



SMIFS CAPITAL MARKETS LIMITED

August 16, 2021

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

Dear Sir,

Sub: Annual Report of the Company for the year ended 2020-2021- AGM to be held on September 25, 2021

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 31st March, 2021 for your record.

Yours faithfully,
For SMIFS Capital Markets Limited

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



ANNUAL REPORT
2020–2021



SMIFS CAPITAL MARKETS LTD.

SMIFS CAPITAL MARKETS LIMITED

CONTENTS

SMIFS CAPITAL MARKETS LIMITED	Page No.
1. Notice	3
2. Directors' Report	21
3. Corporate Governance Report	36
4. Auditor's Report on Corporate Governance	55
5. 10 Year's Highlights	56
6. Auditor's Report	57
7. Balance Sheet	67
8. Statement of Profit and Loss	68
9. Statement of Changes in Equity	69
10. Cash Flow Statement	71
11. Significant Accounting Policies	72
12. Notes to Financial Statements	80
 CONSOLIDATED FINANCIAL STATEMENTS	
13. Auditor's Report	105
14. Consolidated Balance Sheet	112
15. Consolidated Statement of Profit & Loss	113
16. Consolidated Statement of Changes in Equity	114
17. Consolidated Cash Flow Statement	116
18. Significant Accounting Policies	117
19. Notes to Consolidated Financial Statements	126
 SMIFS CAPITAL SERVICES LIMITED – SUBSIDIARY COMPANY	
20. Directors' Report	149
21. Auditor's Report	162
22. Balance Sheet	171
23. Statement of Profit & Loss	172
24. Statement of Changes in Equity	173
25. Cash Flow Statement	174
26. Significant Accounting Policies	175
27. Notes to Financial Statements	182

SMIFS CAPITAL MARKETS LIMITED

(CIN NO.: L74300WB1983PLC036342)

Board of Directors

Mr. Utsav Parekh	–	Chairman
Mr. Ramesh Maheshwari	–	Independent Director
Mr. Ajay Kumar Kayan	–	Director
Mr. Santosh Kumar Mukherjee	–	Independent Director
Mrs. Pushpa Mishra	–	Independent Director
Mr. Kishor Shah	–	Managing Director

Registered office address

“Vaibhav” (4F), 4, Lee Road, Kolkata-700020

Phone: (033)2290-0544/22907400

Fax no. (033)22871042/6884

Email:smifcap@gmail.com, cs.smifs@gmail.com

Company Secretary

Mrs. Poonam Bhatia

Auditors

S.K. Agarwal and Co Chartered Accountants LLP
Chartered Accountants

Bankers

HDFC Bank Ltd
State Bank of India
ICICI Bank

Registrar & Transfer Agents

M/s. Maheshwari Datamatics Private Ltd
23, R.N. Mukherjee Road, 5th Floor
Kolkata – 700 001
Phone: (033)2243-5029/2248-2248
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: cs.smifs@gmail.com Website: www.smifscap.com

NOTICE

NOTICE is hereby given that the Thirty Eighth Annual General Meeting of the members of **SMIFS CAPITAL MARKETS LIMITED** will be held on Saturday, 25th September, 2021, at 11 am through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2021, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint Director in place of Mr. Utsav Parekh (DIN No.00027642), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. REAPPOINTMENT OF MR. KISHOR SHAH, AS MANAGING DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the reappointment of Mr. Kishor Shah (holding DIN 00170502) as Managing Director of the Company for a period of 3 (Three) years from April 1, 2021 to March 31, 2024 upon the terms and conditions including the remuneration to be paid in the event of loss or inadequacy of profits in any Financial Year as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Kishor Shah, Managing Director.

RESOLVED FURTHER THAT the Board of Directors be authorized to take such steps as may be necessary, proper or expedient to give effect to the resolution.”

4. CONSENT OF THE MEMBERS FOR INCREASE IN THE LIMITS APPLICABLE FOR MAKING INVESTMENTS/ EXTENDING LOANS AND GIVING GUARANTEES OR PROVIDING SECURITIES IN CONNECTION WITH LOANS TO PERSONS / BODIES CORPORATE

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

“**RESOLVED THAT** in supersession of the earlier resolutions and pursuant to the provisions of Section 186 of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”) to (i) give any loan to any person or other Body Corporate that includes the loan to be given to the Companies under the same management or same group; (ii) give any guarantee or provide any security in connection with a loan to any other Body Corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other Body Corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or Body Corporates along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed in aggregate a sum of Rs. 125 Crores (Rupees One hundred and twenty five Crores only) even if it exceeds the limit of 60% of the Paid-Up Share Capital, Free Reserves And Securities Premium Account of the Company or 100% of Free Reserves And Securities Premium Account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

Regd. Office:

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

The 29th day of June, 2021

By Order of the Board of Directors

Sd/-

(Poonam Bhatia)

Company Secretary-cum-Senior Manager Legal

NOTES:

- 1) In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020, January 13, 2021 (collectively referred to as “MCA Circulars”) along with SEBI Circular dated January 15, 2021 had permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio- Visual Means (“OAVM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC /OAVM.
- 2) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice.
- 3) 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.
- 4) 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 : cs.smifs@gmail.com) or to Registrars, M/s. Maheshwari Datamatics Pvt. Ltd., 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700001 (e-mail id – mdpldc@yahoo.com).
- 5) 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 : cs.smifs@gmail.com) or to the Registrars, M/s. Maheshwari Datamatics Pvt. Ltd., 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700001 (e-mail id: mdpldc@yahoo.com).
- 6) 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.
- 7) 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.
- 8) 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.

- 9) 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.
- 10) The Register of Members and Share Transfer Books of the Company shall remain closed from September 18th, 2021 to September 25th, 2021(both days inclusive).
- 11) Members of the Company had approved appointment of M/s S K Agarwal and Co Chartered Accountants LLP as Statutory Auditors of the Company at the 35th Annual General Meeting of the Company held on 22nd September, 2018 for a period of 4 years from the conclusion of the Thirty Fifth Annual General Meeting till the conclusion of the Thirty Ninth Annual General Meeting of the Company subject to the ratification by the Members at every Annual General Meeting. In view of the amendments made by Companies (Amendment) Act, 2017 the requirement of ratification of appointment of Statutory Auditors at every Annual General Meeting is no more necessary. As such resolution for seeking ratification of appointment of Statutory Auditor has not been placed before the shareholders at this Annual General Meeting.
- 12) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report 2020-21 will also be available on the Company's website at www.smifscap.com, on the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and on the website of CDSL i.e. www.evotingindia.com
- 13) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 14) 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 2014, 2015, 2016, 2017, 2018, 2019 and 2020. Such Members are requested to write to the Company / Registrars and obtain payment thereof.

The Members/ claimants whose shares, unclaimed dividend, sale proceeds of fractional shares etc. have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF -5(available on www.iepf.gov.in) along with requisite fee as decided by it from time to time. The Member / claimant can file only one consolidated claim in a financial year as per the IEPF Rules.
- 15) Investor Grievance Redressal: Company has an exclusive e-mail id, viz. cs.smifs@gmail.com for investors to register their grievances if any.
- 16) 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.
- 17) In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended to date and Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given hereinbelow. The remote e-voting period commences at 10.00 A.M. on Tuesday, September 21, 2021 and ends at

5.00 P.M. (IST) on Friday, September 24, 2021. During this period, Members holding shares either in physical or de-materialized form as on the Cut-Off Date i.e., Saturday, September 18, 2021, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

- 18) Members holding shares in physical form are informed that Securities and Exchange Board of India has amended SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 which has come into force wherein except in cases of transmission or transposition of securities requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. Hence, members holding securities in physical form are requested to convert their holdings to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company's RTA for assistance in this regard.
- 19) 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 shareholders voting electronically are as under:

CDSL e-Voting System – For Remote e-voting and e-voting during AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.smifscap.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on September 21, 2021, (10.00 a.m.) and ends on September 24, 2021 (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 (record date) of September 18, 2021 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings alongwith links of the respective e-Voting service provider i.e. CDSL/NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> 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).

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (ix) Click on the EVSN for the relevant SMIFS Capital Markets Limited on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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.
- (xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs.smifs@gmail.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requesting advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders-, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at

022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Other Instructions:

- (A) Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- (B) The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM, but shall not be entitled to cast their vote again.
- (C) The remote e-voting period commences on September 21, 2021(10: 00 a.m.) and ends on September 24, 2021 (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 18, 2021 (Saturday) may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- (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 18, 2021(Saturday)
- (E) Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice of Annual General Meeting shall be deemed to be passed on the date of the AGM i.e Saturday, September 25, 2021.
- (F) Mr. Sudhansu Sekhar Panigrahi, Practicing Company Secretary (Membership No. 23187 and COP No.19649) has been appointed as the Scrutinizer to Scrutinize the e-voting process in fair and transparent manner, whose e-mail address is panigrahis7@gmail.com.
- (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 alongwith the report of the Scrutinizer shall be placed on the website of the Company 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.

20) 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
2015-2016	₹ 0.75/-	29th September, 2016
2016-2017	₹ 1.00/-	28th September, 2017
2017-2018	₹ 1.00/-	24th September,2018
2018-2019	NIL	NIL
2019-2020	NIL	NIL

21) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members by writing an e-mail to the Company Secretary at cs.smifs@gmail.com

22) Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

Regd. Office:

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

The 29th day of June, 2021

By Order of the Board of Directors

Sd/-

(Poonam Bhatia)

Company Secretary-cum-Senior Manager Legal

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 3

The 3 (Three) years tenure of Mr. Kishor Shah as Managing Director of the Company ended on March 31, 2021. Nomination and Remuneration Committee in its Meeting held on February 12, 2021 recommended and the Board of Directors in their meeting held on the same date approved, subject to the approval of the members by a Special Resolution in the ensuing Annual General Meeting, the appointment of Mr. Kishor Shah as Managing Director for a further period of three years with effect from April 1, 2021 at a remuneration and on such terms and conditions as specified in the agreement entered into between the Company and Mr. Kishor Shah, Managing Director and subject to such limits as mentioned in Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V, Part II, Section II (A) to the Companies Act, 2013.

Information required to be furnished under Schedule V, Part II Section II (A) to the Companies Act, 2013 is given as under:

(i)	Effective Capital as on 31.03.2021	Rs. 285,330,767
I.	General Information:	
	1) Nature of Industry	Financial Services
	2) Expected date of commencement of commercial production.	The Company is in operation and is engaged in financial services.
	3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A.
	4) Financial performance based on given indicators.	<p>(a) Profit/ (loss) Before Tax</p> <p>Rs.</p> <p>31.03.21 31,166,379</p> <p>31.03.20 2,104,884</p> <p>31.03.19 7,450,427</p> <p>(b) Provision for Taxation (Including Deferred Tax)</p> <p>Rs.</p> <p>31.03.21 29,007,900</p> <p>31.03.20 771,225</p> <p>31.03.19 1,762,982</p> <p>(c) Profit/(Loss) after Tax</p> <p>Rs.</p> <p>31.03.21 2,158,479</p> <p>31.03.20 1,333,660</p> <p>31.03.19 5,687,445</p>
	5) Foreign investments or collaborations, if any.	NIL

II.	Information about the appointee:	
	1) Back ground details	(a) Age : 64Yrs (b) Qualification : B.Com(Hons),ACA, ACS (c) Profession : Service (d) Experience : Over 41 years of experience. Director of two Companies and also member of various Committees.
	2) Past Remuneration	Managerial Remuneration drawn as Managing Director of SMIFS Capital Markets Limited.
	3) Recognition and awards	NIL
	4) Job Profile and his suitability	Mr. Kishor Shah heads the Merchant and Investment Banking, Underwriting, Corporate Advisory, Loan Syndication and other related activities being the complete range of financial services provided by the company and with his profound knowledge and experience guides the Company. He also supervises all other activities pursued by the Company.
	5) Remuneration proposed	Given below for the financial years April 1, 2021 to March 31, 2024.
	6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin).	Remuneration proposed is in line with the amount being paid to the professionals in the same field.
	7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	None
III.	Other Information :	
	1) Reasons for loss and inadequate profit	N.A.
	2) Steps taken or proposed to be taken for improvement	Company is professionally managed and performance is slated to improve in the ensuing years.
	3) Expected increase in productivity and Profits in measurable terms	The Company expects to increase the productivity and profits by 15% approx in future years.

IV. Disclosures

Pursuant to Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V, Part II, Section II (A) to the Companies Act, 2013 the following remuneration, if approved, will be paid to Mr. Kishor Shah with effect from April 1, 2021:

- (i) **Salary:** Rs. 4,51,000/- (Rupees Four Lakhs and Fifty One Thousand only) per month upto March 31, 2022 with annual increment of such amount for all the three years from 1.04.2021 as may be decided by the Board, subject to the overall limit specified herein below.
- (ii) **House Rent Allowance:** 25% (Twenty Five per cent) of the salary.
- (iii) **Contribution to Provident Fund:** 12% (Twelve percent) of the salary as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.
- (iv) **Annual Flexi Benefit:** Reimbursement of expenses towards Medical benefits for self and family, Leave Travel Assistance, etc. as per the rules of the Company.
- (v) **Gratuity:** As per the rules of the Company.
- (vi) **Personal Accident and Hospitalization Insurance:** As per rules of the Company.
- (vii) **Leave:** Entitled for leave with full pay or encashment as per the rules of the Company.
- (viii) **Conveyance facilities:** The Company shall provide suitable conveyance facilities or in lieu of conveyance facilities, the Company shall reimburse the actual conveyance expenses incurred only for official purposes.
- (ix) **Telephone and other communication facilities:** The Company will reimburse expenses incurred on mobile phones and provide telephone, telefax, broadband internet and other communication facilities at the Managing Director's Residence.
- (x) **Club Membership:** In accordance with the rules of the Company.
- (xi) **Bonus and/or Ex-gratia:** As decided by the Board from time to time.
- (xii) **a) Other Perquisites:** Subject to the overall ceiling on the remuneration mentioned herein below, the Managing Director may be given other allowances, benefits including stock option benefit as may be applicable and perquisites as the Board may decide from time to time.

b) Overall Remuneration:

The aggregate salary, commission and perquisites stated in Clause IV (a) (i) to (xi) in any financial year shall not exceed the limit prescribed from time to time under Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V, Part II, Section II (A) to the Companies Act, 2013 as in force from time to time.

c) Minimum Remuneration:

- (i) The remuneration and terms of appointment shall be calculated on the basis of effective capital at the end of previous financial year and the remuneration shall be restricted upto the upper limit based on the effective capital as prescribed in Schedule V, Part II, Section II (A) to the Companies Act, 2013.
- (ii) In the event of loss and inadequacy of profit in any financial year during the currency of tenure of the service the payment of salary, commission, perquisites and other allowance shall be governed by the limits prescribed in Schedule V, Part II, Section II (A) to the Companies Act, 2013.

Your Directors recommend the resolution as a Special Resolution.

This may be considered as the abstract of the terms of contract with Mr. Kishor Shah, Managing Director pursuant to the provisions of Section 190 of the Companies Act, 2013.

Agreement dated February 12, 2021 entered into by the Company with Mr. Kishor Shah is available for inspection at the registered office of the Company between 11:30 a.m. to 12:30 p.m. on any working day.

Mr. Kishor Shah may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own appointment. None of the other Directors and Key Managerial Personnel of your Company or their relatives is, in any way, concerned or interested in the said Resolution.

Item No. 4

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans to various persons and Body Corporates from time to time to deploy its surplus funds in compliance with the applicable provisions of the Companies Act, 2013

The provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other Body Corporate that includes the loan to be given to the Companies under the same management or same group; (b) give any guarantee or provide security in connection with a loan to any other Body Corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other Body Corporate, exceeding sixty percent of its Paid-Up Share Capital, Free Reserves And Securities Premium Account or one hundred per cent of its Free Reserves And Securities Premium Account, whichever is more. Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required to be passed at a General Meeting.

As per the latest audited Balance Sheet of the Company as on 31st March 2021 sixty per cent of the Paid-Up Share Capital, Free Reserves And Securities Premium Account Amounts to Rs. 587,704,021 while one hundred per cent of its Free Reserves And Securities Premium Account amounts to Rs. 923,656,702. Therefore, the maximum limit available to the Company under Section 186(2) of the Companies Act, 2013, for making investments or giving loans or providing guarantees / securities in connection with a loan, as the case may be, is Rs. 125

Crores. As on 31st March 2021, the aggregate value of investments and loans made and guarantee and securities issued by the Company, amounts to Rs 865,762,918.

In view of the above and considering the long term business plans of the Company, which requires the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time, prior approval of the Members is being sought for enhancing the said limits. Hence, the Special Resolution at Item No. 4 of the Notice, notwithstanding the fact that the same exceeds the limits provided under Section 186 of the Companies Act 2013.

The Director recommends the Special Resolution as set out at Item No. 4 of the accompanying Notice, for Members' approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution.

Regd. Office:

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

The 29th day of June, 2021

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 Eighth Annual Report of the Company together with the audited financial statements for the year ended March 31, 2021.

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

(₹ in million)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Profit before Interest, Depreciation & Tax	35.77	7.99
Less: Finance Charge	0.23	0.35
Profit before Depreciation & Tax	35.54	7.64
Less: Depreciation / Amortization	4.38	5.54
Profit before Tax	31.17	2.10
Less: Tax Expenses – Current / Earlier years	2.99	1.02
Less : Deferred Tax for the year	26.02	(0.25)
Profit after Tax	2.16	1.33
Profit brought forward from earlier year :	107.70	106.37
Profit transfer from OCI Reserve:	(10.88)	-
Profit available for Appropriation	98.98	107.70
APPROPRIATIONS		
Dividend including Dividend Tax	-	-
Profit carried to Balance Sheet	98.98	107.70

(b) FINANCIAL AND OPERATIONAL PERFORMANCE

Operating profit (PBDIT) of the Company for the year was ₹ 35.77 million (previous year ₹7.99 million) an increase of 347.80 % over previous year. Profit after tax for the year was ₹ 2.16 million (₹1.33 million in the previous year) an increase of 61.85 % over previous year .

Net worth of the Company as on March 31, 2021 was ₹ 1048.77 million (previous year ₹ 1027.49 million).

(c) CAPITAL

The paid up Equity Share Capital as on March 31, 2021 stood at ₹ 55,850,000/- divided into 5,585,000 equity shares of Rs.10/- each.

(d) DIVIDEND

In view of spread of second wave of COVID 19 and the likelihood of third wave coming, your Board of Directors consider it prudent to conserve cash and do not recommend any dividend for the year under review.

(e) TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the applicable provisions of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Further, according to the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares in respect of which the dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Accordingly the Company has transferred the unclaimed and unpaid dividend and shares.

Attention is also being drawn that the unclaimed/unpaid dividend for the Financial year 2013-14 is due for transfer to Investor Education and Protection Fund during October/ November 2021. In view of this, Members of the Company, who have not yet encashed their dividend warrant(s) or those who have not claimed their dividend amounts, may write to the Company/ Company's Registrar and Transfer Agents, M/s Maheshwari Datamatics Private Limited.

2. 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".

3. FINANCE

The Company continues to focus on judicious management of its working capital. The Company's long term debt as on 31st March, 2021 was Rs. 1.76 million (Previous Year Rs. 3.43 million)

3.1 DEPOSITS

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

3.2 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

4. 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 monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company and its subsidiary. Based on the report of internal auditors, corrective action is undertaken in respective areas and thereby controls are strengthened. Significant audit observations and corrective actions taken thereon are presented to the Audit Committee of the Board.

5. SUBSIDIARY COMPANY

As on March 31, 2021, there is 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 herewith.

FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE SUBSIDIARY COMPANY

(₹ in million)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Profit/(Loss) before Interest, Depreciation & Tax	0.71	(0.50)
Less: Finance Charge	-	-
Profit/(Loss) before Depreciation & Tax	0.71	(0.50)
Less: Depreciation / Amortization	0.05	0.06
Profit/ (Loss) before Tax	0.66	(0.56)
Less : Tax Expenses	0.01	0.04
Profit/ (Loss) after Tax	0.65	(0.60)
Profit/(Loss) brought forward from earlier years :	(6.04)	(5.44)
Profit/(Loss) carried to Balance Sheet	(5.39)	(6.04)

6. YEAR IN RETROSPECT AND FUTURE OUTLOOK

In view of the Pandemic spreading in the countries, the Central Government imposed nationwide lockdown in second half of March 2020. However, beginning from May/June 2020 the stringent lockdown conditions were gradually eased as per the phased reopening guidelines, in order to facilitate gradual normalisation of economic activity.

While the subsequent initial uptick in high frequency indicators such as power, auto sales, PMI, GST Collections, and E-Way Bills was attributed to pent-up demand followed by heightened demand due to the festive season, the positive growth momentum sustained over the months, thus reflecting a V-shaped recovery. Manufacturing PMI remained in the expansionary zone for seven consecutive months while revenues from GST collections till May 2021 remained above the Rs1tn mark for 8 months in a row. The continued improvement in high frequency and forward indicators, supported by a favourable monetary and fiscal policy framework coupled with recovering domestic & external demand conditions, improved the short- and medium-term growth outlook. However the onslaught of Second Wave of the Pandemic from the beginning of April 2021 have again slowed down the economy and various states have resolved to lockdowns to curb the spread of the virus.

The stock market hit a multi-year low valuation at the end of March 2020, with the trailing P/B at 1.7x and market cap/GDP at 49%. From there the market registered a swift recovery and has almost doubled from the trough, not very different from the rest of the world. Among the three domestic factors that helped the recovery in share prices was the strong policy action from the government targeted at reviving private corporate profits, better-than-expected management of the pandemic resulting in less than the global average cases and fatality rates and strong corporate action through the pandemic by way of cost cutting initiatives. It is believed that the economy is at an inflection point that marks the start of a new virtuous growth cycle post first quarter of financial year 2021-22. While rural consumption has remained resilient, urban consumption started gradually

picking up pace. The improvement in domestic demand coupled with a pickup in global demand and favourable policy response from the government, in turn set the stage for a revival in the capex cycle. It is expected public capex will gather pace in the coming months, and subsequently crowd in private investments as well. As such, it is estimated India's GDP would grow at around 9.3% for FY 2022 and 7.9% for FY 2023. However, the key risk has again arisen from COVID-19 related factors such as resurgence in cases, mutation in the virus, and issues with efficacy and distribution of vaccines. Apart from this, risks are emerging from the domestic and external side: namely the 1) a faster-than expected rise in inflation, which could create pressure for preemptive tightening; 2) increase in credit stress domestically and wider credit spreads leading to tighter financial conditions stalling growth recovery; 3) slowdown in global growth; 4) risk aversion in global capital markets, faster-than-anticipated tightening in global financial conditions; and 5) sharp up move in global commodity prices. With accelerating earnings and reasonable relative valuations, strong policy traction, Indian economy should perform well once second wave of pandemic comes under control. In spite of Pandemic seriously affecting our business and our clients, your company has managed to earn reasonable profits for the year under review. The second wave has impacted our business and our clients. This may adversely affect our performance in the financial year 2021 - 2022.

Your Company is registered as Category I Merchant Banker and executes assignments in areas of Mergers and Acquisitions, Debt Syndication, Placement of Equity Shares and Bonds.

7. 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 2020-21 have been paid and 99.13 per cent of the equity shares of your Company are held in dematerialized form.

8. 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) in 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 directors have devised proper systems to ensure compliance with the provision of all applicable laws and that such system were adequate and operating effectively.

9. 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 foreseen and are of repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are of 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 have any pecuniary relationship or transactions vis-à-vis the Company.

10. 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.

11. 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 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.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Particulars required under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, 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 Nil. (previous year Nil).

13. 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.

Mr. Utsav Parekh is the Non- Executive Chairman. The three-year term of Mr. Kishor Shah as Managing Director ended on March 31, 2021 and on recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in its meeting held on February 12, 2021 subject to the same being ratified by the members at the ensuing Annual General Meeting by passing a Special Resolution, Mr. Kishor Shah has been re-appointed Managing Director of the Company with effect from April 1, 2021 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, read with Schedule V, Part II, Section II (A) to the Companies Act, 2013.

Mr. Utsav Parekh, Non- Executive Chairman, retires by rotation in accordance with the requirements of Companies Act, 2013 and Articles of Association of the Company. He being eligible offers himself for re-appointment.

Brief resume of Mr. Utsav Parekh, nature of his expertise in specific functional areas, names of companies in which he holds directorships and/or memberships/chairmanships of committees of Board, his shareholdings are furnished in section on 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.

13.1 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.

13.2 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 contents of which are placed on the website of the Company at www.smifscap.com

13.3 MEETINGS

During the year five 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.

14. AUDITORS

14.1 STATUTORY AUDITORS

The Statutory Auditor of the Company have changed their constitution and name from M/s S K Agarwal and Co to M/s S K Agarwal and Co Chartered Accountants LLP w.e.f. 31st December 2020 and further their amended Firm's Registration No. which would be E300272 and LLP Registration No. would be AAV-2926.

M/s S K Agarwal and Co Chartered Accountants LLP, Statutory Auditors of the Company hold office in accordance with the provisions of the Companies Act, 2013.

M/s S K Agarwal and Co Chartered Accountants LLP were appointed as the Statutory Auditors of the Company for a term of 4 years from the conclusion of the Thirty Fifth Annual General Meeting until the conclusion of the Thirty Ninth Annual General Meeting of the Company subject to the ratification by the Members at every Annual General Meeting , at a remuneration to be decided by the Board of Directors.

Since, the first proviso of Section 139 has been omitted w.e.f. May 7, 2018 by the Companies (Amendment) Act, 2017 which requires companies to place the appointment of Statutory Auditors

for ratification before the members at every Annual General Meeting of the Company, the ratification of appointment of M/s S K Agarwal and Co Chartered Accountants LLP as the Statutory Auditors of the Company will not be placed before the Members at the ensuing Annual General Meeting of the Company.

The observation made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments under Section 134(3)(f) of the Act.

14.2 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. Sadhansu Sekhar Panigrahi, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure B".

15. 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.

16. 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".

17. EXTRACT OF ANNUAL RETURN

Extract of Annual Return in Form MGT-9 is available at the website of the Company at www.smifscap.com

18. 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

19. 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 29th day of June, 2021

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

Inflation was earlier well within the RBI's 2% to 6% comfort range, but has recently moved up to 6.3% CPI for May 2021. The CPI for May 2021 recorded an uptick to 6.3%, led by a broad-based increase in prices from 4.23% in April 2021. The RBI has eased rates by 115bp since March 2020, taking the cumulative easing since 2019 to 250bp along with a rate cut of 155bp for the reverse repo rate. In addition, liquidity to the tune of 6.5% of GDP has been injected into the system in an attempt to ease financial conditions. This has resulted in a highly accommodative monetary policy stance. RBI is expected to keep policy rates on hold given the sticky trend in inflation and recovery in high-frequency growth. While inflation is expected to decelerate in second half of FY 2022, primarily reflecting a high base effect from last year, growth is expected to improve steadily in second half of financial year 2022.

3. OPPORTUNITIES

The lockdowns declared by various state governments to curb the spread of second wave of COVID 19 has badly affected our economy. However, it is expected that strong businesses will not only survive but gain market share. There is ample liquidity in the Banking system. The Monsoon is expected to be normal in the current year and the rural demand is by and large intact which is helping agri and agri related businesses. India's foreign exchange reserves crossed all time high of \$ 500 bn for the first time in June 2020. It is expected that growth will accelerate in the second half of the current year 2021-22.

The stock market hit a multi-year low valuation at the end of March 2020, with the trailing P/B at 1.7x and market cap/GDP at 49%. From there the market registered a swift recovery and has almost doubled from the trough, not very different from the rest of the world. Among the three domestic factors that helped the recovery in share prices was the strong policy action from the government targeted at reviving private corporate profits, better-than-expected management of the pandemic resulting in less than the global average cases and fatality rates and strong corporate action through the pandemic by way of cost cutting initiatives.

4. THREATS

The second wave of COVID-19 pandemic and likelihood of third wave is a big threat for most of the businesses in the financial year 2021 - 2022. The market demand and supply chains have

been very adversely affected due to the ongoing pandemic Covid -19. Some Economists have forecasted that the adverse effect of pandemic on economy may even last for two to three years.

The key risk has again arisen from COVID-19 related factors such as resurgence in cases, mutation in the virus, and issues with efficacy and distribution of vaccines. Apart from this, risks are emerging from the domestic and external side, namely 1) a faster-than expected rise in inflation, which could create pressure for preemptive tightening; 2) increase in credit stress domestically and wider credit spreads, leading to tighter financial conditions, stalling growth recovery; 3) slowdown in global growth; 4) risk aversion in global capital markets, faster-than-anticipated tightening in global financial conditions; and 5) swings in global commodity prices.

5. FUTURE OUTLOOK

Your Company is a Category-I Merchant Banker and executes assignments in areas of Mergers and Acquisitions, Debt Syndication and Placement of Equity Shares and Bonds.

The second wave of pandemic COVID-19 has adversely affected our operations and also our clients. There is a possibility of third wave also coming in the second half of the current year. Therefore, the outlook for the current year is very uncertain.

6. 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.

7. 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.

8. 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 29th day of June, 2021

For and on behalf of the Board of Directors

Sd/-

(UTSAV PAREKH)

Chairman

(DIN No. 00027642)

FORM NO. MR-3

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

To,
The Members,
SMIFS CAPITAL MARKETS LIMITED
(CIN : L74300WB1983PLC036342)

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SIMFS CAPITAL MARKETS LIMITED (CIN –L74300WB1983PLC036342) (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to me and representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March 2021 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company and records made available to me for the financial year ended on 31st March 2021 according to the applicable provision of:

- (i) The Companies Act , 2013 (the act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the regulation and Bye-laws framed there under ;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Discloser Requirement) Regulations, 2009 **(The Company has neither issued nor listed any securities during the audit period);**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 **(Not applicable to the Company during the audit period);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008 **(The Company has neither issued nor listed any debt securities during the audit period);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, **(No Equity Shares have been delisted by the Company during the audit period)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(No Securities have been bought back by the Company during the audit period)**
- (vi) Some of other laws as informed and certified by the management of the Company, which are specifically applicable to the Company based on its sector/industry, are;-
 - (a) E-Waste (Management and Handling) Rules, 2011 E-Waste (Management) Rules 2016;
 - (b) The Payment of Wages Act, 1936 and The Payment of Wages Rules, 1937;
 - (c) The Maternity Benefit Act, 1961;
 - (d) The Equal Remuneration Act 1976;
 - (e) Payment of Gratuity Act 1972 & Rules;
 - (f) Protection of Women against Sexual Harassment at Workplace Act & Rules
 - (g) The Payment of Bonus Act, 1965 and The Payment of Bonus Rules, 1975;
 - (h) The Minimum Wages Act, 1948 and The Minimum Wages (Central) Rules 1950;
 - (i) Employee's State Insurance Act 1948 and The Employee's State Insurance (Central) Rules 1950;
 - (j) Employee's Provident Fund and Miscellaneous Provisions Act 1952 and Employees' Provident Fund Scheme 1952;

- (k) The Employee's Deposit Linked Insurance Scheme 1976 and Employee's Pension Scheme, 1995;

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

- (i) The Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities & Exchange Board of India (Listing Obligation and Discloser Requirements) Regulations 2015

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

In respect of other laws specifically applicable to the company, I have relied in information, explanations, clarification/records produced by the company during the course of my audit and the reporting is limited to that extent.

I further report that

The Board of Directors of the Company is dully constituted with proper balance of Executive Directors, Non-Executive Directors, Women Directors and Independent Directors. There is no changes in the composition of the Board of Directors during the period under review after the resignation of one director.

Adequate notice was given to all directors to schedule the Board Meeting. Agenda and details note on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaning full participation at the meting

Majority of decisions at the Board and Committee meetings are carried through unanimously as recorded in the minutes of the respective Meetings.

I further report that as represented by the Company and relied upon by me, there are 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, However, the Company may adopt better system in the above connection.

I further report that during the audit period, there were no instances, which the Company had entered into and had a major bearing on the company affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Kolkata
Date : 19.05.2021

Sudhansu Sekhar Panigrahi
Practicing Company Secretaries
Membership No. : 23187
C.P No. : 19649

To,
The Members,
SMIFS CAPITAL MARKETS LIMITED
(CIN : L74300WB1983PLC036342)

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record in the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretariat records. The verification was done on test basis to ensure that connect CP are reflected in Secretarial records. I believe that the process and practice followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I have obtained the representation of the Management about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws rules, regulations, standard is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata
Date : 19.05.2021

Sudhansu Sekhar Panigrahi
Practicing Company Secretaries
Membership No. : 23187
C.P No. : 19649

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	19.53
2	Mr. Shreemanta Banerjee	4.15
3	Mrs. Poonam Bhatia	2.07

The Median Remuneration of all employees for 2020-21 is ₹ 3,53,582/-.

- (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 decrease in remuneration
1	Mr.Kishor Shah	-19.56
2	Mr.Shreemanta Banerjee	-14.33
3	Mrs.Poonam Bhatia	-10.47

- (iii) The percentage increase in the median remuneration of employees in the financial year: NIL
- (iv) The number of permanent employees on the rolls of Company.
- There are 17 permanent employees on the rolls of the Company as on March 31, 2021.
- (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, 2021 increased by 1380.67 % whereas the increase in median remuneration was NIL. 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 decreased by 18.09 % from ₹ 1,11,16,306 in 2019-20 to ₹ 91,05,511 in 2020-21 whereas the Profit Before Tax increased by 1380.67 % to ₹ 31.17 million in 2020-21 (₹ 2.10 million in 2019-20)
- (vii) a) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2021 was ₹ 245.740/- Million (₹117.285 /- Million as on March 31, 2020)
- b) Price Earnings Ratio of the Company was 110.83 as at March 31, 2021 and was 87.94 at March 31, 2020.

- 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 Rs. 1,000 invested in the said IPO would be worth Rs. 44000/- as on March 31, 2021. 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 financial year i.e. 2020-21 was Nil whereas the decrease in the managerial remuneration for the same financial year was 18.09%.

- (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 29th day of June, 2021

For and on behalf of the Board of Directors

Sd/-

(UTSAV PAREKH)

Chairman

(DIN No. 00027642)

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2020-21

[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, 2021 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)	Mr. Santosh Kumar Mukherjee
		(iii)	Mrs. Pushpa Mishra
(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 three years w.e.f. April 1, 2018 and the same was approved in the Annual General Meeting held on September 22, 2018. The 3(Three) year tenure of Mr. Kishor Shah as Managing Director expired on March 31, 2021. Board of Directors in their meeting held on February 12, 2021 reappointed Mr. Kishor Shah as Managing Director for a further period of 3 (Three) years with effect from April 1, 2021 at the remuneration recommended by the Nomination and Remuneration Committee as per Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 subject to the approval of shareholders by passing a Special Resolution at the ensuing Annual General Meeting of the Company.

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, 2021 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 2020 - 2021 Attendance at Board Meetings	Year 2019 - 2020 Attendance at the last AGM	No. of outside Director-ships	No of other Board / Committees of which he/she is a member	No of other Board / Committees of which he/she is a Chairman
Mr. Utsav Parekh–Non Executive Chairman	Promoter Non-Independent	4	Yes	11	3	4
Mr. Ramesh Maheshwari	Independent	5	Yes	3	0	0
Mr. Santosh Kumar Mukherjee	Independent	5	Yes	4	0	2
Mr. Ajay Kumar Kayan	Promoter Non-Independent	5	No	4	0	0
Mr. Kishor Shah	Managing Director	5	Yes	2	1	0
Mrs. Pushpa Mishra	Independent	5	Yes	0	2	0

Category of Directorship in Listed Company as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sl. No	Name of Director	Name of the Listed Entity	Category of Directorship
1.	Mr. Utsav Parekh	SMIFS Capital Markets Limited	Non-Executive - Non Independent Director
		Texmaco Infrastructure & Holdings Limited	Non-Executive - Independent Director
		Xpro India Limited	Non-Executive - Independent Director
		Texmaco Rail & Engineering Limited	Non-Executive - Independent Director
		Spencer's Retail Limited	Non-Executive - Independent Director
		Eveready Industries India Limited	Non-Executive - Non Independent Director
2.	Mr. Kishor Shah	SMIFS Capital Markets Limited	Managing Director
3.	Mr. Ajay Kumar Kayan	SMIFS Capital Markets Limited	Non-Executive - Non Independent Director
4.	Mr. Ramesh Maheshwari	SMIFS Capital Markets Limited	Non-Executive - Independent Director
5.	Mr. Santosh Kumar Mukherjee	SMIFS Capital Markets Limited	Non-Executive - Independent Director
6.	Mrs. Pushpa Mishra	SMIFS Capital Markets Limited	Non-Executive - Independent Director

Skills/Expertise/Competence of the Board of Directors

1. Mr. Utsav Parekh- Mr. Utsav Parekh is a Graduate in Commerce and has over 36 Years of experience in Investment Banking. He is one of the most reputed Investment Bankers in Kolkata. He serves on the Board of several leading company in the country like Texmaco Infrastructure & Holdings Limited, Texmaco Rail & Engineering Limited, Spencer's Retail Limited etc. He is also a Member of Indian Chamber of Commerce, Calcutta.
2. Mr. Ramesh Maheshwari - Mr. Ramesh Maheshwari is a Bachelor of Law and Post Graduate in Commerce. He was on the board of many prestigious companies and he was on the Board of Birla Institute of Management Technology (IMT), New Delhi and Indian Institute of Management (IIM), Bangalore. He was also the Chairman of Engineering Export Promotion Council (EEPC), National President of Confederation of Indian Industry (CII), member of the Tandon Committee of Reserve Bank of India to frame guidelines for bank credit.
3. Mr. Ajay Kumar Kayan- Mr. Ajay Kumar Kayan is a Graduate in Commerce and has profound knowledge of the Securities Market of the country. He is on the Board of several companies.
4. Mr. Santosh Kumar Mukherjee- Mr. Santosh Kumar Mukherjee is a Graduate in Commerce and Arts. He is also a Fellow Member of The Institute of Chartered Accountants of India. He has a profound knowledge of Securities Market of the country.
5. Mr. Kishor Shah- Mr. Kishor Shah is a Graduate in Commerce , Associate Member of The Institute of Chartered Accountants of India, Associate Member of The Institute of Company Secretaries of India .He was previously the Managing Director of C.D.Capital Markets Ltd.,(for over eight years) who are Category I Merchant Banker. He heads activities related to mergers & acquisitions, demergers, public & rights issues, private placements, loan syndication and distribution of various financial products.
6. Mrs. Pushpa Mishra- Mrs. Pushpa Mishra is a Bachelor of Law. She has over 18 years of experience in legal profession. Mrs. Mishra has vast experience in the fields of Commercial Law, Company Law, Arbitration Laws, Constitutional provisions and other allied law.

III. Board Meetings

Five 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	June 30, 2020
Second	August 14, 2020
Third	November 13, 2020
Third	December 4, 2020
Fourth	February 12, 2021

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.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

- (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 2020-21	
		Held	Attended
Mr. Santosh Kumar Mukherjee – Chairman	Independent, Non-Executive	4	4
Mr. Utsav Parekh	Non-Independent, Non-Executive	4	4
Mr. Kishor Shah	Non-Independent, Executive	4	4
Mrs. Pushpa Mishra	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	June 30, 2020
Second	August 14, 2020
Third	November 13, 2020
Fourth	February 12, 2021

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) One meeting was held during the year. The composition of the Nomination and Remuneration Committee are given below:

Name	Category	No. of Meetings during the year 2020-21	
		Held	Attended
Mr. Ramesh Maheshwari – Chairman	Independent, Non-Executive	1	1
Mr. Santosh Kumar Mukherjee	Independent, Non-Executive	1	1
Mrs. Pushpa Mishra	Independent, Non-Executive	1	1

The Company Secretary is the Secretary of the Committee.

- (iv) Details of Remuneration received by the Directors for the year ended March 31, 2021:

(a) Non-Executive Directors

Name	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	5	30,000	-	-	1	1,000	-	-	-	31,000
Mr. Santosh Kumar Mukherjee	5	30,000	4	4,000	1	1,000	1	1,000	-	36,000
Mr. Ajay Kumar Kayan	5	30,000	-	-	-	-	-	-	-	30,000
Mrs. Pushpa Mishra	5	30,000	4	4,000	1	1,000	1	1,000	-	36,000

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 Stakeholder's Relationship Committee)

Details of shares held by Non-Executive Directors as on March 31, 2021 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	401550	7.20
Mr. Santosh Kumar Mukherjee	Non-Executive–Independent Director	750	0.01
Mrs. Pushpa Mishra	Non-Executive-Independent Director	150	0.00

b) Managing Director

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

Name	Salary & Other Allowances	Bonus/Ex-Gratia	Provident Fund
Mr. Kishor Shah	₹ 63,43,983	₹ 5,61,567	₹ 5,90,400

Mr. Kishor Shah was appointed Managing Director w.e.f. April 1, 2018 for a period of three years and his remuneration for the year was approved by the shareholders at the Annual General Meeting held on September 22, 2018. Board of Directors in their meeting held on February 12, 2021 re-appointed Mr. Kishor Shah as Managing Director with effect from April 1, 2021 for a further period of three years at a remuneration recommended by the Nomination and Remuneration

Committee subject to the approval of shareholders at the ensuing Annual General Meeting. Remuneration to be drawn by Mr. Kishor Shah, Managing Director is within the limits prescribed under Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V 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. The Policy is made available on the Company's website at www.smifscap.com

• 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. Pushpa Mishra 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) One Meeting of Stakeholders Relationship Committee was held during the year.
- (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 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 is prompt in dealing with all the requests received relating to transfer of shares and other related matters.
- (iv) The Company Secretary is the Secretary of the Committee.

VIII. Independent Directors Meeting

During the year under review, the Independent Directors met on February 12, 2021, 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:

	2017-2018	2018-2019	2019-2020
Date	September 22, 2018	September 14, 2019	September 5, 2020
Time	10.00 A.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	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") at the Registered Office of the Company at 4, Lee Road, Fourth Floor, Kolkata - 700 020
Whether Special Resolution passed	Yes	No	No

At the Annual General Meeting held on September 22, 2018 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, 2018.

No Special Resolution was passed at the Annual General Meeting held on September 14, 2019 and September 5, 2020.

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 36 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.
- 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.
- 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 at 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:	<p>Published in the newspapers :</p> <p>i) First Quarter ended June 30, 2020, unaudited results published in Business Standard (English) and Ek Din (Bengali) on August 14, 2020.</p> <p>ii) Second Quarter and half-yearly results ended September 30, 2020 published in Business Standard (English) and Ek Din (Bengali) on November 14, 2020.</p> <p>iii) Third Quarter and nine months ended December 31, 2020 unaudited results published in Business Standard (English) and Ek Din (Bengali) on 13th February 2021.</p> <p>iv) Fourth Quarter and year ended March 31, 2021 audited results published in Business Standard (English) and Ek Din (Bengali) on 30th June 2021.</p>
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 www.smifscap.com
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 25, 2021

Time :

11.00 a.m.

(ii) Venue

The Company is conducting AGM through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.

(iii) Financial Calendar :

April 1, 2020 to March 31, 2021

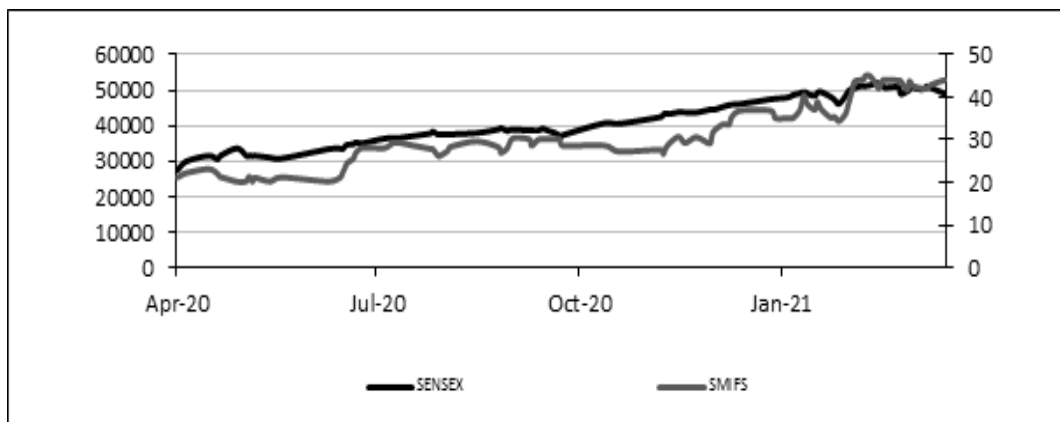
- (iv) Date of Book Closure : September 18, 2021 (Saturday) to September 25, 2021 (Saturday) (both days inclusive)
- (v) Listing on Stock Exchange: Equity shares of the Company are listed on BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).
- (vi) Payment of Annual Listing Fees: The Annual Listing Fees for the Financial year 2021-22 has been paid to BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).
- (vii) Stock Code : 508905 – BSE
29354 – CSE
- (viii) ISIN Number for NSDL / CDSL: INE641A01013

(ix) Market Price Information

The following table gives the monthly high and low prices of the Equity shares traded at BSE during the year 2020-2021

Month	Volume Traded	High Price	Low Price
Apr-20	23	23.15	19.95
May-20	13	21	19
Jun-20	14	27.95	20
Jul-20	15	29.15	26
Aug-20	27	29.5	25.5
Sep-20	26	30.3	28.25
Oct-20	3	28.5	27.1
Nov-20	13	30.6	25.2
Dec-20	20	36.9	27.55
Jan-21	44	42.4	34
Feb-21	95	46.2	36
Mar-21	31	44	41

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.

(x) Registrar and Transfer Agents:

Name &Address : M/s Maheshwari Datamatics Pvt. Ltd.
23, R.N. Mukherjee Road, (5thFloor),
Kolkata – 700 001

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

Fax : (033) 2248-4787

E-mail : mdpldc@yahoo.com

(xi) 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.

(xii) 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.

(xiii) Shareholding as on March 31, 2021:

(a) Category of Shareholding as on March 31, 2021

Category	No. of Shares held	% of Capital
RESIDENT INDIVIDUALS	16,56,398	29.66
FINANCIAL INSTITUTIONS / BANK	-	-
FOREIGN PORTFOLIO INVESTORS	5,50,000	9.85
CORPORATE BODIES-DOMESTIC	8,39,899	15.04
INDIAN PROMOTERS:		
a) Individuals	784,350	14.04
b) Corporate Bodies	17,49,701	31.33
NRIs / OVERSEAS CORP. BODIES (OCBs)	4,652	0.08
TOTAL	55,85,000	100

(b) Distribution of Shareholding as on March 31, 2021

No. of Shares held	No. of Shareholders	Total no. of Shares held
Upto 500	971	90498
501-1,000	81	65277
1,001-2,000	63	92126
2,001-3,000	26	71257
3,001-4,000	13	45363
4,001-5,000	7	33090
5,001-10,000	28	198253
10,001 and Above	25	4989136
Total	1200	5585000

(xiv) 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.

(xv) 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. Further the same was amended vide SEBI Circular No. SEBI/LAD/NRO/GN/2018/59 dated December 31, 2018. Board of Directors has appointed Mrs. 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.

(xvi) 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.

(xvii) Plant location:

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

(xviii) Investor Correspondence

Any query relating to financial statements of the Company may be addressed to the Chief Financial Officer of the Company:	Investors' Correspondence may be addressed to the Compliance Officer of the Company:
Mr. Shreemanta Banerjee CFO-cum- Vice President (Finance and Taxation)	Mrs. 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: smifcap@gmail.com	Vaibhav, 4F, 4 Lee Road, Kolkata – 700 020 Telephone: (033) 2290 7400/ 7401 Fax: (033) 2287 4042 E-mail: cs.smifs@gmail.com, smifcap@gmail.com

(xix) 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 2020-21.

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

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

Mr. Utsav Parekh (DIN No. 00027642) born on August 28, 1956 is a Graduate in Commerce and has over 36 Years of experience in Investment Banking. He is one of the most reputed Investment Bankers in Kolkata. His directorship in other companies is given below:

SI No.	Particulars	Nature Of Office
	Directorship	
i.	ATK MOHUN BAGAN PRIVATE LIMITED	Director
ii.	SPENCER'S RETAIL LIMITED	Director
iii.	BENGAL AEROTROPOLIS PROJECTS LIMITED	Director
iv.	NEXOME REAL ESTATES PRIVATE LIMITED	Director
v.	TEXMACO INFRASTRUCTURE & HOLDINGS LIMITED	Director
vi.	SMIFS CAPITAL SERVICES LIMITED	Director
vii.	TEXMACO RAIL & ENGINEERING LIMITED	Director
viii.	INDIAN CHAMBER OF COMMERCE CALCUTTA	Director
ix.	LEND LEASE COMPANY (INDIA) LIMITED	Director
x.	XPRO INDIA LIMITED	Director
xi.	EVEREADY INDUSTRIES INDIA LIMITED	Director

LIMITED LIABILITY PARTNERSHIP

i.	CATCH 22 INFOMATICS LLP	Partner
ii.	NEXOME REALTY LLP	Partner
iii.	NEXOME SPORTS LLP	Partner
iv.	ELLORA AGRO LLP	Partner

(xxi) Details of total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company on a consolidated basis, to the Statutory Auditor are as follows:

(Amount in ₹)

Type of Service	Financial Year 2020-21
Statutory Audit Fees	1,90,000
Certification and Other Fees	48,000
Total	238,000

(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- 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, 2021 was placed before the Board of Directors of the Company in its meeting held on June 29, 2021.

Regd. Office:

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

The 29th day of June, 2021

For and on behalf of the Board of Directors

Sd/-

(UTSAV PAREKH)

Chairman

(DIN No. 00027642)

ANNEXURE – F

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	: ₹ (9,999,450)
4. Total Assets	: ₹ 65,229,053
5. Total Liabilities	: ₹ 227,802
6. Investments	: ₹ 37,920,051
7. Turnover	: ₹ 1,865,454
8. Profit before taxation	: ₹ 663,260
9. Tax Expense	: ₹ 13,248
10. Profit after taxation	: ₹ 650,012
11. % of shareholding	: 100%

Regd. Office:

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

The 29th day of June, 2021

For and on behalf of the Board of Directors

Sd/-

(UTSAV PAREKH)

Chairman

(DIN No. 00027642)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Members of

SMIFS Capital Markets Ltd

Vaibhav, 4F, 4 Lee Road,

Kolkata – 700 020

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SMIFS Capital Markets Limited having CIN L74300WB1983PLC036342 and having registered office at Vaibhav, 4F, 4 Lee Road, Kolkata – 700 020 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sr. No	Name of Director	DIN	Date of Appointment in Company	Director of Active Non Compliant Company
1	Mr. Utsav Parekh	00027642	28/05/1990	No
2	Mr. Kishor Shah	00170502	31/01/2002	No
3	Mr. Santosh Kumar Mukherjee	00170646	16/09/2006	No
4	Mr. Ramesh Maheshwari	00170811	10/07/1990	No
5	Mr. Ajay Kumar Kayan	00239123	30/06/2007	No
6	Mrs. Pushpa Mishra	07898390	25/09/2017	No

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata

Date : 19.05.2021

Signature:

Name: Sudhansu Sekhar Panigrahi

Membership: 23187

CP No: 19649

UDIN: A023187C000345190

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF SMIFS CAPITAL MARKETS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

Managements' Responsibility

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

Auditor's Responsibility

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

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2021.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR S. K. Agrawal and Co Chartered Accountants LLP.

Chartered Accountants

Firm's Registration No: 306033E/E300272

CA Vivek Agarwal

Partner

Membership No: 301571

UDIN:21301571AAAAIE2551

Place: Kolkata

Date : 29th day of June, 2021

SMIFS CAPITAL MARKETS LIMITED										
10 Years' Highlights										
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	(₹ in Million)									
Equity Capital	55.85	55.85	55.85	55.85	55.85	55.85	55.85	55.85	55.85	55.85
Reserves & Surplus	1,004.21	1,001.69	993.87	993.88	967.71	995.01	1,050.81	1,035.25	971.64	992.92
Borrowings	3.24	3.28	1.83	0.68	0.75	2.10	5.18	3.93	3.43	1.76
Profit/loss before tax	52.55	13.67	4.62	10.04	10.99	9.65	9.36	7.45	2.10	31.17
Profit/loss after tax	39.40	10.19	2.09	9.55	8.49	8.55	26.39	5.69	1.33	2.16
Dividend per share in ₹	1.40	1.40	1.00	1.00	0.75	1.00	1.00	-	-	-
Net worth	1,060.06	1,057.54	1,049.72	1,049.73	1,023.56	1,050.86	1,106.66	1,091.10	1,027.49	1,048.77
Earnings per share (In ₹)	7.05	1.82	0.37	1.71	1.52	1.53	4.73	1.02	0.24	0.39
Book value per share (In ₹)	189.81	189.35	187.95	187.95	183.27	188.16	198.15	195.36	183.97	187.78

INDEPENDENT AUDITOR'S REPORT

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

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SMIFS CAPITAL MARKETS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 42 to the standalone financial statements, which describes the uncertainties and potential impact of the Covid-19 pandemic on the Company's operations and results as assessed by the management. The actual results may differ from such estimates depending upon future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

S. No.	Key Audit Matter	Auditor's Response
1.	Direct Tax provision Refer Note 6 and 29 to the standalone financial statements. In the normal course of business, "Income Taxes" is the amount of income taxes payable	Our procedures included: - Control testing: - Testing the effectiveness of the controls around the recording and re-assessment of tax provisions.

S. No.	Key Audit Matter	Auditor's Response
	<p>(recoverable) in respect of the taxable profit (tax loss) for a period.</p> <p>Management makes judgements and estimates in connection with tax issues and tax exposures resulting in the recognition of deferred tax assets and liabilities as well as the tax provisions.</p> <p>As the provision of direct taxes is highly dependent on significant management judgements,</p> <p>Accordingly, Direct Tax Provisions was considered as one of the Key Audit Matters.</p>	<p>Our tax expertise:</p> <ul style="list-style-type: none"> – Use of our own tax specialists to perform an assessment of the related correspondence, to consider the computation of tax provisions. – Challenging the assumptions using our own expectations based on our knowledge, considering relevant judgments passed by authorities, as well as assessing relevant opinions from third parties. <p>Assessing disclosures:</p> <p>Considering the adequacy of the disclosures in respect of tax and uncertain tax positions, the results of our testing were satisfactory, and we found the level of tax provisioning and the adequacy of disclosures to be acceptable</p>
2.	<p>Valuation of investment in certain equity interests of listed and unlisted company</p> <p>Refer note 3 to the standalone financial statements</p> <p>The investment in certain equity interests of an listed and unlisted company (the 'investment') are to be measured at fair value at each reporting date, and same has been measured at fair value through other comprehensive income.</p> <p>With reference to the valuation, management had estimated the fair value of the Investment at Rs. 18,71,15,335 at year end.</p> <p>In consideration of the Investment is operating in an emerging industry and its fair value is highly dependent on significant management judgements. Accordingly, the valuation of the Investment was considered as one of the key audit matters</p>	<p>Based on the audit procedures performed, we found the assumptions made by management in relation to the valuation were supported by available evidence.</p>

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the 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 and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "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, based on our audit 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 purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation which would impact its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, which are required to be transferred to Investor Education and Protection Fund by the Company.

FOR S. K. Agrawal and Co Chartered Accountants LLP.

Chartered Accountants

Firm's Registration No: 306033E/E300272

CA Vivek Agarwal

Partner

Membership No: 301571

UDIN:21301571AAAAIB2770

Place: Kolkata

Date : 29th day of June, 2021

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SMIFS CAPITAL MARKETS LIMITED of even date)

The Annexure referred to in our Independent Auditor's Report to the members of **SMIFS CAPITAL MARKETS LIMITED** ('the Company') for the year ended on 31st March 2021. We report that:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to information and explanations given to us and the records examined by us including registered title deeds, we report that, the title deeds, comprising all the immovable properties of land and buildings are held in the name of the Company as at the Balance Sheet date.
- ii. As explained to us, the inventories of securities held as stock in trade has been verified by the management with demat accounts maintained with depositories at reasonable intervals and the company is maintaining the proper records of Inventories and as explained to us, no discrepancies were noticed on verification of stocks and book records.
- iii. In our opinion and according to the information and explanations given to us, 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 Companies Act, 2013. Accordingly clause (iii) (a), clause (iii) (b) and clause (iii) (c) of paragraph 3 of the Order are not applicable.
- iv. Based on our audit procedure and on the basis of information and explanations given to us, we are of the opinion that the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. Accordingly, clause (v) of paragraph 3 of the Order is not applicable.
- vi. According to the information and explanations provided by the management, the Company is not engaged in production, processing, manufacturing or mining activities. Accordingly, clause (vi) of paragraph 3 of the Order is not applicable.
- vii. According to the information and explanations given to us in respect of statutory and other dues:-
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, Goods and Services Tax, Cess and other statutory dues with the appropriate authorities during the year.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2021 for a period of more than six months from the date of becoming payable.
 - (c) According to the records of the Company, there are no dues of Income Tax, Goods and Services Tax and Cess with the appropriate authorities which has not been deposited on account of any dispute.

- viii. On the basis of the records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to banks and financial institution.
- ix. The Company did not raise any money by way of initial public offer and further public offer (including debt instruments) during the year. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were applied for the purpose for which the loans were obtained.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, and details of such transactions have been disclosed in the standalone financial statements, as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause (xiv) of paragraph 3 of the Order is not applicable.
- xv. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not entered into non-cash transactions with the directors or persons as per section 192 of the Companies Act, 2013. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause (xvi) of paragraph 3 of the Order is not applicable.

FOR S. K. Agrawal and Co Chartered Accountants LLP.

Chartered Accountants

Firm's Registration No: 306033E/E300272

CA Vivek Agarwal

Partner

Membership No: 301571

UDIN:21301571AAAAIB2770

Place: Kolkata

Date : 29th day of June, 2021

ANNEXURE - B TO THE AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SMIFS CAPITAL MARKETS LIMITED of even date)

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

We have audited the internal financial controls over financial reporting of **SMIFS CAPITAL MARKETS LIMITED** ('the Company') as of 31st March, 2021 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 Board of Directors of the Company 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. 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 respective 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, 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.

FOR S. K. Agrawal and Co Chartered Accountants LLP.

Chartered Accountants

Firm's Registration No: 306033E/E300272

CA Vivek Agarwal

Partner

Membership No: 301571

UDIN:21301571AAAAIB2770

Place: Kolkata

Date : 29th day of June, 2021

STATEMENT OF ACCOUNT

SMIFS CAPITAL MARKETS LIMITED
CIN NO.: L74300WB1983PLC036342
STANDALONE BALANCE SHEET AS AT 31st MARCH, 2021

Particulars	Note No.	Amount in ₹	
		As at 31st March 2021 ₹	As at 31st March 2020 ₹
ASSETS			
Non-current assets			
a) Property, plant and equipment	2	45,387,882	63,697,422
b) Financial assets			
i) Investments	3	763,859,242	248,462,324
ii) Loans	4	225,071,373	684,419,146
iii) Other financial assets	5	9,791,453	9,791,453
c) Deferred tax assets (Net)	6	9,180,633	30,773,065
		1,053,290,583	1,037,143,410
Current assets			
a) Inventories	7	252,510	251,625
b) Financial assets			
i) Trade receivables	8	525,346	1,192,675
ii) Cash and Cash equivalents	9	8,666,378	2,868,400
iii) Other Bank Balances	10	549,867	725,960
iv) Other financial assets	11	2,654	333,664
c) Current tax asset (Net)	12	2,348,319	6,994,719
d) Other current assets	13	1,981,764	1,551,573
		14,326,838	13,918,616
Total Assets		1,067,617,421	1,051,062,026
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	14	55,850,000	55,850,000
b) Other equity	15	992,919,835	971,636,398
		1,048,769,835	1,027,486,398
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	16	420,173	1,759,272
		420,173	1,759,272
Current liabilities			
a) Financial liabilities			
i) Trade and other payables	17		
a) Dues of micro enterprises and small enterprises		-	-
b) Dues of creditors other than micro enterprises and small enterprises		4,215,549	-
ii) Other financial liabilities	18	1,888,866	14,796,165
b) Other current liabilities	19	9,243,496	4,800,209
c) Provisions	20	3,079,502	2,219,982
		18,427,413	21,816,356
Total Equity and liabilities		1,067,617,421	1,051,062,026
Significant Accounting Policies & Notes to Financial Statements	1 To 43		

As Per Our Report Of Even Date attached

FOR S. K. Agrawal and Co Chartered Accountants LLP.

Chartered Accountants

Firm Reg. No.: 306033E/E300272

Vivek Agarwal

Partner

Membership No. : 301571

Place: Kolkata

Dated: 29th June, 2021

For and on Behalf of the Board of Directors

UTSAV PAREKH

Chairman

(DIN No. 00027642)

KISHOR SHAH

Managing Director

(DIN No. 00170502)

POONAM BHATIA

Company Secretary
-cum - Sr.Manager Legal

SHREEMANTA BANERJEE

CFO-cum Vice President
Finance & Taxation

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

Particulars	Note No.	Year ended 31st March, 2021 ₹	Year ended 31st march, 2020 ₹
INCOME			
I Revenue from operations	21	684,647,271	448,077,487
II Other Income	22	48,721,573	41,041,033
Total income(I+II)		733,368,844	489,118,520
III EXPENDITURE			
Purchases of Stock-in-Trade	23	646,720,501	432,375,542
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(884)	76,839
Employee benefits expense	25	20,588,436	21,677,431
Financial Costs	26	226,271	345,735
Depreciation and amortization expense	27	4,376,725	5,537,213
Other expenses	28	30,291,415	27,000,875
Total Expense(III)		702,202,464	487,013,635
IV Profit/(loss) before exceptional items and tax		31,166,380	2,104,885
V Exceptional items		—	—
VI Profit/(loss) before tax		31,166,380	2,104,885
VII Tax expense:	29		
(1) Current tax		2,985,031	50,287
(2) Tax adjustment for earlier years		—	971,187
(3) Deferred tax		26,022,869	(250,249)
VIII Profit/(loss) for the period from continuing operations		2,158,480	1,333,660
IX Profit/(loss) from discontinued operations		—	—
Tax expense from discontinued operations		—	—
X Profit/(loss) for the period from discontinued operations (after tax)		—	—
XI Profit/(loss) for the period		2,158,480	1,333,660
XII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability		79,319	850,729
Gains and losses from investments in equity instruments designated at fair value through other comprehensive income;		14,615,202	(70,408,277)
(ii) Income tax relating to items that will not be reclassified to profit or loss		4,430,436	4,608,516
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		—	—
Other comprehensive income/(loss) for the period		19,124,957	(64,949,032)
XIII Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		21,283,437	(63,615,372)
XIV Earning per equity share:	30		
(1) Basic		0.39	0.24
(2) Diluted		0.39	0.24

Significant Accounting Policies & Notes to Financial Statements 1 To 43

As Per Our Report Of Even Date attached

FOR S. K. Agrawal and Co Chartered Accountants LLP.

Chartered Accountants

Firm Reg. No.: 306033E/E300272

Vivek Agarwal

Partner

Membership No. : 301571

Place: Kolkata

Dated: 29th June, 2021

For and on Behalf of the Board of Directors

UTSAV PAREKH

Chairman
(DIN No. 00027642)

KISHOR SHAH

Managing Director
(DIN No. 00170502)

POONAM BHATIA

Company Secretary
-cum - Sr.Manager Legal

SHREEMANTA BANERJEE

CFO-cum Vice President
Finance & Taxation

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

Equity Share Capital			Amount in ₹
Particulars	Balance at the beginning of the reporting year	Changes during the reporting year	Balance at the end of the reporting year
For the year ended 31st March 2020	55,850,000	–	55,850,000
For the year ended 31st March 2021	55,850,000	–	55,850,000

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

Other Equity

Amount in ₹

	Reserves and Surplus				Other Comprehensive Income		Total Other Equity
	Securities Premium	Capital Redemption reserve	General Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	Remeasurement of Defined Benefit Liability	
Balance at 1 April 2019	433,725,000	40,000,000	390,950,734	106,368,829	66,408,458	(2,201,251)	1,035,251,770
Profit for the year				1,333,660			1,333,660
Transferred from other comprehensive income				-			
Dividend Paid				-			
Dividend Distribution tax paid				-			
Other Comprehensive Income				-			
Transferred to retained earnings				(65,799,761)		850,729	(64,949,032)
Total Comprehensive Income for the year	-	-	-	1,333,660	(65,799,761)	850,729	(63,615,372)
Balance at 31 March 2020	433,725,000	40,000,000	390,950,734	107,702,489	608,697	(1,350,522)	971,636,398
Balance at 1 April 2020	433,725,000	40,000,000	390,950,734	107,702,489	608,697	(1,350,522)	971,636,397
Profit for the year				2,158,480			2,158,480
Transferred from other comprehensive income				(10,880,000)			(10,880,000)
Dividend Paid				-			
Dividend Distribution tax paid				-			
Other Comprehensive Income				-			
Transferred to retained earnings				19,045,638		79,319	19,124,957
Total Comprehensive Income for the year	-	-	-	(8,721,520)	29,925,638	79,319	(10,880,000)
Balance at 31 March 2021	433,725,000	40,000,000	390,950,734	98,980,968	30,534,335	(1,271,203)	992,919,835

As Per Our Report Of Even Date attached

FOR S. K. Agrawal and Co Chartered Accountants LLP.

Chartered Accountants
Firm Reg. No.: 306033E/E300272

Vivek Agarwal

Partner

Membership No. : 301571

Place: Kolkata

Dated: 29th June, 2021

For and on Behalf of the Board of Directors

UTSAV PAREKH

Chairman
(DIN No. 00027642)

KISHOR SHAH

Managing Director
(DIN No. 00170502)

POONAM BHATIA

Company Secretary
-cum - Sr.Manager Legal

SHREEMANTA BANERJEE

CFO-cum Vice President
Finance & Taxation

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

	Amount in ₹	
	31st March, 2021	31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	31,166,380	2,104,885
Adjustment for		
Depreciation	4,376,725	5,537,213
(Profit) / Loss on sale of Investments	(39,838)	(471,111)
Dividend on Investment	(92)	(138)
(Profit) / Loss on sale of fixed assets	(23,364,864)	(245,063)
Financial Cost	226,271	345,735
Revaluation in Financial Assets	(827,675)	334,395
Loss On Financial Asset carried at Amortised Cost	15,983,684	11,418,778
Other Interest Income	(15,264,043)	(30,524,156)
Amortised Interest Income	(9,131,957)	(9,719,088)
	<u>(28,041,789)</u>	<u>(23,323,437)</u>
Operating profit before Working Capital change	3,124,591	(21,218,552)
Adjustment for		
Trade & Other Receivables	453,143,513	(16,116,409)
Inventories	(884)	76,839
Trade and Other Payables	(3,059,000)	11,061,003
	<u>450,083,629</u>	<u>(4,978,567)</u>
Cash Generated from Operations	453,208,219	(26,197,119)
Direct Tax paid	1,661,369	(4,229,313)
	<u>1,661,369</u>	<u>(4,229,313)</u>
Net Cash Flow from Operating activity	454,869,589	(30,426,431)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(136,400)	(1,720,573)
Sale of Fixed Assets	37,434,080	640,000
Purchase of Investments	(535,084,035)	(93,348,489)
Sale of Investments	35,169,831	93,415,650
Interest Income	15,264,043	30,524,156
Dividend on Investment	92	138
Net Cash flow from Investing Activities	(447,352,389)	29,510,882
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(226,271)	(345,735)
Proceeds from long-term borrowings	(1,669,043)	(502,685)
Net cash used in Financing Activities	(1,895,314)	(848,420)
Net increase in Cash & Cash Equivalents	5,621,885	(1,763,969)
Opening Balance of Cash & Cash Equivalents	3,594,360	5,358,329
Closing Balance of Cash & Cash Equivalents	9,216,245	3,594,360
Components of Cash and Cash Equivalents		
Cash on Hand (Refer Note - 9)	87,543	619,737
Balances with Banks - (Refer Note - 9 & 10)	9,128,702	2,974,623
Total Cash and Cash Equivalents	9,216,245	3,594,360

As Per Our Report Of Even Date attached

FOR S. K. Agrawal and Co Chartered Accountants LLP.

Chartered Accountants

Firm Reg. No.: 306033E/E300272

Vivek Agarwal

Partner

Membership No. : 301571

Place: Kolkata

Dated: 29th June, 2021

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 Vice President
Finance & Taxation

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

The Company Information

Smifs Capital markets Limited (the “Company”) is a public limited Company incorporated and domiciled in India and has its registered office at Vaibhav, 4F, 4, Lee Road, Kolkata - 700 020, India. The Company is listed on the BSE Limited and Calcutta Stock Exchange Limited. The company is engaged mainly in merchant banking and trading in government securities and shares.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on 29th June 2021.

Note: 1 Significant accounting policies

a) Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the companies (Indian Accounting Standards) Rules, 2015 as amended by companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of Companies Act, 2013 (“the Act”)

The financial statements are presented in Indian Rupees except otherwise indicated.

b) Basis of Preparation

The Financial Statements of the Company have been prepared on historical cost convention under accrual method of accounting and as a going concern concept except for certain assets and liabilities which are measured at fair values as required by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as per the Company's normal operating cycle and the other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and noncurrent classification of assets and liabilities.

Adoption of new Indian Accounting Standards and interpretations

Effective 1st April 2019, Ind AS 116 replaces the existing standard Ind AS 17 and specifies how an entity will recognise, measure, present and disclose leases. The standard provides a single lease accounting model, requiring lessees to recognise a right of use asset (“ROU asset”) and a corresponding liability on the lease commencement date. It provides exemption for leases with lease term of 12 months or less or the underlying asset has a low value.

The Company has applied Ind AS 116. The Company has assessed the effect of the new standard and has concluded that the application of Ind AS 116 has not had significant effect on recognition and measurement of revenue.

c) Use of estimates

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods affected.

d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation/amortization and impairment, if any. Freehold land is disclosed at cost less impairment, if any. Cost comprises of purchase price and directly attributable cost of acquisition/ bringing the asset to its working condition for its intended use (net of credit availed, if any). Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a written down value basis over the useful lives as prescribed under Schedule II to the Companies Act, 2013.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month proceeding the month of deduction/disposal.

e) Impairment of Non-financial assets

The Company assesses at each reporting date whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating unit may be impaired. If any such indication exists the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

f) Inventories

Inventories consisting of shares and securities have 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.

g) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale and borrowing costs are being incurred. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

h) Provisions, Contingent liabilities and Contingent Assets

Provisions are recognised when there is a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at each Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the best current estimate.

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

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

i) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

Interest Income

Income from interest on deposits, loan and interest bearing securities is recognised on a time proportion basis taking into account the underlying interest rate.

Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally, when the shareholders approve the dividend.

j) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities (including MAT) attributable to temporary differences and to unused tax losses.

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the

balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

k) Cash flow statement

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

l) Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial Assets

Initial Recognition

All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- entity's business model for managing the financial assets and
- contractual cash flow characteristics of the financial asset.

Debt Instruments

Amortised Cost

A financial asset is subsequently measured at amortise cost, if the financial asset is held within a business model, whose objective is to hold the asset in order to collect contractual cash flow and the contractual term of financial asset give rise on specified date to cash flow that are solely payment of principal and interest on principal amount outstanding.

Fair Value through Other Comprehensive Income

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal

and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair Value through Profit or Loss

A financial asset is classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Equity Instruments

All investments in equity instruments classified under financial assets are measured at fair value. The company, in respect of equity investments which are not held for trading, made an irrevocable election based on its judgment to present in other comprehensive income subsequent changes in the fair value (FVOCI) of such equity instrument. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Financial Liabilities

Initial Recognition

Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the contractual rights to receive the cash flows from the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting financial instruments

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

m) Fair value measurements

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

n) Employee benefits

Defined contributions plan

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plans

The Company's Liabilities on account of Gratuity and Earned Leave on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian

Accounting Standard (Ind AS) -19., 'Employee Benefits' The gratuity liability is covered through a policy taken by a trust established under the group gratuity scheme with Life Insurance Corporation of India (LIC). The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Defined Benefit Plan can be short term or Long terms which are defined below:

(i) Short term Employee benefit

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

(ii) Long term Employee benefits

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

o) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

p) Borrowings

Borrowings are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

q) Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period

and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

r) Investment in subsidiary

Investment in subsidiary is shown at deemed cost. Further where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss, if any. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of profit and loss, if any.

s) Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The Cost of acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

t) Recent accounting pronouncements

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

Note : 2 Property Plant and Equipments

Amount in ₹

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.2020	Additions	Deductions/ Adjustments	As on 31.03.2021	As on 01.04.2020	For the year	Adjustment	As on 31.03.2021	As on 31.03.2021	As on 31.03.2020
Buildings / Premises	73,373,622	-	16,233,000	57,140,622	14,230,521	3,107,815	2,326,348	15,011,988	42,128,634	59,143,101
Furniture and Fixtures	129,018	-	-	129,018	126,387	1,723	-	128,110	908	2,631
Office Equipment	15,915	-	-	15,915	15,453	398	-	15,851	64	462
Vehicles	12,320,576	-	4,158,650	8,161,926	7,774,329	1,196,693	3,996,086	4,974,936	3,186,990	4,546,247
Electrical Installations	5,773	-	-	5,773	5,683	58	-	5,741	32	90
Computers	349,562	136,400	-	485,962	344,746	69,971	-	414,717	71,245	4,816
Air Conditioners	181,098	-	-	181,098	181,023	66	-	181,089	9	75
Sub total	86,375,564	136,400	20,391,650	66,120,314	22,678,142	4,376,724	6,322,434	20,732,432	45,387,882	63,697,422
Previous Year	86,473,647	1,720,573	1,818,656	86,375,564	18,564,648	5,537,213	1,423,719	22,678,142	63,697,422	

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 3 Non Current Investment

Amount in ₹

Sl. No.	Particulars	As at 31st March 2021		As at 31 March 2020	
		No. /Units	Amount ₹	No. /Units	Amount ₹
1	Investments measured at amortized cost				
(a)	Investment in Preference Shares (Non Cumulative ₹ 100/- Each) Unquoted , fully paid up				
	12% Andaman Plantations & Development Corporation Pvt.Ltd	40,000	4,000,000	40,000	4,000,000
	7% Non Cumulative Redeemable Pref. Share Maya Tradelinks Ltd.	200,000	20,000,000	200,000	20,000,000
(b)	Investment in Debentures (₹ 100/- Each) Unquoted, fully paid up				
	Zero Coupon OP Convertible Debenture.	4,000,000	400,000,000	—	—
2	Investment carried at cost				
(a)	Investment in Subsidiary Company (Wholly Owned) Unquoted				
	Investment in Equity Shares of ₹ 10 each SMIFS Capital Services Limited	7,500,070	75,000,700	7,500,070	75,000,700
3	Investments measured at fair value through Other comprehensive Income				
(a)	Investment in Equity Shares				
	Equity shares of ₹ 10 each (Unless otherwise stated)				
	Quoted, Fully paid up				
	Aravali Securities & Finance Limited	100	152	100	262
	Asian Vegpro Industries Limited	300,000	300,000	300,000	300,000
	Coventry Springs & Engg. Co. Ltd	52,323	5,233	52,323	5,233
	Melstar Information Technologies Limited	300	600	300	660
	Nicco UCO Alliance Credit Limited	114	22	114	22
	North Eastern Publishing & Advt Co Ltd	4,500,000	41,130,000	4,500,000	41,535,000
	Punsumi Foils & Components Limited	15,800	15,800	15,800	15,800
	Summit Securities Ltd.	156,500	83,797,925	156,500	43,014,025
	VCK Capital Markets Limited	200	340	200	204
	Unquoted, Fully paid up				
	Antriksh Vyapaar Limited	—	—	800,000	13,200,000
	Bhatpara Papers Limited	44	391	44	391
	Progressive Star Finance Ltd.	130,000	59,233,200	60,000	47,441,400
	Tejasri Energy Limited	5,000	50,000	5,000	50,000
	Gujarat Securities Limited	20	200	20	200
	Vaibhav Services Pvt Ltd	4,580	438,169	4,580	438,169
	Welquin Suppliers Pvt Ltd	5,440	2,143,305	5,440	2,216,854

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 3 Non Current Investment

Amount in ₹

Sl. No.	Particulars	As at 31st March 2021		As at 31 March 2020	
		No. /Units	Amount ₹	No. /Units	Amount ₹
4	Investments measured through profit and loss				
(a)	Investment in Mutual Funds Unquoted				
	BAGZ Aditya Birla Sunlife'95 Fund	2,015	1,989,655	1,820	1,120,453
	JM High Liquidity Fund	2,263	127,264	2,263	122,951
	Aditya Birla Sunlife Money Manager Fund	83,570	23,998,800	-	-
	Axis Money Market Fund	24,960	27,628,687	-	-
	Nippon India Money Market Fund	7,451	23,998,799	-	-
	Total		763,859,242		248,462,324

Aggregate amount of unquoted Investments 638,609,171 163,591,119

Aggregate amount of quoted Investments 125,250,071 84,871,205

Aggregate market value of quoted Investments 125,250,071 84,871,205

Note : 4 Loans

Amount in ₹

Sl.No.	Particulars	As at 31st March 2021	As at 31 March 2020
	Unsecured and considered good		
1	Security Deposit	791,386	788,386
		<u>791,386</u>	<u>788,386</u>
2	Other loans to non related party	224,279,987	683,630,760
		<u>224,279,987</u>	<u>683,630,760</u>
	Total	225,071,373	684,419,146

Note : 5 Other non current financial assets

1	Receivable from Leased Assets	397,081	397,081
	Less: Provision for doubtful	(397,081)	(397,081)
2	Other Receivable *	9,791,453	9,791,453
	Total	9,791,453	9,791,453

* Other receivable includes fixed deposit. 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.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 6 Deferred tax Assets (Net)

Sl. No.	Particulars	Amount in ₹	
		As at 31st March 2021	As at 31 March 2020
1	Deferred tax asset		
	MAT Credit Entitlement	13,512,320	43,253,239
	Less: Deferred tax liability		
	On Disallowances under the		
	Income Tax Act, 1961	883,289	472,554
	On difference between wdv as per book and		
	wdv as per Income Tax Act of fixed assets	(9,374,125)	(13,024,932)
	On Financial Instrument	4,159,149	72,205
		(4,331,687)	(12,480,174)
	Total	9,180,633	30,773,065

Note : 7 Inventories

Note : 7 Inventories		Amount in ₹	
Sl.No.	Particulars	As at 31st March 2021	As at 31 March 2020
		Quantity Nos	Quantity Nos
		Amount ₹	Amount ₹
Quoted : Fully Paid Up			
	AVON INDUSTRIES LTD.	9,800	9,800
	GENERAL EXPORTS & CREDITS LIMITED	45,900	45,900
	HB ESTATE DEVELOPERS LTD.	23	244
	HB PORTFOLIO LTD.	15	301
	K.H.S.L.INDUSTRIES LTD.	2,200	2,200
	KILBURN OFFICE AUTOMATION LIMITED	16,400	18,040
	LLOYDS FINANCE LTD.	50	25
	MADRAS SPINNERS LTD.	4,000	4,000
	STELLANT SECURITIES (I) LTD.SELLAID		
	PUBLICATION (I) LTD.	680	4,638
	SIDHI VINAYAK LIMITED	400	400
	SINCLAIRS HOTELS LTD.	23	760
	ENSO SECUTRACK LTD.	2,500	15,925
	VIPRAS CORPN.LTD.	500	500

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 7 Inventories

Note : 7 Inventories			Amount in ₹		
Sl.No.	Particulars	As at 31st March 2021		As at 31 March 2020	
		Quantity Nos	Amount ₹	Quantity Nos	Amount ₹
EQUITY SHARES					
PARTLY PAID SHARES: QUOTED					
	(METROPOLI OVERSEAS LIMITED(₹5/-)	29,800	29,800	29,800	29,800
EQUITY SHARES					
UNQUOTED SHARES(FULLY PAID)					
	PROCAM INTERNATIONAL LTD.	19,977	19,977	19,977	19,977
	TATA CERAMICS LIMITED	100,000	100,000	100,000	100,000
	Total		252,510		251,625

Note : 8 Trade Receivables

Sl.No.	Particulars	As at 31st March 2021	As at 31 March 2020
1	Unsecured Considered Good	525,346	1,192,675
	Less : Impairment Allowance	-	-
	Total	525,346	1,192,675

Note : 9 Cash & Cash Equivalents

1	Balance with banks	8,483,385	2,248,663
2	Cash on hand	87,543	619,737
3	Cheques in Hand	95,450	-
	Total	8,666,378	2,868,400

Note : 10 Other Bank Balances

1	Unclaimed Dividend account	549,867	725,960
	Total	549,867	725,960

Note : 11 Other current financial assets

1	Due from Subsidiary Co.	-	331,210
2	Other receivables	2,654	2,454
	Total	2,654	333,664

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note No.12 Current tax asset (Net)

Amount in ₹

Sl. No.	Particulars	As at 31st March 2021	As at 31 March 2020
1	Advance Income Tax (Net of Provision)	2,348,319	6,994,719
	Total	2,348,319	6,994,719

Note : 13 Other Current Assets

1	Balance with Statutory Authorities	835,882	557,261
2	Prepaid expenses	1,145,882	987,225
3	Other Advance	-	7,087
	Total	1,981,764	1,551,573

Note : 14 Equity Share Capital

1 AUTHORIZED			
3,00,00,000 (3,00,00,000) Equity Shares of ₹ 10/- each.	300,000,000	300,000,000	
20,00,000 (20,00,000) Preference Shares of ₹ 100/- each.	200,000,000	200,000,000	
	500,000,000	500,000,000	
2 ISSUED , SUBSCRIBED & PAID UP			
55,85,000 (55,85,000) Equity Shares of ₹ 10/- each, Fully paid up	55,850,000	55,850,000	
	55,850,000	55,850,000	

3 Reconciliation of shares at the beginning and at the end of the reporting period

Particulars	No. of shares	Amount (₹)	No. of shares	Amount (₹)
At the beginning of the reporting period	5,585,000	55,850,000	5,585,000	55,850,000
Change during the year	-	-	-	-
At the closing of the reporting period	5,585,000	55,850,000	5,585,000	55,850,000

4 Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote pershare. The Company declares and pay dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

5 Shareholders holding more than 5% shares in the Company

Particulars	No. of shares	% held	No. of shares	% held
Mackertich Consultancy Services Pvt Ltd	1,115,700	19.98	1,115,700	19.98
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	401,550	7.19	402,250	7.20
Minal Bharat Patel	323,339	5.79	-	-
S N Rajan	281,700	5.04	329,310	5.90

Note : 15 Other Equity

Sl.No.	Particulars	As at 31st March 2021	As at 31 March 2020
1	Securities Premium	433,725,000	433,725,000
2	Capital Redemption Reserve	40,000,000	40,000,000
3	General Reserve	390,950,734	390,950,734
		390,950,734	390,950,734
4	Retained Earnings :		
	Balance brought forward from previous year	107,702,489	106,368,829
	Transferred from Other Comprehensive Income	(10,880,000)	-
	Profit for the Year	2,158,480	1,333,660
		98,980,969	107,702,489
5	Other Comprehensive Income		
	Opening OCI	(741,825)	64,207,207
	Add: During the year OCI	19,124,957	(64,949,032)
	Less: Transferred to Retained Earning	10,880,000	-
		29,263,132	(741,825)
	Total	992,919,835	971,636,398

Note : 16 Borrowings

	As at 31st March 2021	As at 31 March 2020
1 Secured Loans		
From banks	1,759,272	3,428,315
Current Maturity of Long term Debt.	(1,339,099)	(1,669,043)
Total	420,173	1,759,272

16.1 The above Term Loans are secured by hypothecation of the vehicles against which loans are taken

16.2 Repayment Schedule:-

Term Loan (Secured):

a) HDFC Bank Ltd

Repayable in 60 monthly installments of ₹41,865/- from April 2016.

41,539

474,118

b) HDFC Bank Ltd

Repayable in 60 monthly installments of ₹ 91,270/- from May 2017.

1,042,193

962,204

c) Yes Bank Ltd.

Repayable in 48 monthly installments of ₹ 24,930/- from June 2019

255,367

232,721

Total

1,339,099

1,669,043

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 17 Trade & Other Payables

		Amount in ₹	
Sl. No.	Particulars	As at 31st March 2021	As at 31 March 2020
1	Dues of micro enterprises and small enterprises	-	-
2	Dues of creditors other than micro enterprises and small enterprises	4,215,549	-
	Total	4,215,549	-

Note : 18 Other Financial Liabilities

1	Current Maturity of Long term Debt.	1,339,099	1,669,043
2	Other Payables	-	12,401,262
3	Unclaimed Dividend#	549,767	725,860
	Total	1,888,866	14,796,165

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

Note : 19 Other Current Liabilities

1	Statutory Dues	4,969,675	1,946,666
2	Liability for expenses	4,273,821	2,853,543
	Total	9,243,496	4,800,209

Note : 20 Provisions

1	Provision For Employee Benefits	3,079,502	2,219,982
	Total	3,079,502	2,219,982

Note : 21 Revenue from Operations

Sl. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
1	Sale of shares and Securities	652,515,648	435,575,093
2	Investment Banking Operations	32,131,623	12,502,394
	Total	684,647,271	448,077,487

Note : 22 Other Income

1	Interest Income from Financial Assets measured at Amortised Cost		
	i) On loans	14,916,469	28,117,330
	ii) On Govt. Securities	-	3,866
	iii) Amortised Interest	9,131,957	9,719,088
	iv) Other Interest Income	347,574	2,402,960
2	Profit / Loss on Sale of Investments	39,838	471,111
3	Gain on fair valuation of financial asset	827,675	-
4	Profit on Sale of Assets	23,364,864	245,063
5	Dividend Income	92	138
6	Other Non operative income	93,104	81,477
	Total	48,721,573	41,041,033

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 23 Purchases

		Amount in ₹	
Sl. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
1	Purchase of shares and Securities	646,720,501	432,375,542
	Total	646,720,501	432,375,542

Note : 24 Change in Inventories / Stock

Sl. No.	Particulars		
	Opening Stock-Shares and Securities	251,625	328,464
	Closing Stock-Shares and Securities	252,509	251,625
	Total	(884)	76,839

Note : 25 Employee benefits expense

1	Salaries and wages	17,833,613	17,386,072
2	Contribution to provident and other funds	1,344,661	1,498,545
3	Staff Welfare Expenses	1,410,162	2,792,814
	Total	20,588,436	21,677,431

Note 25.1

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

Employer's Contribution to Provident Fund	1,344,661	1,498,545
---	-----------	-----------

Note : 26 Financial Cost

1	Interest Expense		
	On loans	226,271	345,735
	Total	226,271	345,735

Note : 27 Depreciation and Amortisation expense

1	Depreciation	4,376,725	5,537,213
	Total	4,376,725	5,537,213

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 28 Other expenses

		Amount in ₹	
Sl. No.	Particulars	Year ended 31st March, 2021	Year ended 31st march, 2020
1	Telephone Expenses	698,963	696,443
2	Printing & Stationery Expenses	129,369	242,889
3	Professional, Legal & Consultancy Charges	7,136,067	5,575,027
4	Business Promotion Expenses	62,696	119,548
5	Rent	507,390	507,390
6	Repair - Plant & Machinery	125,161	148,723
	- Others	463,992	374,351
7	Advertisement	118,500	388,600
8	Electricity, Power & Fuel	308,051	567,321
9	Vehicle Expenses	837,144	1,756,721
10	Membership & Subscription Fees	887,720	1,030,169
11	Miscellaneous Expenses	1,230,269	1,622,238
12	Gain or Loss On Financial Asset carried at Amortised Cost	15,983,684	11,418,351
13	Loss on fair valuation of financial asset	-	334,395
14	Rates & Taxes	1,059,166	486,315
15	Service Tax Paid	-	183,030
16	Travelling Expenses	178,865	700,929
17	Directors Fees	167,000	161,500
18	Insurance	159,378	275,725
19	Sundry Balance Written Off	-	176,210
20	Auditors' Remuneration	238,000	235,000
	Total	30,291,415	27,000,875

Note : 29 Tax expenses

1	Current Tax		
	Provision For Taxation	2,985,031	50,287
	Income Tax Earlier Year	-	971,187
		2,985,031	1,021,474
2	Deferred tax	(3,718,050)	(199,962)
	MAT Entitlement Reversed	29,740,919	(50,287)
		26,022,869	(250,249)
	Total	29,007,900	771,225

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Amount in ₹

Note : 30 Earnings per equity share

The Company's Earnings Per Share ('EPS') is determined based on the net profit / (loss) attributable to the shareholders' of the Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year.

	<u>31st March 2021</u>	<u>31st March 2020</u>
Net Profit / (Loss) attributable to equity shareholders		
Profit / (Loss) after tax (₹)	2,158,480	1,333,660
Nominal value of equity share (₹)	10	10
Weighted-average number of equity shares for basic & Diluted EPS	5,585,000	5,585,000
Basic & Diluted earnings per share (₹)	0.39	0.24

Note : 31 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 32 Commitments & Contingent Liabilities

(A) Commitments	Amount in ₹	
	31st March 2021	31st March 2020
Descriptions		
Unclaimed liabilities on partly paid shares	298,000	298,000
(B) Contingent Liabilities	Nil	Nil

Note : 33 Employee Benefit Obligations

Leave Obligations

To be Recognised in PL

Current Service Cost	108,406	140,733
Interest Cost on Benefits Obligation	82,324	129,485
Expected Return on Planned Asset	-	-
Actuarial Gain/Loss	417,713	(2,769)
Past Service Cost	-	-
Total	608,443	267,449

Net Liability /Asset recognised in BS

Net asset/(liability) recognised in balance sheet at beginning of the period	1,858,043	1,327,801
Fair Value of Planned Asset	-	-
Funded status {Surplus/(Deficit)}	(1,858,043)	(1,327,801)
Effect of balance sheet asset	-	-
Unrecognised Past Service Cost	-	-
Net asset/(liability) recognised in balance sheet	(1,858,043)	(1,327,801)

Change in the PV of DBO during the year

PV of DBO at beginning of the year	1,327,801	1,773,765
Current Service Cost	108,406	140,733
Interest Cost on DBO	82,324	129,485
Benefits Paid from Planned Asset	(78,201)	(713,413)
Actuarial Loss/Gains	417,713	(2,769)
Total	1,858,043	1,327,801

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Principal Assumption

Description	Amount in ₹	
	31st March 2021	31st March 2020
Discount Rate	6.00%	6.20%
Rate of Increase in salaries	7.50%	5.00%

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis for Present value of Defined Benefit obligation

Impact of the change in discount rate

Present value of obligation at the end of the year	1,858,043	1,327,801
a) Impact due to increase of 1 %	1,787,474	1,280,302
b) Impact due to decrease of 1 %	1,940,581	1,382,868

Impact of the change in salary increase

Present value of obligation at the end of the year	1,858,043	1,327,801
a) Impact due to increase of 1 %	1,944,693	1,387,468
b) Impact due to decrease of 1 %	1,782,651	1,275,608

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

To be Recognised in PL

Current Service Cost	539,578	449,063
Interest Cost on Benefits Obligation	55,315	110,621
Expected Return on Planned Asset	-	-
Actuarial Gain/Loss	-	-
Past Service Cost	-	-
Total	594,893	559,684

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

To be Recognised in OCI

Amount in ₹

Description	31st March 2021	31st March 2020
Actuarial Loss/Gains	17,456	(796,494)
Expected Return on Planned Asset	(96,775)	(54,235)
Re-measurement (or Actuarial (gain/loss) arising because of change in effect of asset ceiling	-	-
Total	(79,319)	(850,729)

Net Liability /Asset recognised in BS

PV of Defined Benefit Obligation	10,268,670	9,724,904
Fair Value of Planned Asset	9,047,211	8,832,723
	(1,221,459)	(892,181)
Less: Unrecognised Past Service Cost	-	-
Total - Net defined Benefit	(1,221,459)	(892,181)

Change in the PV of DBO during the year

PV of DBO at beginning of the year	9,724,904	10,001,853
Current Service Cost	539,578	449,063
Interest Cost on DBO	602,944	730,135
Benefits Paid from Planned Asset	(616,212)	(659,653)
Actuarial Loss/Gains	17,456	(796,494)
Plan Amendments	-	-
Total	10,268,670	9,724,904

Change in the Fair Value of Asset during the year

Fair value of Plan Asset at beginning	8,832,723	8,486,492
Expected Return	96,775	619,514
Contribution by Employer	186,296	332,135
Benefits Paid	(616,212)	(659,653)
Actuarial Gains/Losses	547,629	54,235
Total	9,047,211	8,832,723

Principal Assumption

Discount Rate	6.00%	6.20%
Rate of Increase in salaries	7.50%	5.00%

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Sensitivity analysis for Present value of Defined Benefit obligation		Amount in ₹
Description	<u>31st March 2021</u>	<u>31st March 2020</u>
Impact of the change in discount rate		
Present value of obligation at the end of the year	10,268,670	9,724,904
a) Impact due to increase of 1 %	10,016,226	9,496,557
b) Impact due to decrease of 1 %	10,554,132	9,979,380
Impact of the change in salary increase		
Present value of obligation at the end of the year	10,268,670	9,724,904
a) Impact due to increase of 1 %	10,556,921	9,989,081
b) Impact due to decrease of 1 %	10,008,725	9,483,888

SMIFS CAPITAL MARKETS LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note 34 : Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

Amount in ₹

Particulars	31st March 2021			31st March 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Cash and Bank balances	-	-	8,666,378	-	-	2,868,400
Trade Receivables	-	-	525,346	-	-	1,192,675
Investments	77,743,205	187,115,335	499,000,700	1,243,404	148,218,218	99,000,700
Other bank balances			549,867			725,960
Loans	-	-	225,071,373	-	-	684,419,146
Other financial assets	-	-	9,794,107	-	-	10,125,117
Total	77,743,205	187,115,335	743,607,771	1,243,404	148,218,218	798,331,999
Financial liabilities						
Borrowings	-	-	1,759,272	-	-	3,428,315
Other financial liabilities	-	-	549,767	-	-	13,127,122
Total	-	-	2,309,039	-	-	16,555,437

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(a) Fair value hierarchy

Amount in ₹

Financial assets and liabilities measured at fair value and amortised cost for which fair values are disclosed	31st March 2021			31st March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Particulars						
Investment in mutual funds	53,744,406	-	-	1,243,404	-	-
Investment in equity shares	125,250,071	61,865,265	-	84,871,205	63,347,014	-
Investment in preference shares	-	24,000,000	-	-	24,000,000	-
Investment in Debentures	-	400,000,000	-	-	-	-
Total	178,994,476	485,865,265	-	86,114,608	87,347,014	-
Financial liabilities						
Borrowings	-	-	1,759,272	-	-	3,428,315
Total	-	-	1,759,272	-	-	3,428,315

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(b) Fair value of financial assets and liabilities measured at amortised cost and FVTPL

Amount in ₹

Particulars	31st March 2021		31st March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Carried at amortised cost				
Cash and Bank balances	8,666,378	8,666,378	2,868,400	2,868,400
Trade Receivables	525,346	525,346	1,192,675	1,192,675
Investments	763,859,240	763,859,240	248,462,322	248,462,322
Other bank balances	549,867	549,867	725,960	725,960
Loans	225,071,373	225,071,373	684,419,146	684,419,146
Other financial assets	9,794,107	9,794,107	10,125,117	10,125,117
Total financial assets	1,008,466,311	1,008,466,311	947,793,620	947,793,620
Financial liabilities				
Carried at ammortised cost				
Borrowings	1,759,272	1,759,272	3,428,315	3,428,315
Other financial liabilities	549,767	549,767	13,127,122	13,127,122
Total financial liabilities	2,309,039	2,309,039	16,555,437	16,555,437

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 35 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include Investment in equity instruments, Investment in preference shares, Investment in debentures, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. The value of a financial instrument may change as a result of changes in the interest rates, equity price fluctuations and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with fixed interest rates. The Company is carrying its borrowings primarily at fixed rate.

Particulars	31st March 2021	31st March 2020
Fixed rate borrowings	1,759,272	3,428,315

(ii) Equity Price risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The fair value of Company's investment in quoted equity securities as at March 31, 2021 and March 2020 was ₹125,250,071, ₹ 84,871,205 respectively. A 10% change in equity price as at March 31, 2021 and March 2020 would result in an impact of ₹12,525,007, ₹8,487,121 respectively.

(Note: The impact is indicated on equity before consequential tax impact, if any).

(B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its financing activities, investment in mutual funds and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount. Any Credit risk is curtailed with arrangements with third parties.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 09. The Company does not hold collateral as security.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 and 31 March 2020 is the carrying value as illustrated in Note 34.

(C) Liquidity risk

Liquidity risk refer to the risk that the Company may not able to meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per the requirement. The Company maintains its surplus funds, if any, in deposits / balances which carry low market risk. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

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

Particulars	31st March 2021	31st March 2020
Less than 1 year		
Borrowings	1,339,099	1,669,043
Other Financial Liabilities	549,767	13,127,122
More than 1 year		
Borrowings	420,173	1,759,272

Note : 36 Related party disclosure (As per Ind AS-24 - Related Party Disclosures)

Relationships:

(a) Entities where Key management personnel and their relatives are able to exercise significant influence

SMIFS Capital Services Limited (Subsidiary Company)
Stewart & Mackertich Wealth Management Limited
Progressive Star Finance Private Ltd
Goodwin Builders Pvt Ltd

(b) Key Management Personnel:

Mr Utsav Parekh- Chairman
Mr Ajay Kumar Kayan -Director
Mr Kishor Shah - Managing Director
Mr. Santosh Kumar Mukherjee - Director
Mr. Ramesh Maheshwari - Director
Mrs. Pushpa Mishra - Director
Mr. Shreemanta Banerjee - CFO -Cum- Vice President (Finance & Taxation)
Ms. Poonam Bhatia - Company Secretary -Cum- Sr. Manager Legal

Disclosure of Related Party Transactions provides the information about the Company's structure. The following tables provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Terms and conditions of transactions with related parties:

The sales and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(a) Transaction with related parties

Amount in ₹

Particulars	Enterprise described in (a) above		Key Management Personnel		Relatives of Key Management Personnel	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Directors' sitting fees	-	-	167,000	161,500	-	-
Salary & Wages	-	-	23,76,937#	27,29,994#	-	-
Directors' Remuneration	-	-	74,95,950#	91,76,819#	-	-
Payment of Brokerage	-	-	-	-	-	-
Advance Taken	-	2,277,950	-	-	-	-
Sale of Property	18,317,040	-	-	-	-	-
Outstanding Balance as on 31st March 2021						
Other financial liabilities	-	2,277,950	-	-	-	-
Other current financial Assets	-	331,210	-	-	-	-
Other current asset	2,654	2,454	-	-	-	-

This includes Employer's Contribution to Provident Fund

Note : 37 Capital Management :

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

Particulars	31st March 2021	31st March 2020
Equity Share Capital	55,850,000	55,850,000
Other Equity	992,919,835	971,636,398
Total Equity (A)	1,048,769,835	1,027,486,398
Non Current Borrowings	420,173	1,759,272
Short term Borrowings	-	-
Current Maturities of long term borrowings	1,339,099	1,669,043
Gross Debts (B)	1,759,272	3,428,315
Less : Current Investments	-	-
Less: Cash and cash Equivalents	9,216,245	3,594,360
Net Debt	(7,456,973)	(166,045)
Gearing Ratio	(0.0071)	(0.0002)

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 38 Auditors' remuneration and expenses :

	Amount in ₹	
Particulars	31st March 2021	31st March 2020
for audit matter	190,000	190,000
for taxation matter	-	15,000
for certification fees	48,000	30,000
Total	238,000	235,000

Note : 39 Effective Tax Reconciliation

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate and the reported tax expense in profit or loss are as follows :-

Accounting profit before income tax	31,166,380	2,104,885
Applicable tax rate (Percentage)	26.00	26.00
Expected income tax	8,103,259	547,270
Income exempt from tax	-	(10,618,280)
Non deductible expenses for tax purpose	11,402,918	1,432,983
MAT Credit and other adjustments	9,501,723	9,409,252
Income Tax recognised in Profit and Loss account	29,007,900	771,225

Note : 40 Expenditure in Foreign currency :

Travelling Expenses	-	-
Total	-	-

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 41 Segment Reporting :

Amount in ₹

The Company has identified its business segment as its primary reportable segment comprising of Capital market operations, investment banking operations and real estate business

Particulars	Capital Market Operations		Investment Banking Operations		Unallocated		Total	
	For the year ended 31.03.2021	For the year ended 31.03.2020	For the year ended 31.03.2021	For the year ended 31.03.2020	For the year ended 31.03.2021	For the year ended 31.03.2020	For the year ended 31.03.2021	For the year ended 31.03.2020
Segment Revenue								
External Segment Revenue	652,515,648	435,575,093	32,131,623	12,502,394	48,721,573	41,041,033	733,368,844	489,118,520
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Revenue	652,515,648	435,575,093	32,131,623	12,502,394	48,721,573	41,041,033	733,368,844	489,118,520
Less : Inter Segment Revenue	-	-	-	-	-	-	-	-
Net Revenue	652,515,648	435,575,093	32,131,623	12,502,394	48,721,573	41,041,033	733,368,844	489,118,520
Result - Profit/ (Loss)								
Segment Result	5,796,031	3,122,712	32,131,623	12,502,394	(6,535,004)	(13,174,487)	31,392,650	2,450,619
Less: Finance cost	-	-	-	-	226,271	345,735	226,271	345,735
Profit/ (Loss) Before Tax	5,796,031	3,122,712	32,131,623	12,502,394	(6,761,275)	(13,520,222)	31,166,379	2,104,884

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Segment Assets and Liabilities :

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 : 42 Global Health Pandemic from COVID-19

The ongoing pandemic continues to impact the business of the Company. The Company has considered possible effects that may result from COVID-19 in preparation of these financial results including recoverability of its assets. In developing the assumptions relating to future uncertainties in the economic conditions due to COVID-19, it has, at the date of approval of these results, considered relevant internal and external sources of information and expects that the carrying amounts of these assets are recoverable. The impact of COVID-19 may be however different from that estimated as at the date of approval of these financial results.

Note : 43 Previous year figures have been reclassified / regrouped / rearranged wherever necessary.

As Per Our Report Of Even Date attached

FOR S. K. Agrawal and Co Chartered Accountants LLP.
Chartered Accountants
Firm Reg. No.: 306033E/E300272

Vivek Agarwal
Partner
Membership No. : 301571
Place: Kolkata
Dated: 29th June, 2021

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 Vice President
Finance & Taxation

CONSOLIDATED FINANCIAL STATEMENTS

HOLDING COMPANY

SMIFS Capital Markets Limited

SUBSIDIARY COMPANY

SMIFS Capital Services Limited

AUDITORS

**S. K. Agrawal and Co Chartered Accountants LLP.
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 audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **SMIFS CAPITAL MARKETS LIMITED** ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021, the consolidated profit, consolidated total comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Emphasis of Matter

We draw attention to Note 43 to the consolidated financial statements, which describes the uncertainties and potential impact of the Covid-19 pandemic on the Company's operations and results as assessed by the management. The actual results may differ from such estimates depending upon future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

S. No.	Key Audit Matter	Auditor's Response
1.	Direct Tax provision Refer Note 6 and 31 to the consolidated financial statements. In the normal course of business, "Income Taxes" is the amount of income taxes payable	Our procedures included: - Control testing: - Testing the effectiveness of the controls around the recording and re-assessment of tax provisions.

S. No.	Key Audit Matter	Auditor's Response
	<p>(recoverable) in respect of the taxable profit (tax loss) for a period.</p> <p>Management makes judgements and estimates in connection with tax issues and tax exposures resulting in the recognition of deferred tax assets and liabilities as well as the tax provisions.</p> <p>As the provision of direct taxes is highly dependent on significant management judgements,</p> <p>Accordingly, Direct Tax Provisions was considered as one of the Key Audit Matters.</p>	<p>Our tax expertise:</p> <ul style="list-style-type: none"> - Use of our own tax specialists to perform an assessment of the related correspondence, to consider the computation of tax provisions. - Challenging the assumptions using our own expectations based on our knowledge, considering relevant judgments passed by authorities, as well as assessing relevant opinions from third parties. <p>Assessing disclosures:</p> <p>Considering the adequacy of the disclosures in respect of tax and uncertain tax positions.</p> <p>The results of our testing were satisfactory, and we found the level of tax provisioning and the adequacy of disclosures to be acceptable</p>
2.	<p>Valuation of investment in certain equity interests of listed and unlisted company</p> <p>Refer note 3 to the consolidated financial statements</p> <p>The investment in certain equity interests of a listed and unlisted company (the 'investment') are to be measured at fair value at each reporting date, and same has been measured at fair value through other comprehensive income.</p> <p>With reference to the valuation, management had estimated the fair value of the Investment at ₹ 215,035,387 at year end.</p> <p>In consideration of the Investment is operating in an emerging industry and its fair value is highly dependent on significant management judgements. Accordingly, the valuation of the Investment was considered as one of the key audit matters</p>	<p>Based on the audit procedures performed, we found the assumptions made by management in relation to the valuation were supported by available evidence.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the companies Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Other Matter

The accompanying statements includes the audited financial results and other financial information in respect of one (1) subsidiary whose financial results/statements reflect total assets of Rs. 6,52,29,052 and net assets Rs 6,50,01,250 as on 31st March 2021, total revenue of Rs 18,76,334 and total net profit after tax Rs 6,50,012, total comprehensive profit Rs 9,45,915 for the year ended on that date and net cash inflow of Rs. 44,009 for the year ended 31st March 2021 as considered in the statement which have been audited by the subsidiary auditor

The independent auditors report on the financial statements of the subsidiary have been furnished to us by the management and our opinion on the quarterly consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of such auditor and the procedure performed by us stated in paragraph above.

Our opinion on the statement is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, report, to the extent applicable, 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 purposes of our audit.

- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors of the Company and its subsidiary incorporated in India and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There were no pending litigations which would impact the consolidated financial position of the Group.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, which are required to be transferred to Investor Education and Protection Fund by the Company and its subsidiary company incorporated in India.

FOR S. K. Agrawal and Co Chartered Accountants LLP.

Chartered Accountants

Firm's Registration No: 306033E/E300272

Vivek Agarwal

Partner

Membership No: 301571

UDIN:21301571AAAAIC5772

Place: Kolkata

Date : 29th day of June, 2021

ANNEXURE - A TO THE AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SMIFS CAPITAL MARKETS LIMITED of even date)

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

We have audited the internal financial controls over financial reporting of SMIFS CAPITAL MARKETS LIMITED ('the Company') and its subsidiary company, which is company incorporated in India as of 31st March, 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary company, which is incorporated in India, 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. 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 respective 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 internal financial controls over financial reporting of the Company and its subsidiary company, which is incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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 and the audit evidence obtained by other auditor of the subsidiary company, which is incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary company, which is incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations given to us and based on the consideration of the other auditor referred to in the Other Matters paragraph below, the Company and its subsidiary company, which is incorporated in India, 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 31st March, 2021, 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.

FOR S. K. Agrawal and Co Chartered Accountants LLP.

Chartered Accountants

Firm's Registration No: 306033E/E300272

Vivek Agarwal

Partner

Membership No: 301571

UDIN:21301571AAAAIC5772

Place: Kolkata

Date : 29th day of June, 2021

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at 31st March 2021 ₹	As at 31st March 2020 ₹
ASSETS			
Non-current assets			
a) Property, plant and equipment	2	45,487,433	63,842,564
b) Financial assets			
i) Investments	3	726,778,593	213,719,086
ii) Loans	4	225,199,015	684,543,224
iii) Other financial assets	5	9,791,453	9,791,453
c) Deferred tax assets (Net)	6	11,145,779	29,468,132
		1,018,402,273	1,001,364,459
Current assets			
a) Inventories	7	252,510	251,625
b) Financial assets			
i) Trade receivables	8	525,868	1,193,197
ii) Cash and Cash equivalents	9	9,108,399	3,266,413
iii) Other Bank Balances	10	549,867	725,960
iv) Other financial assets	11	24,256,897	24,041,697
c) Current tax asset (Net)	12	2,410,855	7,101,161
d) Other current assets	13	2,339,103	1,828,912
		39,443,499	38,408,965
Total Assets		1,057,845,772	1,039,773,424
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	14	55,850,000	55,850,000
b) Other equity	15	982,920,384	960,041,020
		1,038,770,384	1,015,891,020
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	16	420,173	1,759,272
b) Other non-current liabilities	17	32,454	32,454
		452,627	1,791,726
Current liabilities			
a) Financial liabilities			
i) Trade and other payables	18		
a) Dues of micro enterprises and small enterprises		-	-
b) Dues of creditors other than micro enterprises and small enterprises		4,215,549	-
ii) Other financial liabilities	19	1,888,866	14,796,165
c) Other current liabilities	20	9,382,235	4,980,710
d) Provisions	21	3,136,111	2,313,803
		18,622,761	22,090,678
Total Equity and liabilities		1,057,845,772	1,039,773,424

Significant Accounting Policies & Notes to Financial Statements

1 To 45

As Per Our Report Of Even Date attached

FOR S. K. Agrawal and Co Chartered Accountants LLP.

Chartered Accountants

Firm Reg. No.: 306033E/E300272

Vivek Agarwal

Partner

Membership No. : 301571

Place: Kolkata

Dated: 29th June, 2021

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 Vice President
Finance & Taxation

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

Particulars	Note No.	Year ended 31st March, 2021 ₹	Year ended 31st March, 2020 ₹
INCOME			
I Revenue from operations	22	686,512,725	449,904,701
II Other Income	23	48,732,453	41,066,202
Total income(I+II)		735,245,178	490,970,903
III EXPENDITURE			
Purchases of Stock-in-Trade	24	646,720,501	432,375,542
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	(884)	76,839
Employee benefits expense	26	21,498,691	23,708,956
Financial Costs	27	226,271	345,735
Depreciation and amortization expense	28	4,422,316	5,603,634
Other expenses	29	30,548,645	27,317,455
Total Expense(III)		703,415,540	489,428,161
IV Profit/(loss) before exceptional items and tax		31,829,638	1,542,742
V Exceptional items		-	-
VI Profit/(loss) before tax		31,829,638	1,542,742
VII Tax expense:	30		
(1) Current tax		2,985,031	50,287
(2) Tax adjustment for earlier years		-	971,187
(3) Deferred tax		26,036,117	(210,213)
VIII Profit/(loss) for the period from continuing operations		2,808,490	731,481
IX Profit/(loss) from discontinued operations		-	-
Tax expense from discontinued operations		-	-
X Profit/(loss) for the period from discontinued operations (after tax)		-	-
XI Profit/(loss) for the period		2,808,490	731,481
XII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability		79,319	1,118,420
Gains and losses from investments in equity instruments designated at fair value through other comprehensive income;		12,277,790	(81,384,271)
(ii) Income tax relating to items that will not be reclassified to profit or loss		7,713,763	4,112,665
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income/(loss) for the period		20,070,872	(76,153,186)
XIII Total Comprehensive Income for the period (XI+XII)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		22,879,362	(75,421,705)
XIV Earning per equity share:	31		
(1) Basic		0.50	0.13
(2) Diluted		0.50	0.13

Significant Accounting Policies & Notes to Financial Statements 1 To 45

As Per Our Report Of Even Date attached

FOR S. K. Agrawal and Co Chartered Accountants LLP.

Chartered Accountants

Firm Reg. No.: 306033E/E300272

Vivek Agarwal

Partner

Membership No. : 301571

Place: Kolkata

Dated: 29th June, 2021

For and on Behalf of the Board of Directors

UTSAV PAREKH

Chairman
(DIN No. 00027642)

KISHOR SHAH

Managing Director
(DIN No. 00170502)

POONAM BHATIA

Company Secretary
-cum - Sr.Manager Legal

SHREEMANTA BANERJEE

CFO-cum Vice President
Finance & Taxation

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

Equity Share Capital

Amount in ₹

Particulars	Balance at the beginning of the reporting year	Changes during the reporting year	Balance at the end of the reporting year
For the year ended 31st March 2020	55,850,000	-	55,850,000
For the year ended 31st March 2021	55,850,000	-	55,850,000

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

Other Equity

Amount in ₹

	Reserves and Surplus				Other Comprehensive Income		Total Other Equity
	Securities Premium	Capital Redemption reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Re-measurement of Defined Benefit Liability	
Balance at 1 April 2019	433,725,000	40,000,000	390,950,734	100,929,411	72,290,338	(2,432,759)	1,035,462,724
Profit for the year				731,482			731,482
Transferred from other comprehensive income				-			
Dividend Paid				-			
Dividend Distribution tax paid				-			
Other Comprehensive Income				-			
Transferred to retained earnings					(77,271,606)	1,118,420	(76,153,186)
Total Comprehensive Income for the year							
				731,482	(77,271,606)	1,118,420	(75,421,704)
Balance at 31 March 2020	433,725,000	40,000,000	390,950,734	101,660,893	(4,981,268)	(1,314,339)	960,041,020
Balance at 1 April 2020	433,725,000	40,000,000	390,950,734	101,660,893	(4,981,268)	(1,314,339)	960,041,020
Profit for the year				2,808,491			2,808,491
Transferred from other comprehensive income				(10,880,000)			
Dividend Paid				-			
Dividend Distribution tax paid				-			
Other Comprehensive Income					19,991,553	79,319	20,070,872
Transferred to retained earnings					(10,880,000)		
Total Comprehensive Income for the year							
				(8,071,509)	30,871,553	79,319	22,879,363
Balance at 31 March 2021	433,725,000	40,000,000	390,950,734	93,589,384	25,890,285	(1,235,020)	982,920,383

As Per Our Report Of Even Date attached

FOR S. K. Agrawal and Co Chartered Accountants LLP.

Chartered Accountants
Firm Reg. No.: 306033E/E300272

Vivek Agarwal
Partner

Membership No. : 301571

Place: Kolkata

Dated: 29th June, 2021

For and on Behalf of the Board of Directors

UTSAV PAREKH
Chairman
(DIN No. 00027642)

KISHOR SHAH
Managing Director
(DIN No. 00170502)

POONAM BHATIA
Company Secretary
-cum - Sr.Manager Legal

SHREEMANTA BANERJEE
CFO-cum Vice President
Finance & Taxation

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

	Amount in ₹	
	31st March, 2021	31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	31,829,639	1,542,743
Adjustment for		
Depreciation	4,422,316	5,603,634
(Profit) / Loss on sale of Investments	(39,838)	(471,111)
Dividend on Investment	(92)	(1,206)
(Profit)/Loss on sale of Fixed Assets	(23,364,864)	(245,063)
Financial Cost	226,271	345,735
Revaluation in Financial Assets	(827,675)	334,395
Gain or Loss On Financial Asset carried at Amortised Cost	15,983,684	11,418,778
Other Interest Income	(15,264,043)	(30,524,156)
Amortised Interest Income	(9,131,957)	(9,719,088)
	<u>(27,996,198)</u>	<u>(23,258,080)</u>
Operating profit before Working Capital change	3,833,441	(21,715,337)
Adjustment for		
1. Trade & Other Receivables	452,844,948	(16,021,122)
2. Inventories	(884)	76,839
3. Trade and Other Payables	(3,469,185)	11,387,350
	<u>449,374,879</u>	<u>(4,556,933)</u>
Cash Generated from Operations	453,208,321	(26,272,270)
Direct Tax paid	1,705,276	(4,048,003)
	<u>1,705,276</u>	<u>(4,048,003)</u>
Net Cash Flow from Operating activity	<u>454,913,597</u>	<u>(30,320,273)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(136,400)	(1,720,573)
Sale of Fixed Assets	37,434,080	640,000
Purchase of Investments	(535,084,036)	(93,348,489)
Sale of Investments	35,169,831	93,415,650
Interest Income	15,264,043	30,524,156
Dividend on Investment	92	1,206
Net Cash flow from Investing Activities	<u>(447,352,390)</u>	<u>29,511,949</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(226,271)	(345,735)
Proceeds from short-term borrowings	(1,669,043)	(502,685)
Net cash used in Financing Activities	<u>(1,895,314)</u>	<u>(848,420)</u>
Net increase in Cash & Cash Equivalents	5,665,893	(1,656,746)
Opening Balance of Cash & Cash Equivalents	3,992,373	5,649,119
Closing Balance of Cash & Cash Equivalents	<u>9,658,266</u>	<u>3,992,373</u>
Components of Cash and Cash Equivalents		
Cash on Hand (Refer Note - 9)	133,595	879,677
Balances with Banks - (Refer Note - 9 & 10)	9,524,671	3,112,696
Total Cash and Cash Equivalents	<u>9,658,266</u>	<u>3,992,373</u>

As Per Our Report Of Even Date attached

FOR S. K. Agrawal and Co Chartered Accountants LLP.

Chartered Accountants

Firm Reg. No.: 306033E/E300272

Vivek Agarwal

Partner

Membership No. : 301571

Place: Kolkata

Dated: 29th June, 2021

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 Vice President
Finance & Taxation

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Corporate Information

The Consolidated financial statements comprise financial statements of SMIFS Capital Markets Ltd (the "Company") and its subsidiary (collectively, "the Group") for the year ended 31st March 2021. The Company is a public limited company incorporated and domiciled in India and has its registered office at Vaibhav, 4F, 4, Lee Road, Kolkata - 700 020, India. The Company is listed on the BSE Limited and Calcutta Stock Exchange Limited. The company is engaged mainly in merchant banking and trading in government securities and shares.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on 29th June 2021.

Note: 1 Significant accounting policies

a) Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the companies (Indian Accounting Standards) Rules, 2015 as amended by companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of Companies Act, 2013 ("the Act")

The Financial statements are presented in Indian Rupees except otherwise indicated.

b) Basis of preparation of financial statements

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) 110- "Consolidated Financial statements" issued by the Institute of Chartered Accountants of India.

The Financial Statements of the Group have been prepared on historical cost convention under accrual method of accounting and as a going concern concept except for certain assets and liabilities which are measured at fair values as required by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as per the Group's normal operating cycle and the other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Group has ascertained its operating cycle as 12 months for the purpose of current and noncurrent classification of assets and liabilities.

c) Basis 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.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Adoption of new Indian Accounting Standards and interpretations

Effective 1st April 2019, Ind AS 116 replaces the existing standard Ind AS 17 and specifies how an entity will recognise, measure, present and disclose leases. The standard provides a single lease accounting model, requiring lessees to recognise a right of use asset ("ROU asset") and a corresponding liability on the lease commencement date. It provides exemption for leases with lease term of 12 months or less or the underlying asset has a low value.

The Company has applied Ind AS 116. The Company has assessed the effect of the new standard and has concluded that the application of Ind AS 116 has not had significant effect on recognition and measurement of revenue.

d) Use of estimates

In preparation of the financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods affected.

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation/amortization and impairment, if any. Freehold land is disclosed at cost less impairment, if any. Cost comprises of purchase price and directly attributable cost of acquisition/ bringing the asset to its working condition for its intended use (net of credit availed, if any). Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

On transition to Ind AS, the entity has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a written down value basis over the useful lives as prescribed under Schedule II to the Companies Act, 2013.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Group, or the number of production or similar units expected to be obtained from the asset by the Group.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month preceding the month of deduction/disposal.

f) Impairment of Non-financial assets

The Group assesses at each reporting date whether there is any indication the any property, plant and equipment and intangible assets or group of assets, called cash generating unit may be impaired. If any such indication exists the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

g) Inventories

Inventories 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.

h) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale and borrowing costs are being incurred. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

i) Provisions, Contingent liabilities and Contingent Assets

Provisions are recognised when there is a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at each Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the best current estimate.

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

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

j) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

Interest Income

Income from interest on deposits, loan and interest bearing securities is recognised on a time proportion basis taking into account the underlying interest rate.

Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally, when the shareholders approve the dividend.

k) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities (including MAT) attributable to temporary differences and to unused tax losses.

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

l) Cash flow statement

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

m) Financial instruments

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Financial Assets

Initial Recognition

All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition

Classification and Subsequent Measurement: Financial Assets

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- entity's business model for managing the financial assets and
- contractual cash flow characteristics of the financial asset.

Debt Instruments

Amortised Cost

A financial asset is subsequently measured at amortise cost, if the financial asset is held within a business model, whose objective is to hold the asset in order to collect contractual cash flow and the contractual term of financial asset give rise on specified date to cash flow that are solely payment of principal and interest on principal amount outstanding.

Fair Value through Other Comprehensive Income

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair Value through Profit or Loss

A financial asset is classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair valuethrough OCI.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Equity Instruments

All investments in equity instruments classified under financial assets are measured at fair value. The Group, in respect of equity investments, which are not held for trading, made an irrevocable election based on its judgment to present in other comprehensive income subsequent changes in the fair value (FVOCI) of such equity instrument. The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Group has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Financial Liabilities

Initial Recognition

Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Group recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial instruments

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the contractual rights to receive the cash flows from the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting financial instruments

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

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

n) Fair value measurements

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

o) Employee benefits

Defined contributions plan

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Group's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further defined obligations beyond the monthly contributions.

Defined benefit plans

The Group's Liabilities on account of Gratuity and Earned Leave on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian Accounting Standard (Ind AS) -19., 'Employee Benefits'. The gratuity liability is covered through a policy taken by a trust established under the group gratuity scheme with Life Insurance Corporation of India (LIC). The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

The Defined Benefit Plan can be short term or Long terms which are defined below:

(i) Short term Employee benefit

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

(ii) Long term Employee benefits

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

p) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

q) Borrowings

Borrowings are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

r) Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

s) Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The Cost of acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

t) Recent accounting pronouncements

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.

SMIFS CAPITAL MARKETS LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 2 Property Plant and Equipments Amount in ₹

Particulars	Gross Block			Depreciation			Net Block	
	As on 01.04.2020	Additions	Deductions/ Adjustments	As on 31.03.2021	As on 01.04.2020	For the year	As on 31.03.2021	As on 31.03.2020
Buildings / Premises	73,373,622	-	16,233,000	57,140,622	14,230,521	3,107,815	42,128,634	59,143,101
Furniture and Fixtures	129,018	-	-	129,018	126,387	1,723	908	2,631
Office Equipment	15,915	-	-	15,915	15,453	398	64	462
Vehicles	12,883,454	-	4,158,650	8,724,804	8,192,065	1,242,284	3,286,541	4,691,389
Electrical Installations	5,773	-	-	5,773	5,683	58	32	90
Computers	349,562	136,400	-	485,962	344,746	69,971	71,245	4,816
Air Conditioners	181,098	-	-	181,098	181,023	66	9	75
Sub total	86,938,442	136,400	20,391,650	66,683,192	37,326,399	4,422,315	45,487,433	63,842,564
Previous Year	87,036,916	1,720,573	1,818,656	86,938,832	18,916,354	5,603,634	63,842,564	

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 3 Non Current Investment

Amount in ₹

Sl. No.	Particulars	As at 31st March 2021		As at 31 March 2020	
		No. /Units	Amount ₹	No. /Units	Amount ₹
1	Investments measured at amortized cost				
(a)	Investment in Preference Shares (Non Cumulative ₹ 100/- Each)				
	Unquoted, fully paid up				
	12% Andaman Plantations & Development Corporation Pvt.Ltd	40,000	4,000,000	40,000	4,000,000
	7% Non Cumulative Redeemable Pref.Share Maya Tradelinks Ltd.	200,000	20,000,000	200,000	20,000,000
	15% Andaman Plantations & Development Corporation Pvt.Ltd	60,000	6,000,000	60,000	6,000,000
	18% Andaman Plantations & Development Corporation Pvt.Ltd	40,000	4,000,000	40,000	4,000,000
(b)	Investment in Debentures (₹100/- Each)				
	Unquoted, fully paid up				
	Zero Coupon Convertible Debenture.	4,000,000	400,000,000	-	-
2	Investments measured at fair value through Other comprehensive Income				
(a)	Investment in Equity Shares				
	Equity shares of ₹ 10 each (Unless otherwise stated)				
	Quoted, Fully paid up				
	Aravali Securities & Finance Limited	100	152	100	262
	Asian Vegpro Industries Limited	300,000	300,000	300,000	300,000
	Coventry Springs & Engg. Co. Ltd	52,323	5,233	52,323	5,233
	Melstar Information Technologies Limited	300	600	300	660
	Nicco UCO Alliance Credit Limited	114	22	114	22
	North Eastern Publishing & Advt Co Ltd	4,500,000	41,130,000	4,500,000	41,535,000
	Punsumi Foils & Components Limited	15,800	15,800	15,800	15,800
	Summit Securities Ltd.	156,500	83,797,925	156,500	43,014,025
	VCK Capital Markets Limited	200	340	200	204
	KEC International Ltd.	175	71,051	175	32,463
	Unquoted, Fully paid up				
	Antriksh Vyapaar Limited	1,650,000	24,849,000	2,450,000	40,425,000
	Bhatpara Papers Limited	44	391	44	391
	Progressive Star Finance Ltd.	60,000	59,233,200	60,000	47,441,400
	Tejasri Energy Limited	5,000	50,000	5,000	50,000
	Gujarat Securities Limited	20	200	20	200
	Vaibhav Services Pvt Ltd	4,580	438,169	4,580	438,169
	Andaman Plantations & Development Corporation Pvt.Ltd	30,000	3,000,000	30,000	3,000,000
	Welquin Suppliers Pvt Ltd	5,440	2,143,305	5,440	2,216,854

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 3 Non Current Investment

Amount in ₹

Sl. No.	Particulars	As at 31st March 2021		As at 31 March 2020	
		No. /Units	Amount ₹	No. /Units	Amount ₹
3	Investments measured through profit and loss				
(a)	Investment in Mutual Funds				
	Unquoted				
	BAGZ Aditya Birla Sunlife'95 Fund	2,015	1,989,655	1,820	1,120,453
	JM High Liquidity Fund	2,263	127,264	2,263	122,951
	Aditya Birla Sunlife Money Manager Fund	83,570	23,998,800	-	-
	Axis Money Market Fund	24,960	27,628,687	-	-
	Nippon India Money Market Fund	7,451	23,998,799	-	-
	Total		726,778,593		213,719,086

Aggregate amount of unquoted Investments	601,457,470	128,815,418
Aggregate amount of quoted Investments	125,321,123	84,903,668
Aggregate market value of quoted Investments	125,321,123	84,903,668

Note : 4 Loans

Amount in ₹

Sl.No.	Particulars	As at 31st March 2021	As at 31 March 2020
	Unsecured and considered good		
1	Security Deposit	849,386	846,386
		849,386	846,386
2	Other loans to Not Related Party	224,349,629	683,696,838
		224,349,629	683,696,838
	Total	225,199,015	684,543,224

Note : 5 Other non current financial assets

1	Receivable from Leased Assets	397,081	397,081
	Less: Provision for doubtful	(397,081)	(397,081)
			-
2	Other Receivable*	9,791,453	9,791,453
	Total	9,791,453	9,791,453

* Other receivable includes fixed deposit. 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.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 6 Deferred tax Assets (Net)

Amount in ₹

Sl. No.	Particulars	As at 31st March 2021	As at 31 March 2020
1	Deferred tax asset		
	MAT Credit Entitlement	13,512,320	43,253,239
	Less: Deferred tax liability		
	On Disallowances under the	898,007	427,347
	Income Tax Act, 1961		
	On difference between wdv as per book and		
	wdv as per Income Tax Act of fixed assets	(9,312,465)	(12,959,699)
	On Financial Instrument	6,047,917	(1,252,755)
		(2,366,541)	(13,785,107)
		11,145,779	29,468,132

Note : 7 Inventories

Amount in ₹

Sl. No.	Particulars	As at 31st March 2021		As at 31 March 2020	
		Quantity	Amount	Quantity	Amount
		Nos	₹	Nos	₹
Quoted : Fully Paid Up					
	AVON INDUSTRIES LTD.	9,800	9,800	9,800	9,800
	GENERAL EXPORTS & CREDITS LIMITED	45,900	45,900	45,900	45,900
	HB ESTATE DEVELOPERS LTD.	23	244	23	130
	HB PORTFOLIO LTD.	15	301	15	169
	K.H.S.L.INDUSTRIES LTD.	2,200	2,200	2,200	2,200
	KILBURN OFFICE AUTOMATION LIMITED	16,400	18,040	16,400	18,040
	LLOYDS FINANCE LTD.	50	25	50	25
	MADRAS SPINNERS LTD.	4,000	4,000	4,000	4,000
	STELLANT SECURITIES (I) LTD.SELLAID				
	PUBLICATION (I) LTD.	680	4,638	680	3,998
	SIDHI VINAYAK LIMITED	400	400	400	400
	SINCLAIRS HOTELS LTD.	23	760	23	760
	ENSO SECUTRACK LTD.	2,500	15,925	2,500	15,925
	VIPRAS CORPN.LTD.	500	500	500	500
EQUITY SHARES					
PARTLY PAID SHARES: QUOTED					
	*METROPOLI OVERSEAS LIMITED(Rs.5/-)	29,800	29,800	29,800	29,800
EQUITY SHARES					
UNQUOTED SHARES(FULLY PAID)					
	PROCAM INTERNATIONAL LTD.	19,977	19,977	19,977	19,977
	TATA CERAMICS LIMITED	100,000	100,000	100,000	100,000
Total			252,510		251,625

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 8 Trade Receivables

Sl.No.	Particulars	As at 31st March 2021	As at 31 March 2020
1	Unsecured Considered Good	525,868	1,193,197
	Less : Impairment Allowance	-	-
	Total	525,868	1,193,197

Note : 9 Cash & Cash Equivalents

1	Balance with banks	8,879,354	2,386,736
2	Cash on hand	133,595	879,677
3	Cheques in Hand	95,450	-
	Total	9,108,399	3,266,413

Note : 10 Other Bank Balances

1	Unclaimed Dividend account	549,867	725,960
	Total	549,867	725,960

Note : 11 Other current financial assets

1	Due from subsidiary	-	-
2	Other receivables	24,256,897	24,041,697
	Total	24,256,897	24,041,697

Note : 12 Current tax asset (Net)

1	Advance Income Tax (Net of Provision)	2,410,855	7,101,161
	Total	2,410,855	7,101,161

Note : 13 Other Current Assets

1	Balance with Statutory Authorities	835,882	557,261
2	Prepaid expenses	1,503,221	1,264,564
3	Other Advance	-	7,087
	Total	2,339,103	1,828,912

Note : 14 Equity Share Capital

1 AUTHORIZED		
3,00,00,000 (3,00,00,000) Equity Shares of ₹ 10/- each.	300,000,000	300,000,000
20,00,000 (20,00,000) Preference Shares of ₹ 100/- each.	200,000,000	200,000,000
	500,000,000	500,000,000
2 ISSUED, SUBSCRIBED & PAID UP		
55,85,000 (55,85,000) Equity Shares of ₹ 10/- each, Fully paid up	55,850,000	55,850,000
	55,850,000	55,850,000

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

3 Reconciliation of shares at the beginning and at the end of the reporting period

Particulars	No. of shares	Amount (₹)	No. of shares	Amount (₹)
At the beginning of the reporting period	5,585,000	55,850,000	5,585,000	55,850,000
Change during the year	-	-	-	-
At the closing of the reporting period	<u>5,585,000</u>	<u>55,850,000</u>	<u>5,585,000</u>	<u>55,850,000</u>

4 Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

5 Shareholders holding more than 5% shares in the Company

Particulars	No. of shares	% held	No. of shares	% held
Mackertich Consultancy Services Pvt Ltd	1,115,700	19.98	1,115,700	19.98
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	401,550	7.19	402,250	7.20
Minal Bharat Patel	323,339	5.79	-	-
S N Rajan	281,700	5.04	329,310	5.90

Note : 15 Other Equity

		Amount in ₹	
Sl.No.	Particulars	As at 31st March 2021	As at 31 March 2020
1	Securities Premium	433,725,000	433,725,000
2	Capital Redemption Reserve	40,000,000	40,000,000
3	General Reserve	<u>390,950,734</u>	<u>390,950,734</u>
		390,950,734	390,950,734
4	Retained Earnings :		
	Balance brought forward from previous year	101,660,894	100,929,411
	Transferred from Other Comprehensive Income	(10,880,000)	-
	Profit for the Year	<u>2,808,491</u>	<u>731,482</u>
		93,589,385	101,660,893
5	Other Comprehensive Income		
	Opening OCI	(6,295,607)	69,857,579
	Add: During the year OCI	20,070,872	(76,153,186)
	Less: Transferred to Retained Earning	<u>10,880,000</u>	<u>-</u>
		24,655,265	(6,295,607)
	Total	<u>982,920,384</u>	<u>960,041,020</u>

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 16 Borrowings

		Amount in ₹	
Sl.No.	Particulars	As at 31st March 2021	As at 31 March 2020
1	Secured Loans		
	From banks	1,759,272	3,428,315
	Current Maturity of Long term Debt.	(1,339,099)	(1,669,043)
	Total	420,173	1,759,272

16.1 The above Term Loans are secured by hypothecation of the vehicles against which loans are taken

16.2 Repayment Schedule:-

Term Loan (Secured):

a)	HDFC Bank Ltd		
	Repayable in 60 monthly installments of ₹41,865/- from April 2016.	41,539	474,118
b)	HDFC Bank Ltd		
	Repayable in 60 monthly installments of ₹ 91,270/- from May 2017.	1,042,193	962,204
c)	Yes Bank Ltd.		
	Repayable in 48 monthly installments of ₹ /- 24,930/- from June 2019	255,367	232,721
	Total	1,339,099	1,669,043

Note : 17 Other Non Current Liabilities

1	Advance from party	32,454	32,454
	Total	32,454	32,454

Note : 18 Trade & Other Payables

1	Dues of micro enterprises and small enterprises	-	-
2	Dues of creditors other than micro enterprises and small enterprises	4,215,549	-
	Total	4,215,549	-

Note : 19 Other Financial Liabilities

1	Current Maturity of Long term Debt.	1,339,099	1,669,043
2	Other Payables	-	12,401,262
3	Unclaimed Dividend#	549,767	725,860
	Total	1,888,866	14,796,165

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

Note : 20 Other Current Liabilities

1	Statutory Dues	4,980,491	1,971,033
2	Liability for expenses	4,401,744	3,009,677
	Total	9,382,235	4,980,710

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 21 Provisions

		Amount in ₹	
Sl. No.	Particulars	As at 31st March 2021	As at 31 March 2020
1	Provision For Employee Benefits	3,136,111	2,313,803
	Total	3,136,111	2,313,803

Note : 22 Revenue from Operations

Sl. No.	Particulars	Year ended 31st March, 2021	Year ended 31st march, 2020
1	Sale of shares and Securities	652,515,648	435,575,093
2	Investment Banking Operations	33,997,077	14,329,607
	Total	686,512,725	449,904,701

Note : 23 Other Income

1	Interest Income from Financial Assets measured at Amortised cost		
	i) On loans	14,927,349	28,141,432
	ii) On Govt. Securities	-	3,866
	iii) Amortised Interest	9,131,957	9,719,088
	iv) Other Interest Income	347,574	2,402,960
2	Profit / Loss on Sale of Investments	39,838	471,111
3	Gain on fair valuation of financial asset	827,675	-
4	Profit on Sale of Assets	23,364,864	245,063
5	Dividend Income	92	1,206
6	Other Non operative income	93,104	81,477
	Total	48,732,453	41,066,202

Note : 24 Purchases

1	Purchase of shares and Securities	646,720,501	432,375,542
	Total	646,720,501	432,375,542

Note : 25 Change in Inventories / Stock

	Opening Stock-Shares and Securities	251,625	328,464
	Closing Stock-Shares and Securities	252,509	251,625
	Total	(884)	76,839

Note : 26 Employee benefits expense

1	Salaries and wages	18,600,513	18,952,751
2	Contribution to provident and other funds	1,410,173	1,636,236
3	Staff Welfare Expenses	1,488,005	3,119,969
	Total	21,498,691	23,708,956

Note : 26.1

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

Employer's Contribution to Provident Fund	1,410,173	1,636,236
---	-----------	-----------

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 27 Financial Cost

Amount in ₹

Sl. No.	Particulars	Year ended 31st March, 2021	Year ended 31st march, 2020
1	Interest Expense		
	On loans	226,271	345,735
	Total	226,271	345,735

Note : 28 Depreciation and Amortisation expense

1	Depreciation	4,422,316	5,603,634
	Total	4,422,316	5,603,634

Note : 29 Other expenses

1	Telephone Expenses	720,009	731,622
2	Printing & Stationery Expenses	129,369	244,889
3	Professional, Legal & Consultancy Charges	7,189,167	5,615,257
4	Business Promotion Expenses	64,760	127,912
5	Rent	507,390	507,390
6	Repair - Plant & Machinery	125,161	148,723
	- Others	463,992	374,351
7	Advertisement	118,500	388,600
8	Electricity, Power & Fuel	308,051	567,321
9	Vehicle Expenses	886,500	1,849,355
10	Membership & Subscription Fees	932,678	1,075,127
11	Miscellaneous Expenses	1,282,562	1,697,348
12	Gain or Loss On Financial Asset carried at Amortised Cost	15,983,684	11,418,351
13	Loss on fair valuation of financial asset	-	334,395
14	Rates & Taxes	1,066,966	494,115
15	Service Tax Paid	-	183,030
16	Travelling Expenses	186,927	700,929
17	Directors Fees	167,000	161,500
18	Insurance	167,929	283,987
19	Sundry Balance Written Off	-	168,253
20	Auditors' Remuneration	248,000	245,000
	Total	30,548,645	27,317,455

Note : 30 Tax expenses

1	Current Tax		
	Provision For Taxation	2,985,031	50,287
	Income Tax Earlier Year	-	971,187
		2,985,031	1,021,474
2	Deferred tax	(3,704,802)	(159,926)
	MAT Entitlement Reversed	29,740,919	(50,287)
		26,036,117	(210,213)
	Total	29,021,148	811,261

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Amount in ₹

Note : 31 Earnings per equity share

The Company's Earnings Per Share ('EPS') is determined based on the net profit / (loss) attributable to the shareholders' of the . Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year.

	31st March 2021	31st March 2020
Net Profit / (Loss) attributable to equity shareholders		
Profit / (Loss) after tax (₹)	2808,490	731,481
Nominal value of equity share (₹)	10	10
Weighted-average number of equity shares for basic & Diluted EPS	5,585,000	5,585,000
Basic & Diluted earnings per share (₹)	0.50	0.13

Note : 32 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

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

Fair value measurement of financial instruments

"When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 33 Commitments & Contingent Liabilities

(A) Commitments	Amount in ₹	
	31st March 2021	31st March 2020
Descriptions		
Unclaimed liabilities on partly paid shares	298,000	298,000
(B) Contingent Liabilities	NIL	NIL

Note : 34 Employee Benefit Obligations

Leave Obligations

To be Recognised in PL

Current Service Cost	116,731	157,863
Interest Cost on Benefits Obligation	88,141	147,300
Expected Return on Planned Asset	-	-
Actuarial Gain/Loss	366,359	(78,441)
Past Service Cost	-	-
Total	571,231	226,722

Net Liability /Asset recognised in BS

Net asset/(liability) recognised in balance sheet at beginning of the period	1,914,652	1,421,622
Fair Value of Planned Asset	-	-
Funded status {Surplus/(Deficit)}	(1,914,652)	(1,421,622)
Effect of balance sheet asset	-	-
Unrecognised Past Service Cost	-	-
Net asset/(liability) recognised in balance sheet	(1,914,652)	(1,421,622)

Change in the PV of DBO during the year

PV of DBO at beginning of the year	1,421,622	2,017,806
Current Service Cost	116,731	157,863
Interest Cost on DBO	88,141	147,300
Benefits Paid from Planned Asset	(78,201)	(822,906)
Actuarial Loss/Gains	366,359	(78,441)
Total	1,914,652	1,421,622

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Principal Assumption	Amount in ₹	
Description	31st March 2021	31st March 2020
Discount Rate	6.00%	6.20%
Rate of Increase in salaries	7.50%	5.00%

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis for Present value of Defined Benefit obligation

Impact of the change in discount rate

Present value of obligation at the end of the year	1,914,652	1,421,622
a) Impact due to increase of 1 %	1,839,178	1,363,849
b) Impact due to decrease of 1 %	2,002,973	1,489,113

Impact of the change in salary increase

Present value of obligation at the end of the year	1,914,652	1,421,622
a) Impact due to increase of 1 %	2,007,374	1,494,427
b) Impact due to decrease of 1 %	1,834,014	1,358,432

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

To be Recognised in PL

Current Service Cost	539,578	514,875
Interest Cost on Benefits Obligation	55,315	105,487
Expected Return on Planned Asset	-	-
Actuarial Gain/Loss	-	-
Past Service Cost	-	-
Total	594,893	620,362

To be Recognised in OCI

Actuarial Loss/Gains	17,456	(1,065,173)
Expected Return on Planned Asset	(96,775)	(53,247)
Re-measurement or Actuarial (gain/loss) arising because of change in effect of asset ceiling	-	-
Total	(79,319)	(1,118,420)

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Net Liability /Asset recognised in BS

	Amount in ₹	
Description	31st March 2021	31st March 2020
PV of Defined Benefit Obligation	10,268,670	10,169,429
Fair Value of Planned Asset	9,047,211	9,554,587
	(1,221,459)	(614,842)
Less: Unrecognised Past Service Cost	-	-
Total - Net defined Benefit	(1,221,459)	(614,842)

Change in the PV of DBO during the year

PV of DBO at beginning of the year	9,724,904	10,708,488
Current Service Cost	539,578	514,875
Interest Cost on DBO	602,944	781,719
Benefits Paid from Planned Asset	(616,212)	(770,480)
Actuarial Loss/Gains	17,456	(1,065,173)
Plan Amendments	-	-
Total	10,268,670	10,169,429

Change in the Fair Value of Asset during the year

Fair value of Plan Asset at beginning	8,832,723	9,263,453
Expected Return	96,775	676,232
Contribution by Employer	186,296	332,135
Benefits Paid	(616,212)	(770,480)
Actuarial Gains/Losses	547,629	53,247
Total	9,047,211	9,554,587

Principal Assumption

Discount Rate	6.00%	6.20%
Rate of Increase in salaries	7.50%	5.00%

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis for Present value of Defined Benefit obligation

Impact of the change in discount rate

Present value of obligation at the end of the year	10,268,670	10,219,200
a) Impact due to increase of 1 %	10,016,226	9,899,770
b) Impact due to decrease of 1 %	10,554,132	10,473,676

Impact of the change in salary increase

Present value of obligation at the end of the year	10,268,670	10,219,200
a) Impact due to increase of 1 %	10,556,921	10,484,391
b) Impact due to decrease of 1 %	10,008,725	9,885,609

SMIFS CAPITAL MARKETS LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 35 Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

Amount in ₹

Particulars	31st March 2021			31st March 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Cash and Bank balances	-	-	9,108,399	-	-	3,266,413
Trade Receivables	-	-	525,868	-	-	1,193,197
Investments	77,743,205	215,035,387	434,000,000	1,243,404	178,475,681	34,000,000
Other bank balances	-	-	549,867	-	-	725,960
Loans	-	-	225,199,015	-	-	684,543,224
Other financial assets	-	-	34,048,350	-	-	33,833,150
Total	77,743,205	215,035,387	703,431,499	1,243,404	178,475,681	757,561,944
Financial liabilities						
Borrowings	-	-	1,759,272	-	-	3,428,315
Other financial liabilities	-	-	549,767	-	-	13,127,122
Total	-	-	2,309,039	-	-	16,555,437

SMIFS CAPITAL MARKETS LIMITED
NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(a) Fair value hierarchy

Amount in ₹

Financial assets and liabilities measured at fair value and amortised cost for which fair values are disclosed	31st March 2021			31st March 2020		
Particulars	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment in mutual funds	77,743,205	-	-	1,243,404	-	-
Investment in equity shares	125,321,122	89,714,265	-	84,903,667	93,572,014	-
Investment in preference shares	-	34,000,000	-	-	34,000,000	-
Investment in Debentures	-	400,000,000	-	-	-	-
Total	203,064,327	523,714,265	-	86,147,071	127,572,014	-
Financial liabilities						
Borrowings	-	-	1,759,272	-	-	3,428,315
Total	-	-	1,759,272	-	-	3,428,315

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(b) Fair value of financial assets and liabilities measured at amortised cost and FVTPL Amount in ₹

Particulars	31st March 2021		31st March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Carried at amortised cost				
Cash and Bank balances	9,108,399	9,108,399	3,266,413	3,266,413
Trade Receivables	525,868	525,868	1,193,197	1,193,197
Investments	726,778,592	726,778,592	213,719,085	213,719,085
Other bank balances	549,867	549,867	725,960	725,960
Loans	225,199,015	225,199,015	684,543,224	684,543,224
Other financial assets	34,048,350	34,048,350	33,833,150	33,833,150
Total financial assets	996,210,091	996,210,091	937,281,028	937,281,028
Financial liabilities				
Carried at ammortised cost				
Borrowings	1,759,272	1,759,272	3,428,315	3,428,315
Other financial liabilities	549,767	549,767	13,127,122	13,127,122
Total financial liabilities	2,309,039	2,309,039	16,555,437	16,555,437

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 36 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include Investment in equity instruments, Investment in preference shares, Investment in debentures, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. The value of a financial instrument may change as a result of changes in the interest rates, equity price fluctuations and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with fixed interest rates. The Company is carrying its borrowings primarily at fixed rate.

Particulars	31st March 2021	31st March 2020
Fixed rate borrowings	1,759,272	3,428,315

(ii) Equity Price risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The fair value of Company's investment in quoted equity securities as at March 31, 2021 and March 2020 was ₹125,321,122, ₹84,871,205 respectively. A 10% change in equity price as at March 31, 2021 and March 2020 would result in an impact of ₹12,532,112, ₹8,487,121 respectively.

(Note: The impact is indicated on equity before consequential tax impact, if any).

(B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its financing activities, investment in mutual funds and other financial instruments.

(i) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount. Any Credit risk is curtailed with arrangements with third parties .

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 09. The Company does not hold collateral as security.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 and 31 March 2020 is the carrying value as illustrated in Note 35.

(C) Liquidity risk

Liquidity risk refer to the risk that the Company may not able to meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per the requirement. The Company maintains its surplus funds, if any, in deposits / balances which carry low market risk. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

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

Particulars	31st March 2021	31st March 2020
Less than 1 year		
Borrowings	1,339,099	1,669,043
Other Financial Liabilities	549,767	13,127,122
More than 1 year		
Borrowings	420,173	1,759,272

Note : 37 Related party disclosure (As per Ind AS-24 - Related Party Disclosures)

Relationships:

(a) Entities where Key management personnel and their relatives are able to exercise significant influence

SMIFS Capital Services Limited (Subsidiary Company)
Stewart & Mackertich Wealth Management Limited
Progressive Star Finance Private Ltd
Goodwin Builders Pvt Ltd

(b) Key Management Personnel:

Mr Utsav Parekh- Chairman
Mr Ajay Kumar Kayan -Director
Mr Kishor Shah - Managing Director
Mr. Santosh Kumar Mukherjee - Director
Mr. Ramesh Maheshwari - Director
Mrs.Ramya Hariharan - Director (upto 15/10/2019)
Mrs. Pushpa Mishra - Director
Mr. Shreemanta Banerjee - CFO -Cum- Vice President (Finance & Taxation)
Ms. Poonam Bhatia - Company Secretary -Cum- Sr. Manager Legal
Mr. Santosh Kumar Mukherjee - Director
Ms Ayanti Sen - Company Secretary

Disclosure of Related Party Transactions provides the information about the Company's structure. The following tables provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Terms and conditions of transactions with related parties:

The sales and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(a) Transaction with related parties

Amount in ₹

Particulars	Enterprise described in (a) above		Key Management Personnel		Relatives of Key Management Personnel	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Directors' sitting fees	-	-	167,000	161,500	-	-
Salary & Wages	-	-	25,46,195#	3,890,239#	-	-
Directors' Remuneration	-	-	74,95,950#	91,76,819#	-	-
Payment of Brokerage	-	-	-	-	-	-
Advance Taken	-	2,277,950	-	-	-	-
Sale of Property	18,317,040	-	-	-	-	-
Outstanding Balance as on 31st March 2021						
Other financial liabilities	-	2,277,950	-	-	-	-
Other current financial Assets	-	-	-	-	-	-
Other current asset	2,654	2,454	-	-	-	-

This includes Employer's Contribution to Provident Fund

Note : 38 Capital Management :

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

Particulars	31st March 2021	31st March 2020
Equity Share Capital	55,850,000	55,850,000
Other Equity	982,920,384	960,041,020
Total Equity (A)	1,038,770,384	1,015,891,020
Non Current Borrowings	420,173	1,759,272
Short term Borrowings	-	-
Current Maturities of long term borrowings	1,339,099	1,669,043
Gross Debts (B)	1,759,272	3,428,315
Less : Current Investments	-	-
Less: Cash and cash Equivalents	9,658,266	3,992,373
Net Debt	(7,898,995)	(564,059)
Gearing Ratio	(0.0076)	(0.0006)

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 39 Auditors' remuneration and expenses :

	Amount in ₹	
Particulars	31st March 2021	31st March 2020
for audit matter	200,000	200,000
for taxation matter	-	15,000
for certification fees	48,000	30,000
Total	248,000	245,000

Note : 40 Effective Tax Reconciliation

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate and the reported tax expense in profit or loss are as follows :-

Accounting profit before income tax	31,829,638	1,542,742
Applicable tax rate (Percentage)	26.00	26.00
Expected income tax	8,275,706	547,270
Income exempt from tax	-	(10,618,280)
Non deductible expenses for tax purpose	11,351,610	1,432,983
MAT Credit and other adjustments	9,393,831	9,409,252
Income Tax recognised in Profit and Loss account	29,021,147	771,225

Note : 41 Expenditure in Foreign currency :

Travelling Expenses	-	-
Total	-	-

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 42 Segment Reporting :

Amount in ₹

The Company has identified its business segment as its primary reportable segment comprising of Capital market operations, investment banking operations and real estate business

Particulars	Capital Market Operations		Investment Banking Operations		Unallocated		Total	
	For the year ended 31.03.2021	For the year ended 31.03.2020	For the year ended 31.03.2021	For the year ended 31.03.2020	For the year ended 31.03.2021	For the year ended 31.03.2020	For the year ended 31.03.2021	For the year ended 31.03.2020
Segment Revenue								
External Segment Revenue	652,515,648	435,575,093	33,997,077	14,329,607	48,732,453	41,066,203	735,245,178	490,970,903
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Revenue	652,515,648	435,575,093	33,997,077	14,329,607	48,732,453	41,066,203	735,245,178	490,970,903
Less : Inter Segment Revenue	-	-	-	-	-	-	-	-
Net Revenue	652,515,648	435,575,093	33,997,077	14,329,607	48,732,453	41,066,203	735,245,178	490,970,903
Result - Profit/ (Loss)								
Segment Result	5,796,031	3,122,712	33,997,077	14,329,607	(7,737,199)	(15,563,842)	32,055,909	1,888,478
Less: Finance cost	-	-	-	-	226,271	345,735	226,271	345,735
Profit/ (Loss) Before Tax	5,796,031	3,122,712	33,997,077	14,329,607	(7,963,470)	(15,909,577)	31,829,638	1,542,743

Segment Assets and Liabilities :

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 practice 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, 2021

Note : 43 Global Health Pandemic from COVID-19

The ongoing pandemic continues to impact the business of the Company. The Company has considered possible effects that may result from COVID-19 in preparation of these financial results including recoverability of its assets. In developing the assumptions relating to future uncertainties in the economic conditions due to COVID-19, it has, at the date of approval of these results, considered relevant internal and external sources of information and expects that the carrying amounts of these assets are recoverable. The impact of COVID-19 may be however different from that estimated as at the date of approval of these financial results.

Note : 44 Additional information required for Consolidated Financial Statements:

Name of Entity	SMIFS Capital Markets Ltd. (Parent)		SMIFS Capital Services Ltd. (Subsidiary)	
	As a % of consolidated figures	Amount	As a % of consolidated figures	Amount
Net Assets i.e., total assets minus total liabilities	100.96	104,87,69,835	(0.96)	(99,99,450)
Share in profit or loss	76.86	21,58,480	23.14	6,50,012
Share in other comprehensive income	95.29	1,91,24,957	4.71	9,45,915
Share in total comprehensive income	93.02	2,12,83,437	6.98	15 95,927

Note : 45 Previous year figures have been reclassified / regrouped / rearranged wherever necessary.

As Per Our Report Of Even Date attached

FOR S. K. Agrawal and Co Chartered Accountants LLP.

Chartered Accountants

Firm Reg. No.: 306033E/E300272

Vivek Agarwal

Partner

Membership No. : 301571

Place: Kolkata

Dated: 29th June, 2021

For and on Behalf of the Board of Directors

UTSAV PAREKH

Chairman
(DIN No. 00027642)

KISHOR SHAH

Managing Director
(DIN No. 00170502)

POONAM BHATIA

Company Secretary
-cum - Sr.Manager Legal

SHREEMANTA BANERJEE

CFO-cum Vice President
Finance & Taxation

SMIFS CAPITAL SERVICES LIMITED

(CIN NO.: U65991WB2000PLC092125)

Board Of Directors

Mr. Utsav Parekh	–	Director
Mr. Santosh Kumar Mukherjee	–	Independent Director
Mr. Kishor Shah	–	Director

Company Secretary

Ms. Ayanti Sen

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, 2021.

FINANCIAL RESULTS

(₹ in million)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Profit/(Loss) before Finance Charge, Depreciation & Tax	0.71	(0.50)
Less: Finance Charge	-	-
Profit/(Loss) before Depreciation & Tax	0.71	(0.50)
Less: Depreciation / Amortization	0.05	0.06
Profit/(Loss) before Tax	0.66	(0.56)
Less : Tax Expenses	0.01	0.04
Profit/(Loss) after Tax	0.65	(0.60)
Profit/(Loss) brought forward from earlier year :	(6.04)	(5.44)
Profit/(Loss) carried to Balance Sheet	(5.39)	(6.04)

DIVIDEND

In view of loss incurred during the year, no dividend is recommended.

DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in 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 and is exploring 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) In 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 systems 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, 2021, your Company had 3 Non- Executive Directors. Mr. Utsav Parekh retires by rotation and being eligible offers himself for re-appointment. Further, Mr. Santosh Kumar Mukherjee was re-appointed as an Independent, Non-Executive Director of the Company w.e.f. April 1, 2019 to March 31, 2024 for a further period of 5 years by passing a Special Resolution by way of conducting an Extra-Ordinary General Meeting.

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 position in Committees of other Public Companies as on March 31, 2021 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

Seven 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:

Quarter	Date of Meetings
First	June 30, 2020
Second	July 31,2020
Second	August 14, 2020
Second	September 21, 2020
Third	October 5, 2020
Third	November 13, 2020
Fourth	February 12, 2021

Attendance of Director in respective meeting are as follows:

Name of the Directors	Year 2020 – 2021 Attendance at Board Meetings	Year 2019 – 2020 Attendance at the last AGM
Mr. Kishor Shah	7	Yes
Mr. Santosh Kumar Mukherjee	7	Yes
Mr. Utsav Parekh	7	Yes

AUDITORS

Members of the Company had approved M/s J.S Vanzara & Associates, Chartered Accountants, Kolkata (Firm Registration No. 318143E) as the Statutory Auditors of the Company at the 18th Annual General Meeting of the Company held on 20th September, 2018 for a period of 4 years from the conclusion of Eighteenth Annual General Meeting until conclusion of the Twenty Second Annual General Meeting of the Company subject to the ratification by the Members at every Annual General Meeting. In view of the Companies (Amendment) Act, 2017 the requirement of ratification of appointment of Statutory Auditors at every Annual General Meeting has been done away with. As such resolution for seeking ratification of appointment of Statutory Auditor has not been placed before the shareholders at this Annual General Meeting.

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 Rule 8 of the Companies (Accounts) Rules, 2014 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 29th day of June, 2021

Sd/-

(SANTOSH KUMAR MUKHERJEE)

Director

(DIN NO. 00170646)

Sd/-

(KISHOR SHAH)

Director

(DIN NO. 00170502)

FORM No. MGT-9

EXTRACT OF ANNUAL RETURN**as on the Financial Year ended on March 31, 2021**

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

I. REGISTRATION AND OTHER DETAILS				
(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 Registrar and Transfer Agent, if any	:	Maheshwari Datamatics Pvt Ltd, 23, R.N. Mukherjee Road, 5th 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 :

Sl. No.	Name and Description of main Product/ Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1	Investment Banking Services	–	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
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 1st April, 2020)				No. of Shares held at the end of the year (Ason 31st March, 2021)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1	Indian									
	(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
	Sub- Total (A)(1)	0	7500020	7500020	99.99	0	7500020	7500020	99.99	0
2	Foreign									0
	(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
	Sub – Total (A) (2)	0	0	0	0	0	0	0	0	0
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	0	7500020	7500020	99.99	0	7500020	7500020	99.99	0
B.	Public Shareholding									
1	Institutions									
	(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) FII's	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
	Sub Total B(1)	0	0	0	0	0	0	0	0	0

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 1st April, 2020)				No. of Shares held at the end of the year (Ason 31st March, 2021)				% Change during the year
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2	Non- Institutions										
	(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 share capital upto ₹ 1 lakh	0	50	50	0.00	0	50	50	0.00	0
	(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
	(c)	Others (specify)	0	0	0	0	0	0	0	0	0
	(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
	Sub-Total(B)(2) :		0	50	50	0.00	0	50	50	0.00	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)		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
	Grand Total(A+B+C)		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 (01/04/2020)			Purchase / Sale during the year		Shareholding at the end of the year (31/03/2021)			% 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	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. Saharsh Parekh	10	0.00	–	–	–	10	0.00	–	0
	Total	7500020	99.99	–	–	–	7500020	99.99	–	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 (01/04/2020)		Purchase/Sale during the year		Cumulative Shareholding during the year (31/03/2021)	
		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
		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 (01/04/2020)		Purchase/Sale/ Transfer during the year		Shareholding at the end of the year (31/03/2021)	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% Change	No. of Shares	% of Total Shares of the Company
1	SUBRATA DAS						
	At the beginning of the year	20	0.00				
	Date wise 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)					20	0.00
2	SHREEMANTA BANERJEE						
	At the beginning of the year	10	0.00				
	Date wise 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
3	DEBASISH MUKHERJEE						
	At the beginning of the year	10	0.00				
	Date wise 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
4	SURENDRA NATH OHJA						
	At the beginning of the year	10	0.00				
	Date wise 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

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2020)		Purchase / Sale during the year		Cumulative Shareholding during the year (31/03/2021)	
		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	UTSAV PAREKH						
	At the beginning of the year	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) :			-	-		
	At the End of the Year					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 ₹)
Indebtedness at the beginning of the financial year.				
(i) Principal Amount	0	0	0	0
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
Addition				
Reduction	0	0	0	0
Net Change				
Indebtedness at the end of the financial year.				
(i) Principal Amount	0	0	0	0
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	0	0	0	0

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	Nil				
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961					
	(c) Profit in lien of salary under section 17(3) Income-tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission -as % of profit					
5	Other, please specify					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other Directors :

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO Amount in (₹)	Company Secretary Amount in (₹)	CFO Amount in (₹)	Total Amount in (₹)
1	Gross salary (a) Salary as per provision contained in section 17(1) of the Income-Tax Act, 1961	N.A.	169,258	N.A.	169,258
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	0	0	0	0
	(c) Profits in lien of salary under section 17(3) Income-Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission-as % of profit	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (Amount in ₹)	N.A.	169,258	N.A.	169,258

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

For and on behalf of the Board of Directors

Regd. Office:

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

Date : The 29th day of June, 2021

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 audit of the Standalone Financial Statements

We have audited the accompanying financial statements of M/s **SMIFS CAPITAL SERVICES LIMITED** ("the Company") which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Balance Sheet as at March 31, 2021, the statement of profit and loss, and cash flows statement for the year then ended.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

S. No.	Key Audit Matter	Auditor's Response
1.	Direct Tax provision In the normal course of business, "Income Taxes" as the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period	<p>Our procedures included: -</p> <p>Control testing:</p> <ul style="list-style-type: none">- Testing the effectiveness of the controls around the recording and re-assessment of tax provisions. <p>Our tax expertise:</p> <ul style="list-style-type: none">- Use of our own tax specialists to perform an assessment of the related correspondence, to consider the computation of tax provisions.- Challenging the assumptions using our own expectations based on our knowledge, considering relevant

S. No.	Key Audit Matter	Auditor's Response
		<p>judgments passed by authorities, as well as assessing relevant opinions from third parties.</p> <p>Assessing disclosures:</p> <p>Considering the adequacy of the disclosures in respect of tax and uncertain tax positions.</p> <p>The results of our testing were satisfactory, and we found the level of tax provisioning to be acceptable</p>
2.	<p>Valuation of investment in certain equity interests of listed and unlisted company</p> <p>Refer note 3 to the standalone financial statements</p> <p>The investment in certain equity interests of a listed and unlisted company (the 'investment') are to be measured at fair value at each reporting date, and the same has been measured at fair value through other comprehensive income.</p> <p>With reference to the valuation, management had estimated the fair value of the Investment at Rs. 37,920,051/- at year end.</p> <p>In consideration of the Investments is operating in an emerging industry and its fair value is highly dependent on significant managements judgements. Accordingly, the valuation of the Investment was considered as one of the key audit matters</p>	<p>Based on the audit procedures performed, we found the assumptions made by management in relation to the valuation were supported by available evidence.</p>

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "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, based on our audit 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant 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 the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"

- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
- h) 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 does not have any pending litigation as on 31st March 2021 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, which are required to be transferred to Investor Education and Protection Fund by the Company.

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

This is the 29th Day of June 2021.
UDIN for this document is: 21308158AAAABH2969

For J. S. VANZARA & ASSOCIATES

Chartered Accountants
FRN NO: 318143E

MAYUR THACKER

Partner
Membership No. 308158

ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of SMIFS CAPITAL SERVICES LIMITED of even date)

The Annexure referred to in our Independent Auditor's Report to the members of **SMIFS CAPITAL SERVICES LIMITED** (‘the Company’) for the year ended on 31st March 2021. We report that:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to information and explanations given to us and the records examined by us including registered title deeds, we report that, the title deeds, comprising all the immovable properties of land and buildings are held in the name of the Company as at the Balance Sheet date.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- iii. In our opinion and according to the information and explanations given to us, 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 Companies Act, 2013. Accordingly, clause (iii) (a), clause (iii) (b) and clause (iii) (c) of paragraph 3 of the Order are not applicable.
- iv. Based on our audit procedure and on the basis of information and explanations given to us, we are of the opinion that the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. Accordingly, clause (v) of paragraph 3 of the Order is not applicable.
- vi. According to the information and explanations provided by the management, the Company is not engaged in production, processing, manufacturing or mining activities. Accordingly, clause (vi) of paragraph 3 of the Order is not applicable.
- vii. According to the information and explanations given to us in respect of statutory and other dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, Goods and Services Tax, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2021 for a period of more than six months from the date of becoming payable.
 - (b) According to the records of the Company, there are no dues of Income Tax, Goods and Services Tax and Cess with the appropriate authorities which has not been deposited on account of any dispute.
- viii. On the basis of the records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to banks and financial institution. The Company did not have any outstanding debentures during the year.

- ix. The Company did not raise any money by way of initial public offer and further public offer (including debt instruments) during the year. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were applied for the purpose for which the loans were obtained.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, and details of such transactions have been disclosed in the standalone financial statements, as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause (xiv) of paragraph 3 of the Order is not applicable.
- xv. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not entered into non-cash transactions with the directors or persons as per section 192 of the Companies Act, 2013. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause (xvi) of paragraph 3 of the Order is not applicable.

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

For J. S. VANZARA & ASSOCIATES

Chartered Accountants

FRN NO: 318143E

MAYUR THACKER

Partner

Membership No. 308158

This is the 29th Day of June 2021.

UDIN for this document is: 21308158AAAABH2969

ANNEXURE - B TO THE AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SMIFS CAPITAL SERVICES LIMITED of even date)

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

We have audited the internal financial controls over financial reporting of **SMIFS CAPITAL SERVICES LIMITED** ('the Company') as of 31st March, 2021 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 Board of Directors of the Company 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. 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 respective 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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 internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

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

recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, 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 29th Day of June 2021.
UDIN for this document is: 21308158AAAABH2969

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

MAYUR THACKER
Partner
Membership No. 308158

SMIFS CAPITAL SERVICES LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at 31st March 2021 ₹	As at 31st March 2020 ₹
ASSETS			
Non-current assets			
a) Property, plant and equipment	2	99,551	145,142
b) Financial assets			
i) Investments	3	37,920,051	40,257,463
ii) Loans	4	127,642	124,078
c) Deferred tax assets (Net)	5	1,965,147	-
		40,112,391	40,526,683
Current assets			
a) Financial assets			
i) Trade receivables	6	522	522
ii) Cash and Cash equivalents	7	442,022	398,013
iii) Other financial assets	8	24,254,243	24,039,243
b) Current tax asset (Net)	9	62,536	106,442
c) Other current assets	10	357,339	277,339
		25,116,661	24,821,559
Total Assets		65,229,052	65,348,242
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	11	75,000,700	75,000,700
b) Other equity	12	(9,999,450)	(11,595,377)
		65,001,250	63,405,323
LIABILITIES			
Non-current liabilities			
a) Deferred tax liabilities (Net)	13	-	1,304,933
b) Other non-current liabilities	14	32,454	32,454
		32,454	1,337,387
Current liabilities			
a) Other current liabilities	15	138,739	511,711
b) Provisions	16	56,609	93,821
		195,348	605,532
Total Equity and liabilities		65,229,052	65,348,242

Significant Accounting Policies &
Notes to Financial Statements

1 To 34

As Per Our Report Of Even Date attached

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

For and on Behalf of the Board of Directors

CA. MAYUR THACKER
Partner
Membership No. : 308158
Place: Kolkata
Dated: 29th June 2021
UDIN:21308158AAAABH2969

SANTOSH KUMAR MUKHERJEE
Director
(DIN No. 00170646)

KISHOR SHAH
Director
(DIN No. 00170502)

AYANTI SEN
Company Secretary

SMIFS CAPITAL SERVICES LIMITED

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Note No.	Year ended 31st March, 2021 ₹	Year ended 31st March, 2020 ₹
INCOME			
I Revenue from operations	17	1,865,454	1,827,213
II Other Income	18	10,880	25,170
Total income(I+II)		1,876,334	1,852,383
III EXPENDITURE			
Employee Benefit Expenses	19	910,255	2,031,525
Depreciation and amortization expense	20	45,591	66,421
Other expenses	21	257,228	316,578
Total Expense(III)		1,213,074	2,414,524
IV Profit/(loss) before exceptional items and tax		663,260	(562,141)
V Exceptional items		-	-
VI Profit/(loss) before tax		663,260	(562,141)
VII Tax expense:	22		
(1) Current tax		-	-
(2) Tax adjustment for earlier years		-	-
(3) Deferred tax		13,248	40,036
VIII Profit/(loss) for the period from continuing operations		650,012	(602,177)
IX Profit/(Loss) from discontinuing operations		-	-
Tax expense from discontinued operations		-	-
X Profit/(loss) for the period from discontinued operations (after tax)		-	-
XI Profit/(loss) for the period		650,012	(602,177)
XII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability		-	267,691
Gains and losses from investments in equity instruments designated at fair value through other comprehensive income;		(2,337,412)	(10,975,994)
(ii) Income tax relating to items that will not be reclassified to profit or loss		3,283,327	(495,851)
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income/(loss) for the period		945,915	(11,204,154)
XIII Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		1,595,927	(11,806,331)
XIV Earning per equity share:			
(1) Basic	23	0.09	(0.08)
(2) Diluted		0.09	(0.08)

Significant Accounting Policies & Notes to Financial Statements 1 To 34

As Per Our Report Of Even Date attached

For J. S. VANZARA & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Reg. No.: 318143E

CA. MAYUR THACKER

Partner

Membership No. : 308158

Place: Kolkata

Dated: 29th June 2021

UDIN:21308158AAABH2969

For and on Behalf of the Board of Directors

SANTOSH KUMAR MUKHERJEE

Director

(DIN No. 00170646)

KISHOR SHAH

Director

(DIN No. 00170502)

AYANTI SEN

Company Secretary

SMIFS CAPITAL SERVICES LIMITED

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

Equity Share Capital

Amount in ₹

Particulars	Balance at the beginning of the reporting year	Changes during the reporting year	Balance at the end of the reporting year
For the year ended 31st March 2020	75,000,700	-	75,000,700
For the year ended 31st March 2021	75,000,700	-	75,000,700

Other Equity

	Reserves and Surplus	Other Comprehensive Income		Total Other Equity
	Retained Earnings	Equity instruments through Other Comprehensive Income	Remeasure-ment of Defined Benefit Liability	
Balance at 1 April 2019	(5,439,419)	5,881,880	(231,508)	210,954
Profit for the year	(602,177)	-	-	(602,177)
Other Comprehensive Income	-	(11,471,845)	267,691	(11,204,154)
Total Comprehensive Income for the year	(602,177)	(11,471,845)	267,691	(11,806,331)
Balance at 31st March 2020	(6,041,596)	(5,589,965)	36,183	(11,595,378)
Balance at 1 April 2020	(6,041,596)	(5,589,965)	36,183	(11,595,378)
Profit for the year	650,012	-	-	650,012
Other Comprehensive Income	-	945,915	-	945,915
Total Comprehensive Income for the year	650,012	945,915	-	1,595,927
Balance at 31st March 2021	(5,391,584)	(4,644,050)	36,183	(9,999,451)

As Per Our Report Of Even Date attached

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

CA. MAYUR THACKER
 Partner
 Membership No. : 308158
 Place: Kolkata
 Dated: 29th June 2021
 UDIN:21308158AAAABH2969

For and on Behalf of the Board of Directors

SANTOSH KUMAR MUKHERJEE
 Director
 (DIN No. 00170646)

KISHOR SHAH
 Director
 (DIN No. 00170502)

AYANTI SEN
 Company Secretary

SMIFS CAPITAL SERVICES LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Amount in ₹

	31st March 2021	31st March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	663,260	(562,141)
Adjustment for		
Depreciation	45,591	66,421
Dividend on Investment	-	(1,068)
Prior Period Items	-	-
	<u>45,591</u>	<u>65,353</u>
Operating profit before Working Capital change	708,851	(496,788)
Adjustment for		
Trade & Other Receivables	(298,564)	426,496
Trade & Other Payables	(410,184)	(4,863)
	<u>(708,749)</u>	<u>421,633</u>
Cash Generated from Operations	103	(75,155)
Direct Tax paid	43,907	181,310
	<u>43,907</u>	<u>181,310</u>
Net Cash Flow from Operating activity	44,009	106,155
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets (Net of advance received)	-	-
Sale of Investments	-	-
Dividend on Investment	-	1,068
Net Cash flow from Investing Activities	<u>-</u>	<u>1,068</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	-	-
Proceeds from long-term borrowings	-	-
Net cash used in Financing Activities	<u>(0)</u>	<u>(0)</u>
Net increase in Cash & Cash Equivalents	44,009	107,223
Opening Balance of Cash & Cash Equivalents	398,013	290,790
Closing Balance of Cash & Cash Equivalents	442,022	398,013
Components of Cash and Cash Equivalents		
Cash on Hand (Refer Note - 7)	46,052	259,940
Balances with Banks - (Refer Note - 7)	395,970	138,073
Total Cash and Cash Equivalents	442,022	398,013

As Per Our Report Of Even Date attached

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

CA. MAYUR THACKER
 Partner
 Membership No. : 308158
 Place: Kolkata
 Dated: 29th June 2021
 UDIN:21308158AAAABH2969

For and on Behalf of the Board of Directors

SANTOSH KUMAR MUKHERJEE
 Director
 (DIN No. 00170646)

KISHOR SHAH
 Director
 (DIN No. 00170502)

AYANTI SEN
 Company Secretary

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

The Company Information

SMIFS CAPITAL SERVICES LIMITED (the “Company”) is a public limited company incorporated and domiciled in India and has its registered office at Vaibhav, 4F, 4, Lee Road, Kolkata - 700 020, India.

The financial statements for the year ended March 31 2021 were approved by the Board of Directors and authorised for issue on 29th June 2021.

Note: 1 Significant accounting policies

a) Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the companies (Indian Accounting Standards) Rules, 2015 as amended by companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of Companies Act, 2013 (“the Act”)

The financial statements are presented in Indian Rupees except otherwise indicated.

b) Basis of Preparation

The Financial Statements of the Company have been prepared on historical cost convention under accrual method of accounting and as a going concern concept except for certain assets and liabilities which are measured at fair values as required by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as per the Company's normal operating cycle and the other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and noncurrent classification of assets and liabilities.

Adoption of new Indian Accounting Standards and interpretations

Effective 1st April 2019, Ind AS 116 replaces the existing standard Ind AS 17 and specifies how an entity will recognise, measure, present and disclose leases. The standard provides a single lease accounting model, requiring lessees to recognise a right of use asset (“ROU asset”) and a corresponding liability on the lease commencement date. It provides exemption for leases with lease term of 12 months or less or the underlying asset has a low value.

The Company has applied Ind AS 116. The Company has assessed the effect of the new standard and has concluded that the application of Ind AS 116 has not had significant effect on recognition and measurement of revenue.

c) Use of estimates

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation/amortization and impairment, if any. Freehold land is disclosed at cost less impairment, if any. Cost comprises of purchase price and directly Property, plant and equipment are stated at cost less accumulated depreciation/amortization and impairment, if any. Freehold land is disclosed at cost less impairment, if any. Cost comprises of purchase price and directly attributable cost of acquisition/bringing the asset to its working condition for its intended use (net of credit availed, if any). Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a written down value basis over the useful lives as prescribed under Schedule II to the Companies Act, 2013.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month preceding the month of deduction/disposal.

e) Impairment of Non-financial assets

The Company assesses at each reporting date whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

f) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale and borrowing costs are being incurred. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

g) Provisions, Contingent liabilities and Contingent Assets

Provisions are recognised when there is a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at each Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the best current estimate.

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

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

h) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

(i) Interest Income

Income from interest on deposits, loan and interest bearing securities is recognised on a time proportion basis taking into account the underlying interest rate.

(j) Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

(k) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities (including MAT) attributable to temporary differences and to unused tax losses.

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(l) Cash flow statement

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

(m) Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial Assets

Initial Recognition

All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- entity's business model for managing the financial assets and
- contractual cash flow characteristics of the financial asset.

Debt Instruments

Amortised Cost

A financial asset is subsequently measured at amortise cost, if the financial asset is held within a business model, whose objective is to hold the asset in order to collect contractual cash flow and the contractual term of financial asset give rise on specified date to cash flow that are solely payment of principal and interest on principal amount outstanding.

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Fair Value through Other Comprehensive Income

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Fair Value through Profit or Loss

A financial asset is classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Equity Instruments

All investments in equity instruments classified under financial assets are measured at fair value. The company in respect of equity investments, which are not held for trading made an irrevocable election based on its judgment to present in other comprehensive income subsequent changes in the fair value (FVOCI) of such equity instrument. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Financial Liabilities

Initial Recognition

Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the contractual rights to receive the cash flows from the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting financial instruments

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

(n) Fair value measurements

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(o) Employee benefits

Defined contributions plan

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Defined benefit plans

The Company's Liabilities on account of Gratuity and Earned Leave on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian Accounting Standard (Ind AS) -19., 'Employee Benefits.' The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Defined Benefit Plan can be short term or Long terms which are defined below:

(i) Short term Employee benefit

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

(ii) Long term Employee benefits

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

(p) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

(q) Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(r) Recent accounting pronouncements

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 2 Property Plant and Equipments

Amount in ₹

Particulars	Gross Block			Depreciation			Net Block	
	As on 01.04.2020	Additions	Deductions/ Adjustments	As on 31.03.2021	As on 01.04.2020	For the year	As on 31.03.2021	As on 31.03.2020
Vehicles	562,878	-	-	562,878	417,736	45,591	99,551	145,142
Sub total	562,878	-	-	562,878	417,736	45,591	99,551	145,142
Previous year	563,269	-	-	563,269	351,706	66,421	145,142	

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 3 Investments

Amount in ₹

Sl. No.	Particulars	As at 31st March 2021		As at 31 March 2020	
		Quantity No.	Amount ₹	Quantity No.	Amount ₹
1	Investments measured at amortized cost Investment in Preference Shares (Non Cumulative ₹ 100/- Each) 15% Andaman Plantations & Development Corporation Pvt.Ltd	60,000	6,000,000	60,000	6,000,000
	18% Andaman Plantations & Development Corporation Pvt.Ltd	40,000	4,000,000	40,000	4,000,000
2	Investment measured through Other Comprehensive Income Investment in Equity Shares Equity shares of ₹ 10 each (Unless otherwise stated)				
(a)	Fully paid up: Quoted KEC International Ltd.	175	71,051	175	32,463
(b)	Fully paid up: Unquoted Antriksh Vyapaar Limited	1,650,000	24,849,000	1,650,000	27,225,000
	Andaman Plantations & Development Corporation Pvt.Ltd	30,000	3,000,000	30,000	3,000,000
	Total		37,920,051		40,257,463

Aggregate book value of unquoted Investments	37,849,000	40,225,000
Aggregate book value of quoted Investments	71,051	32,463
Aggregate market value of quoted Investments	71,051	32,463

Note : 4 Loans

Amount in ₹

Sl. No.	Particulars	As at 31st March 2021	As at 31 March 2020
1	Security Deposit	58,000	58,000
2	Others	69,642	66,078
	Total	127,642	124,078

Note :5 Deferred tax Assets (Net)

Deferred tax Asset

Deferred Tax Assets

On Disallowances under the Income Tax Act, 1961	14,718	-
On difference between wdv as per book and wdv as per Income Tax Act of fixed assets	61,661	-
Deferred tax Asset		
On Financial Instrument	1,888,768	1,965,147
	1,965,147	-

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 6 Trade Receivables

Amount in ₹

Sl.No.	Particulars	As at 31st March 2021	As at 31 March 2020
1	Unsecured Considered Good	522	522
	Total	522	522

Note : 7 Cash & Cash Equivalents

1	Balance with banks		
	Current Account Balances	395,970	138,073
2	Cash on hand	46,052	259,940
	Total	442,022	398,013

Note : 8 Others

Short term Loans & Advances

1	Other Advances	24,254,243	24,039,243
	Total	24,254,243	24,039,243

Note : 9 Current tax asset (Net)

1	Advance Income Tax (Net of Provision)	62,536	106,442
	Total	62,536	106,442

Note : 10 Other Current Assets

1	Prepaid Expenses	357,339	277,339
	Total	357,339	277,339

Note : 11 Equity Share Capital

1 AUTHORIZED			
1,50,00,000 Equity Shares of ₹10/- each	150,000,000	150,000,000	
	150,000,000	150,000,000	
2 ISSUED , SUBSCRIBED & PAID UP			
7,500,070 Equity Shares of ₹ 10/- each, Fully paid up	75,000,700	75,000,700	

3 The details of shareholders holding more than 5% shares

Particulars	No. of shares	% held	No. of shares	% held
SMIFS Capital Markets Limited	7,500,070	100.00	7,500,070	100.00

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 12 Other Equity

Amount in ₹

Sl.No.	Particulars	As at 31st March 2021	As at 31 March 2020
1	Retained Earnings		
	Balance brought forward from previous year	(6,041,595)	(5,439,418)
	Profit for the Year	650,012	(602,177)
		(5,391,583)	(6,041,595)
2	Opening OCI	(5,553,782)	5,650,372
	Add: During the year OCI	945,915	(11,204,154)
		(4,607,867)	(5,553,782)
	Total	(9,999,450)	(11,595,377)

Note : 13 Deferred tax liabilities (Net)

1 Deferred tax liability

Deffered Tax Assets		
On Disallowances under the Income Tax Act, 1961	-	45,206
On difference between wdv as per book and wdv as per Income Tax Act of fixed assets	-	(65,233)
Deferred tax liability		
On Financial Instrument	-	1,324,960
	-	1,304,933
Total	-	1,304,933

Note : 14 Other Non Current Liabilities

1	Advance from party	32,454	32,454
	Total	32,454	32,454

Note : 15 Other Current Liabilities

Other current liabilities

1	Statutory Dues	10,816	24,367
2	Liability for expenses	127,923	156,134
3	Due to Holding Company	-	331,210
	Total	138,739	511,711

Note : 16 Provisions

1	Provision for employees benefits	56,609	93,821
	Total	56,609	93,821

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 17 Revenue from Operations

Amount in ₹

Sl. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
1	Investment Banking Operations (Net)	1,865,454	1,827,213
	Total	1,865,454	1,827,213

Note : 18 Other Income

1	Interest Received	10,880	24,102
2	Dividend Income	-	1,068
	Total	10,880	25,170

Note : 19 Employee Benefit Expenses

1	Salaries, Bonus & Allowances	766,900	1,566,679
2	Contribution to provident and other funds	65,512	137,691
3	Staff Welfare Expenses	77,843	327,155
	Total	910,255	2,031,525

Note : 20 Depreciation & Amortised Cost

1	Depreciation	45,591	66,421
	Total	45,591	66,421

Note : 21 Other expenses

1	Telephone Expenses	21,045	35,179
2	Printing & Stationery Expenses	-	2,000
3	Professional, Legal & Consultancy Charges	53,100	40,230
4	Business Promotion Expenses	2,063	8,363
5	Travelling Exp.	8,062	-
6	Vehicle Expenses	49,356	92,633
7	Membership & Subscription Fees	44,958	44,958
8	Miscellaneous Expenses	52,293	75,110
9	Sundry Balance W/off	-	(7,957)
10	Rates & Taxes	7,800	7,800
11	Insurance	8,551	8,262
12	Auditors' Remuneration	10,000	10,000
	Total	257,228	316,578

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 22 Tax expenses

Amount in ₹

Sl. No.	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
1	Current Tax		
	Provision For Taxation	-	-
	Income Tax Earlier Year	-	-
		-	-
2	Deferred tax	13,248	40,036
	Total	13,248	40,036

As Per Our Report Of Even Date attached

For J.S. VANZARA & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Reg. No.: 318143E

CA. MAYUR THACKER

Partner

Membership No. : 308158

Place: Kolkata

Dated: 29th June 2021

UDIN:21308158AAAABH2969

For and on Behalf of the Board of Directors

SANTOSH KUMAR MUKHERJEE

Director

(DIN No. 00170646)

KISHOR SHAH

Director

(DIN No. 00170502)

AYANTI SEN

Company Secretary

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 23 Earnings per equity share

Amount in ₹

The Company's Earnings Per Share ('EPS') is determined based on the net profit / (loss) attributable to the shareholders' of the company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year.

	<u>31st March 2021</u>	<u>31st March 2020</u>
Net Profit / (Loss) attributable to equity shareholders		
Profit / (Loss) after tax	650,012	(602,177)
Nominal value of equity share (₹)	10	10
Weighted-average number of equity shares for basic & Diluted EPS	7,500,070	7,500,070
Basic & Diluted earnings per share (₹)	0.09	(0.08)

Note : 24 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 25 Employee Benefit Obligations

Amount in ₹

Leave Obligations

To be Recognised in PL

Descriptions	31st March 2021	31st March 2020
Current Service Cost	8,325	17,130
Interest Cost on Benefits Obligation	5,817	17,815
Expected Return on Planned Asset	-	-
Actuarial Gain/Loss	(51,354)	(75,672)
Past Service Cost	-	-
Total	(37,212)	(40,727)

Net Liability /Asset recognised in BS

Net asset/(liability) recognised in balance sheet at beginning of the period	56,609	93,821
Fair Value of Planned Asset	-	-
Funded status {Surplus/(Deficit)}	(56,609)	(93,821)
Effect of balance sheet asset	-	-
Unrecognised Past Service Cost	-	-
Net asset/(liability) recognised in balance sheet	(56,609)	(93,821)

Change in the PV of DBO during the year

PV of DBO at beginning of the year	93,821	244,041
Current Service Cost	8,325	17,130
Interest Cost on DBO	5,817	17,815
Benefits Paid from Planned Asset	-	(109,493)
Actuarial Loss/Gains	(51,354)	(75,672)
Total	56,609	93,821

Principal Assumption

Discount Rate	6.00%	6.20%
Rate of Increase in salaries	7.50%	5.00%

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Sensitivity analysis for Present value of Defined Benefit obligation

Amount in ₹

Descriptions	31st March 2021	31st March 2020
Impact of the change in discount rate		
Present value of obligation at the end of the year	56,609	93,821
a) Impact due to increase of 1 %	51,704	83,547
b) Impact due to decrease of 1 %	62,392	106,245
Impact of the change in salary increase		
Present value of obligation at the end of the year	56,609	93,821
a) Impact due to increase of 1 %	62,681	106,959
b) Impact due to decrease of 1 %	51,363	82,824

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

To be Recognised in PL

Current Service Cost	-	65,812
Interest Cost on Benefits Obligation	-	(5,134)
Expected Return on Planned Asset	-	-
Actuarial Gain/Loss	-	-
Past Service Cost	-	-
Total	-	60,678

To be Recognised in OCI

Actuarial Loss/Gains	-	(268,679)
Expected Return on Planned Asset	-	988
Re-measurement (or Actuarial (gain/loss) arising because of change in effect of asset ceiling	-	-
Total	-	(267,691)

Net Liability /Asset recognised in BS

PV of Defined Benefit Obligation	-	444,525
Fair Value of Planned Asset	-	721,864
	-	277,339
Less: Unrecognised Past Service Cost	-	-
Total - Net defined Benefit	-	277,339

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Change in the PV of DBO during the year

Amount in ₹

Descriptions	31st March 2021	31st March 2020
PV of DBO at beginning of the year	-	706,635
Current Service Cost	-	65,812
Interest Cost on DBO	-	51,584
Benefits Paid from Planned Asset	-	(110,827)
Actuarial Loss/Gains	-	(268,679)
Plan Amendments	-	-
Total	-	444,525

Change in the Fair Value of Asset during the year

Fair value of Plan Asset at beginning	-	776,961
Expected Return	-	56,718
Contribution by Employer	-	-
Benefits Paid	-	(110,827)
Actuarial Gains/Losses	-	(988)
Total	-	721,864

Principal Assumption

Discount Rate	-	6.20%
Rate of Increase in salaries	-	5.00%

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis for Present value of Defined Benefit obligation

Impact of the change in discount rate

Present value of obligation at the end of the year	-	494,296
a) Impact due to increase of 1 %	-	403,213
b) Impact due to decrease of 1 %	-	494,296

Impact of the change in salary increase

Present value of obligation at the end of the year	-	494,296
a) Impact due to increase of 1 %	-	495,310
b) Impact due to decrease of 1 %	-	401,721

SMIFS CAPITAL SERVICES LIMITED
NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 26 Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

Amount in ₹

Particulars	31st March 2021			31st March 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade receivables	-	-	522	-	-	522
Loans	-	-	127,642	-	-	124,078
Cash and cash equivalents	-	-	442,022	-	-	398,013
Investments	-	24,920,051	13,000,000	-	27,257,463	13,000,000
Other financial assets	-	-	24,254,243	-	-	24,039,243
Total	-	24,920,051	37,824,428	-	27,257,463	37,561,856
Financial liabilities						
Borrowings	-	-	-	-	-	-
Trade payable	-	-	-	-	-	-
Security deposit	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Total	-	-	-	-	-	-

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(a) Fair value hierarchy

Amount in ₹

Financial assets and liabilities measured at fair value and amortised cost for which fair values are disclosed	31st March 2021			31st March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Particulars						
Investment in equity shares	71,051	27,849,000	-	32,463	30,225,000	-
Investment in preference shares	-	10,000,000	-	-	10,000,000	-
Total financial assets	71,051	37,849,000	-	32,463	40,225,000	-
Financial liabilities						
Derivative financial liabilities	-	-	-	-	-	-
Total	-	-	-	-	-	-

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(b) Fair value of financial assets and liabilities measured at amortised cost and FVTPL

Amount in ₹

Particulars	31st March 2021		31st March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Carried at amortised cost				
Cash and Bank balances	442,022	442,022	398,013	398,013
Trade Receivables	522	522	522	522
Investments	37,920,051	37,920,051	40,257,463	40,257,463
Loans	127,642	127,642	124,078	124,078
Other financial assets	24,254,243	24,254,243	24,039,243	24,039,243
Total financial assets	62,744,479	62,744,479	64,819,318	64,819,318
Financial liabilities				
Carried at ammortised cost				
Borrowings	-	-	-	-
Trade payable	-	-	-	-
Security deposit	-	-	-	-
Other financial liabilities	-	-	-	-
Total financial liabilities	-	-	-	-

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 27 Financial risk management objectives and policies

In the Course of its business , the Company is exposed to a variety of financial risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy to cover financial risk : Market risk, Credit risk and Liquidity risk associated with financial assets and liabilities. The risk management policies is reviewed by Board of Director periodically and required mitigation steps are taken.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. The value of a financial instrument may change as a result of changes in the interest rates, equity price fluctuations and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(i) Equity Price risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The fair value of Company's investment in quoted equity securities as at March 31, 2021 and March, 2020 was ₹ 71,051 and ₹ 32,463 respectively. A 10% change in equity price as at March 31, 2021 and March, 2020 would result in an impact of ₹ 7,105 and ₹ 3,246 respectively.

(Note: The impact is indicated on equity before consequential tax impact, if any).

(B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its financing activities, investment in mutual funds and other financial instruments.

(C) Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low

Note : 28 Related party disclosure (As per Ind AS-24 - Related Party Disclosures)

Relationships:

(a) Entities where Key management personnel and their relatives are able to exercise significant influence

SMIFS Capital Markets Limited (Holding Company)

(b) Key Management Personnel:

Mr Kishor Shah - Director

Mr Utsav Parekh- Director

Mr Santosh Kumar Mukherjee - Director

Ms Ayanti Sen - Company Secretary

(c) Relatives to Key Management Personnel:

Disclosure of Related Party Transactions provides the information about the Company's structure. The following tables provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

(a) Transaction with related parties

Amount in ₹

Particulars	Enterprise described in (a) above		Key Management Personnel		Relatives of Key Management Personnel	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Salary & Wages	-	-	169,258	860,245	-	-
Other financial liabilities	-	331,210	-	-	-	-

Note : 29 Capital Management :

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

Particulars	Amount in ₹	
	31st March 2021	31st March 2020
Equity Share Capital	75,000,700	75,000,700
Other Equity	(9,999,450)	(11,595,377)
Total Equity (A)	65,001,250	63,405,323
Non Current Borrowings	-	-
Short term Borrowings	-	-
Current Maturities of long term borrowings	-	-
Gross Debts (B)	-	-
Less : Current Investments	-	-
Less: Cash and cash Equivalments	442,022	398,013
Net Debt	(442,022)	(398,013)
Gearing Ratio	(0.0068)	(0.0063)

Note : 30 Effective Tax Reconciliation

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate and the reported tax expense in profit or loss are as follows :-

Particulars	Amount in ₹	
	31st March 2021	31st March 2020
Accounting profit before income tax	663,260	(562,141)
Applicable tax rate (Percentage)	26.00	26.00
Expected income tax	172,448	-
Income exempt from tax	-	(1,068)
Non deductible expenses for tax purpose	(51,308)	60,678
Other adjustments	(107,892)	(19,575)
Income Tax recognised in Profit and Loss account	13,248	40,036

Note : 31 Auditors' remuneration and expenses :

Particulars	Amount in ₹	
	31st March 2021	31st March 2020
for audit matter	10,000	10,000

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Note : 32 Segment Reporting :

Amount in ₹

Particulars	31st March 2021	31st March 2020
Segment Revenue		
Capital Market Operations	-	-
Investment Banking Operations	1,865,454	1,827,213
Others	10,880	25,170
Net Revenue	1,876,334	1,852,383
Result - Profit/ (Loss)		
Capital Market Operations	-	-
Investment Banking Operations	1,865,454	1,827,213
Others	10,880	25,170
Total	1,876,334	1,852,383
Less: Interest	-	-
Other unallocable expenses net of unallocable income	1,213,074	2,414,524
Profit/ (Loss) Before Tax	663,259	(562,142)

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 33) Global Health Pandemic from COVID-19

The ongoing pandemic continues to impact the business of the Company. The Company has considered possible effects that may result from COVID-19 in preparation of these financial results including recoverability of its assets. In developing the assumptions relating to future uncertainties in the economic conditions due to COVID-19, it has, at the date of approval of these results, considered relevant internal and external sources of information and expects that the carrying amounts of these assets are recoverable. The impact of COVID-19 may be however different from that estimated as at the date of approval of these financial results.

Note : 34 Previous year figures have been reclassified / regrouped / rearranged wherever necessary.

As Per Our Report Of Even Date attached

For J.S. VANZARA & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Reg. No.: 318143E

CA. MAYUR THACKER

Partner

Membership No. : 308158

Place: Kolkata

Dated: 29th June 2021

UDIN:21308158AAABH2969

For and on Behalf of the Board of Directors

SANTOSH KUMAR MUKHERJEE

Director

(DIN No. 00170646)

KISHOR SHAH

Director

(DIN No. 00170502)

AYANTI SEN

Company Secretary

REGISTERED OFFICE
"Vaibhav" (4F)
4, Lee Road, Kolkata - 700 020
Phone No.: +91 33 2290 0544, 2290 7400/01/02
Fax No.: +91 33 2287 4042/6884
Email: smifcap@gmail.com, cs.smifs@gmail.com
www.smifscap.com