16816578)
Segment Result (Before Tax)	40748335 (7084161)	6893687 (7695639)	47642022 (14779800)
Other Information			
Segment Assets	244622342 (199266230)	22884517 (22807137)	267506859 (222073367)
Segment Liabilities	1118797 (1077572)	Nil (Nil)	1118797 (1077572)

Note : Figures in brackets indicated previous year amount.

2.24 Earning per share

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

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Net Profit attributable to Equity Shareholders (₹)	4,55,00,835	1,30,12,257
Weighted Average No. of Equity Shares	1,00,22,200	1,00,22,200
Nominal Value per share (₹)	10	10
Basic & Diluted EPS (₹)	4.54	1.30

2.25 Related Party Disclosure

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

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

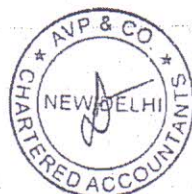
- a) The Company has obtained a certificate of registration from the Reserve Bank of India



- b) (i) The Board of Directors has passed a resolution for the non acceptance of any public deposits.
- (ii) The Company has not accepted any public deposit during the year and
- (iii) The Company has complied with the prudential norms relating to income recognition , accounting standard , assets classification and provisioning for bad and doubtful debts as applicable to it.

(B) Schedule in terms of paragraph 9BB of Non-Banking Financial Companies Prudential Norms ( Reserve Bank ) Directions , 1998

Liabilities Side;	Amount in ₹	
	Amount Outstanding	Amount Overdue
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
a) Debentures : Secured	Nil	Nil
: Unsecured	Nil	Nil
(other than falling within the meaning of public deposits )		
b) Deferred credits	Nil	Nil
c) Term loans	Nil	Nil
d) Inter-corporate loans & borrowings	Nil	Nil
e) Commercial paper	Nil	Nil
f) Public deposits	Nil	Nil
g) Other loans -		
i) Working capital loans from banks	Nil	Nil
ii) Security deposit for corporate guarantee	Nil	Nil
iii) Secured loans	Nil	Nil
(2) Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid ) :		
a) In the form of unsecured debentures :	Nil	Nil
b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	Nil	Nil
c) Other public deposits	Nil	Nil
Assets Side;	Amount outstanding	
(3) Break-up of Loans and advances including bills receivables [ other than those included in (4) below : ]		
a) Secured	Nil	
b) Unsecured (net of provisions)	22714056	
(4) Break-up of Leased Assets stock on hire and hypothecation loans counting towards EL / HP activities ( net of provision )		
i) Lease assets including lease rentals under sundry debtors		
a) Financial lease	Nil	
b) Operating lease	Nil	
ii) Stock on hire including hire charges under sundry debtors :		
a) Assets on hire	Nil	
b) Repossessed assets	Nil	
iii) Hypothecation loans counting towards EL / HP activities		
a) Loans where assets have been repossessed	Nil	
b) Loans other than (a) above	Nil	
(5) Break-up of Investments :		
Current Investments :		
1. Quoted:		
i) Shares: a) Equity	312630	
b) Preference	Nil	
ii) Debentures and Bonds	Nil	
iii) Units of mutual funds	Nil	
iv) Government Securities	Nil	
v) Others (please specify)	Nil	





2. Unquoted			
i) Shares:	a) Equity		Nil
	b) Preference		Nil
ii) Debentures and Bonds			Nil
iii) Units of mutual funds			34599569
iv) Government Securities			Nil
v) Others (please specify)			Nil

**Non-current investments**

1. Quoted:			
i) Shares:	a) Equity		37807145
	b) Preference		Nil
ii) Debentures and Bonds			Nil
iii) Units of mutual funds			Nil
iv) Government Securities			Nil
v) Others (please specify)			Nil
2. Unquoted			
i) Shares:	a) Equity		46966475
	b) Preference		84801295
ii) Debentures and Bonds			1000000
iii) Units of mutual funds			Nil
iv) Government Securities			Nil
v) Others (please specify)			Nil

**(6) Borrower group-wise classification of all leased assets, stock-on hire and loans and advances**

Category	Amount net of provisions (₹)		
	Secured	Unsecured	Total
1. Related Parties			
a) Subsidiaries	Nil	Nil	Nil
b) Companies in the same group	Nil	Nil	Nil
c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	Nil	22714056
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>22714056</b>

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

Category	Break-up value per share (₹)	Book value ( net of provision ) (₹)
1. Related Parties		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
2. Other than related parties		
<b>Quoted</b>		
Equity Shares	10	4192328
Equity Shares	5	33620277
Equity Shares	1	307170
Mutual fund		34599569
<b>Unquoted</b>		
Equity Shares	10	46890315
Equity Shares	100	76160
Preference Shares	100	2713800
Preference Shares	10	82087495
Debentures	10	1000000
<b>TOTAL</b>		<b>205487114</b>





**Other information**

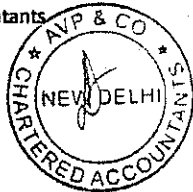
Particulars	Amount in ₹
I) Gross Non-Performing Assets	
a) Related parties	Nil
b) Other than related parties	Nil
II) Net Non-Performing Assets	
a) Related parties	Nil
b) Other than related parties	Nil
III) Assets acquired in satisfaction of debt	Nil

- 2.19 Previous year's figures have been rearranged and re-grouped wherever found necessary to make comparable with those of the current year and the figures has been rounded off to the nearest to rupee.
- 2.20 Other additional information pursuant to general instruction for preparation of statement of Profit & Loss of part II of Schedule III of the Companies Act, 2013 are not given since these are not applicable.

**As per our report**

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

  
Arvind Sharma  
M. N.: 525962  
Partner

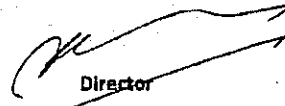


Place : New Delhi  
Date : 30/5/15

For and on behalf of Board

  
Director

(P. ARYA)

  
Director

(Y. P. ARYA)

DIN: 00006507 DIN: 00505675


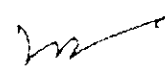

# SMC Credits Ltd.

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

Email: smccorp011@yahoo.in  
CIN: L65910DL1992PLC049566

PH: 011-45012880

## FORM-A

1.	Name of the company	SMC credits Limited
2	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3	Type of audit observation	Un modified
4	Fequency of Observation	Not applicable
5	To be signed by	
	Chairman	
	Director	
	Stautory Auditor	
	Chairman, Audit committee	