

# SMC Credits Ltd.

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

CIN: L65910DL1992PLC049566

Email id: [smccorp011@gmail.com](mailto:smccorp011@gmail.com) Ph: 011-45012880

Website: [www.smccredits.com](http://www.smccredits.com)

To

September 08, 2023

The Secretary,

**BSE Limited**

25<sup>th</sup> Floor

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort

Mumbai - 400001.

Security Code: **532138**

**Sub: Submission of Annual Report for FY 2022-23 along with Notice of the 31<sup>st</sup> Annual General Meeting.**

Dear Sir/Madam,

Pursuant to Regulation 34 and other applicable regulations, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for Financial Year 2022-23 along with notice of **31<sup>st</sup> Annual General Meeting** ("AGM") of **SMC Credits Limited** ("Company") scheduled to be held on **Saturday, September 30, 2023 at 03:00 p.m. (IST).**

The Annual Report for the Financial Year 2022-23 and the Notice of 31<sup>st</sup> Annual General Meeting are also available on Company's website at [www.smccredits.com](http://www.smccredits.com).

Kindly take the same on your records

**For SMC Credits Limited**

**Rajesh Goenka**

**Whole Time Director & CFO**

**DIN: 00298227**

**Encl:** As stated above

**ANNUAL REPORT  
2022-2023**

**SMC CREDITS LIMITED**

**BOARD OF DIRECTORS**

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

**CHIEF FINANCIAL OFFICER**

Mr. Rajesh Goenka

**COMPANY SECRETARY  
& COMPLIANCE OFFICER**

Ms. Kaira Dewani

**STATUTORY AUDITORS**

AVP & CO.  
(Chartered Accountants)

**SECRETARIAL AUDITORS**

Neeraj Arora & Associates, Company Secretaries

**REGISTRAR & SHARE TRANSFER AGENTS**

Beetal Financial & Computer Services (P) Ltd

**BANKERS**

Canara Bank

**REGISTERED OFFICE**

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

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**SMC CREDITS LIMITED**

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CIN: L65910DL1992PLC049566

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Website: [www.smccredits.com](http://www.smccredits.com)

**NOTICE**

**Notice** is hereby given that the **31<sup>ST</sup> Annual General Meeting('AGM')** of the Members of **SMC Credits Limited** will be held on **Saturday, the 30<sup>th</sup> September, 2023 at 3:00 P.M.** at the registered office i.e. **24, Ashoka Chamber, 5-B, Rajindra Park, Pusa Road, New Delhi - 110060** of the Company to transact the following business: -

**ORDINARY BUSINESS**

1. To receive, consider and adopt the financial statements of the company for the financial year ended 31<sup>st</sup> March, 2023, together with the report of the Board of Directors and Auditors' thereon.
2. To appoint the Director in place of Mr. Rajesh Goenka (DIN: 00298227) who retire by rotation and being eligible, offer himself for re-appointment and such reappointment shall not be deemed to constitute a break in his tenure as Whole Time Director.

For and on behalf of the Board

New Delhi  
August 11, 2023

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

## **NOTES:**

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

1. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Every member entitled to vote at the meeting or on any resolution to be moved thereat shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided that not less than three days’ notice in writing of the intention so to inspect is given to the Company.
3. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 18. The Company will also send communication relating to remote e-voting which inter alia would contain details of User ID and password.
4. In pursuance of section 112 and section 113 of the Act, representatives of the members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the AGM. In this regard a duly certified copy of the Board Resolution/ Power of Attorney authorizing their representative is required to be provided to the company.
5. Members / Proxies should fill the attendance slip for attending the AGM. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days between 9:30 a.m. to 11:30 a.m., except Saturdays, up to the date of the annual general meeting.
8. The Company has notified closure of Register of Members and Share Transfer Books from **Sunday, the 24<sup>th</sup> September, 2023 to Saturday, the 30<sup>th</sup> September, 2023**, both days inclusive.
9. The Company has fixed **Saturday, September 23, 2023** as the **Cut-off Date** for remote e-voting. The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off Date i.e. **Saturday, September 23, 2023** only. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.
10. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of voting by electronic means viz. 'remote e-voting' (e-voting from a place other than venue of the AGM) through NSDL, for all Members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the Notice of 31st AGM of the Company.
11. The remote e-voting period begins on **Wednesday, September 27, 2023 at 9:00 a.m. (IST) and ends on Friday, September 29, 2023 at 5:00 p.m. (IST)**. During this period, Members of the Company, holding shares either in physical form or in dematerialized form as on the Cut-off Date i.e. **Saturday, September 23, 2023** may cast their votes electronically. The remote e-voting module shall be disabled after 05:00 p.m. (IST) on Friday, September 29, 2023 at 5:00 p.m.

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper.

The Members desirous of voting through remote e-voting are requested to refer to the detailed procedure given hereinafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently

### **DATA UPDATION FOR SMOOTH PROCESSING**

#### **Updation of PAN, email address and other details**

12. Members may please note that this Notice and Annual Report for the year 2022-23 has been uploaded on the Company's website: [www.smccredits.com](http://www.smccredits.com), website of the Stock Exchange i.e. BSE Ltd at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

13. In terms of the aforesaid MCA Circulars, SEBI Circular nos. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, the Company has sent the Annual Report and the Notice of AGM only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

- i. Shareholders holding shares in physical form, are requested to register/ update their email addresses by submitting physical copy of Form ISR-1 to the RTA along with relevant documents at below mentioned address:

**BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.**

BEETAL HOUSE, 3<sup>rd</sup> Floor, 99 Madangir, Behind LSC  
Near Dada Harsukhdas Mandir, New Delhi-110062

- ii. Shareholders holding shares in dematerialized form, are requested to register/ update their email addresses with the Depository Participants with whom the demat account is maintained.

14. Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the electronic form are, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts if not yet updated. Members holding shares in physical form can submit their PAN details to R&TA/Company.

15. The folios wherein any one of the PAN, KYC details and Nomination is not available on or after October 01, 2023 or such other date/any other requirement as specified by SEBI shall be frozen by the RTA. The folios in which PANs is / are not linked to the Aadhaar number of the holder as on the cut-off date notified by the CDDT, shall also be frozen.

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

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

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



17. Members are requested to send their queries, if any, on the accounts and operations of the Company to the Company at its email id [smccorp011@gmail.com](mailto:smccorp011@gmail.com) in at least a week in advance, so that relevant information may be made available, if the Company permits such information to be furnished.
18. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the RTA i.e. Beetal Financial & Computer Service Private Limited, for consolidation into a single folio.
19. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

## **INSTRUCTIONS FOR E-VOTING:**

### **STEP 1: ACCESS TO NSDL E-VOTING SYSTEM**

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

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

#### **Type of shareholders**

#### **Login Method**

- |   |  |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> <li>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol> |
|---|--|

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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility for seamless voting experience.

Individual Shareholders  
holding securities in  
demat mode with CDSL

1. Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.
2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.
3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

Individual Shareholders  
(holding securities in  
demat mode) login

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL

through their depository participants

Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

| Type of shareholders   | Login Method   |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30             |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43 |

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

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

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

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

5. Password details for shareholders other than individual shareholders are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
  - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
  - ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a. Click on “[Forgot User Details/Password?](#)”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. “[Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer (Mr. Neeraj Arora, PCS, Membership No. FCS 10781 & CP No. 16186) by e-mail to [pcs.neerajarora@gmail.com](mailto:pcs.neerajarora@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990 or send a request to (Ms. Pallavi Mhatre, Senior Manager, Phone No. 022-24994545) also can write at [evoting@nsdl.co.in/pallavid@nsdl.co.in](mailto:evoting@nsdl.co.in/pallavid@nsdl.co.in).
4. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date of **Saturday, 23<sup>rd</sup> September, 2023**.
5. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **Saturday, 23<sup>rd</sup> September, 2023** may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or the Company/RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the toll free no.:1800-222-990.
6. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
7. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
8. The Board of Directors have appointed Mr. Neeraj Arora, Practising Company Secretary (M. No. F10781 & C.P. No. 16186) as the Scrutinizer to scrutinize the remote e-voting process and voting at the e-AGM in a fair and transparent manner.

9. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be done, allow voting with the assistance of scrutinizer by using “Ballot Paper” for those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
10. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
11. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.smccredits.com](http://www.smccredits.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Ltd., Mumbai.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to .i.e. [smccorp011@gmail.com](mailto:smccorp011@gmail.com).
  2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [smccorp011@gmail.com](mailto:smccorp011@gmail.com).
  3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
  4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility
20. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request latest by Thursday, September 29, 2023 mentioning their name, demat account number/folio number, email id, mobile number at [smccorp011@gmail.com](mailto:smccorp011@gmail.com).

21. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [smccorp011@gmail.com](mailto:smccorp011@gmail.com). The same will be replied by the company suitably.

**22. INFORMATION IN TERMS OF REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH SECRETARIAL STANDARDS II ISSUED BY ICSI IN RESPECT OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IS GIVEN BELOW:**

| <b>S. No.</b> | <b>Particulars</b>   | <b>Details</b>  |
|---------------|--|---|
| <b>1</b>      | Name   | Mr. Rajesh Goenka   |
| <b>2</b>      | DIN  | 00298227  |
| <b>3</b>      | Date of Birth  | July 17, 1964   |
| <b>4</b>      | Date of first appointment on the Board                                 | September 08, 2021  |
| <b>5</b>      | Qualifications   | B.COM   |
| <b>6</b>      | Brief Resume/Experience and Expertise in specific functional area      | He has experience of more than 20 years in Finance. He possesses rich experience in the field of finance, Taxation, corporate laws and commercial disciplines.  |
| <b>7</b>      | Terms and Conditions of Re-appointment.                                | In terms of Section 152(6) of the Companies Act, 2013, Mr. Rajesh Goenka is liable to retire by rotation at forthcoming Annual General Meeting.   |
| <b>8</b>      | Remuneration paid/last drawn for financial year 2022-23                | Please refer Corporate Governance Report  |
| <b>9</b>      | Directorship held in other Companies                                   | <ul style="list-style-type: none"> <li>- Gurera Udyog Limited</li> <li>- Zeal Impex and Traders Private Limited</li> <li>- Faridabad Presswell Private Limited</li> <li>- Valour Construction Ltd</li> <li>- SMC Credits Limited</li> <li>- Amity Infotech Private Limited</li> <li>- NAP Investment &amp; Leasing Private Ltd.</li> <li>- Focal Leasing and Credits Limited</li> <li>- Shuklamber Exports Limited</li> </ul> |
| <b>10</b>     | Membership / Chairmanship of Committees of the Companies               | N.A.  |
| <b>11</b>     | Listed Companies from which Director has resigned in the past 3 years  | NIL   |
| <b>12</b>     | In case of independent directors, the skills and capabilities required | NA  |



|           |   |   |
|-----------|---|---|
|           | for the role and the manner in which the proposed person meets such requirements              |   |
| <b>13</b> | Number of Meetings of the Board attended during the financial year 2022-23                    | Please refer Corporate Governance Report.   |
| <b>14</b> | Number of Shares held in the Company including shareholding as a beneficial owner             | NIL   |
| <b>15</b> | Relationship with other Director(s) Manager and other Key Managerial Personnel of the Company | None of the Directors or Key Managerial Personnel is related of Mr. Rajesh Goenka |

By the Order of the Board  
For SMC Credits Limited

New Delhi  
August 11, 2023

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

### PROXY FORM

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

Name of the Member(s):

Registered Address:

DP Id:

E mail id:

Folio No/ Client Id:

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

1. \_\_\_\_\_ of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him

2. \_\_\_\_\_ of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him

3. \_\_\_\_\_ of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the Company, to be held **30<sup>th</sup> September, 2023 at 3:00 P.M. at 24, Ashoka Chambers, 5-B, Rajindra Park, Pusa Road, New Delhi-110060** and at any adjournment thereof in respect of such resolutions as are indicated below:

\*

| S.No. | Resolutions  | For | Against |
|-------|--|-----|---------|
| 1     | To consider and adopt the audited financial statement of the Company for the year ended 31st March, 2023, the Statement of Profit & Loss Account for the year ended & Report of the Board of Directors and Auditors thereon.                             |     |         |
| 2     | To appoint the Director in place of Mr. Rajesh Goenka (DIN: 00298227) who retire by rotation and being eligible, offer himself for re-appointment and such reappointment shall not be deemed to constitute a break in his tenure as Whole Time Director. |     |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Affix  
Re.1/-  
Revenue  
Stamp

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

**Notes:**

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

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

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

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

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

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

## Directors' Report

To  
The Members,

Your Directors take pleasure in presenting the 31<sup>st</sup> Directors' Report together with the Audited Financial Statements of the company for the financial year ended 31<sup>st</sup> March, 2023.

### 1. FINANCIAL RESULTS

The highlights of the financial statement of your Company for the year ended 31<sup>st</sup> March, 2023 along with the previous year's figures are given as under:

| <b><u>Particulars</u></b>               | <b>31<sup>st</sup> March, 2023</b> | <b>31<sup>st</sup> March, 2022</b> |
|---|------------------------------------|------------------------------------|
|   | (Amount in Lacs)                   | (Amount in lacs)                   |
| Profit before depreciation and taxation | 1184.13                            | 336.6                              |
| Less: Depreciation                      | 3.47                               | 3.47                               |
| <b>Provision for Tax</b>                |                                    |                                    |
| a) Current Tax                          | 150.00                             | 74.29                              |
| b) Deferred Tax                         | 8.61                               | (0.27)                             |
| c) prior period tax                     | -                                  | -                                  |
| Profit after depreciation and taxation  | 1022.05                            | 259.11                             |

The profit after tax for the financial year 2022-23 was Rs. 1022.05 (in lacs) as compared to Rs. 259.11 (in lacs) in the previous year, showing an increase of 294.44%.

### 2. DIVIDEND AND RESERVES

Considering the future requirements of the Company, your Board of Directors do not recommend any dividend and have not transferred any amount to reserve for the financial year ended 31<sup>st</sup> March, 2023.

### 3. TRANSFER TO IEPF

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

#### **4. DIRECTORS & KEY MANAGERIAL PERSONNEL**

Mr. Rajesh Goenka (DIN: 00298227) will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommend his re-appointment.

The Board is of the opinion that Mr. Rajesh Goenka possess the requisite knowledge, skills, expertise and experience to contribute to the growth of the Company. Brief profile of Directors proposed to be appointed/reappointed along with other details as required under Regulation 36 of Listing Regulations are provided in the Notice of 31<sup>st</sup> Annual General Meeting of the Company.

##### **Key Managerial Personnel**

That during the FY 2022-23 Mr. Rajesh Ramnani (DIN: 00533679) has appointed as Independent director of the company for a term of five (5) years w.e.f. 18/07/2022 to 17/07/2027.

Further Mr. Harsh Priya Arya (DIN: 02771786) had resigned from the post of Non-Executive, Independent directorship w.e.f. 18/07/2022.

#### **5. DIRECTORS' RESPONSIBILITY STATEMENT**

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

(a) In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2023, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

(b) Such accounting policies have been selected and applied consistently and judgments and estimates are made which were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2023 and of the profit or loss of the Company for the year ended on that date;

(c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The financial statements for the financial year ended 31<sup>st</sup> March, 2023 have been prepared on a 'going concern' basis;

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

(f) The systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## **6. INTERNAL FINANCIAL CONTROL**

Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company. Necessary internal control systems are also put in place by the Company on various activities across the board to ensure that business operations are directed towards attaining the stated organizational objectives with optimum utilization of the resources. The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditor. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets the statutory auditors of the Company to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major-observations periodically. Based on its evaluation (as defined in section 177 of Companies Act 2013), our audit committee has concluded that, as of March 31, 2023, our internal financial controls were adequate and operating effectively.

## **7. BOARD MEETINGS, COMMITTEES MEETINGS AND ANNUAL GENERAL MEETING**

During the financial year 2022-2023, 10 (Ten) Board meetings were held on the following dates 28.05.2022, 29.06.2022, 18.07.2022, 08.08.2022, 17.08.2022, 14.11.2022, 21.11.2022, 16.12.2022, 29.12.2022, 14.02.2023. The details of meetings including dates of meetings indicating the number of meetings attended by each director are given in the Corporate Governance Report. The particulars of meeting of all Committees held during the financial year ended 31<sup>st</sup> March, 2023 are also disclosed in the Corporate Governance Report. In reference to relaxation given by Ministry of Corporate Affairs and SEBI, the intervening gap between two Board Meetings were as per timelines stipulated in such relaxation.

The 30<sup>th</sup> Annual General Meeting (AGM) of the Company was held on 30<sup>th</sup> September, 2022.

## **8. AUDITORS AND AUDITORS' REPORT**

### **i) Statutory Auditors**

**M/s AVP & Co.**, (Firm Registration No. 025193N), Chartered Accountants, New Delhi were appointed as the Statutory Auditors of the Company at the Twenty Seventh (27<sup>th</sup>) Annual General Meeting of the Company held on 30<sup>th</sup> September, 2019, for a period of five years i.e. until the conclusion of the Thirty Second (32<sup>nd</sup>) Annual General Meeting of the Company.

The Auditors' Report is self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

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

## **ii) Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act read with the rules made thereunder, the Company has appointed Neeraj Arora (M. No. 10781 & CP No. 16186), Company Secretaries in practice, as its Secretarial Auditors, to conduct the secretarial audit of the Company, for the financial year 2022-23. The Report of Secretarial Auditors for the FY 2022-23, is annexed as “**Annexure II**”, forming part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **iii) Cost Records**

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

# **9. SUBSIDIARY, ASSOCIATES COMPANIES & JOINT VENTURES**

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

# **10. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

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

Prior Omnibus approval is obtained from the Audit Committee in its meeting held on February 14, 2023 for the related party transactions which are foreseen and repetitive in nature. A statement of all related party transactions are placed before the Audit Committee on quarterly basis for review.

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

# **11. DISCLOSURES**

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

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

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

## **b. RIGHT ISSUE**

That during the Financial year 2022-23 company has issued 1,50,33,300 equity shares of face value of ₹ 10 each aggregating to ₹ 1,503 lakhs on a rights basis to the eligible equity shareholders of the company in the ratio of 3 (three) equity shares for every 2 (two) fully paid- up equity shares held by the eligible equity on record date.

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

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

### **A. Conservation of Energy**

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

### **B. Technology Absorption**

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

### **C. Foreign Exchange Earnings and Outgo – NIL**



**d. PARTICULARS OF EMPLOYEES**

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

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

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

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

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

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

**f. COMMITTEES OF THE BOARD**

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

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

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

## 12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Management Discussion and Analysis Report is given separately and forming part of the Annual Report as **Annexure III**.

## 13. CORPORATE GOVERNANCE

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

Corporate Governance Report regarding none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The same is annexed to this report as **Annexure IV**.

## 14. PERFORMANCE EVALUATION

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

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

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

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

## **15. NOMINATION & REMUNERATION POLICY**

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

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

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

The policy for selection of Directors and determining Directors independence may be accessed from Company's website at the link [www.smccredits.com](http://www.smccredits.com) and may be accessed from Company's website.

## **16. CORPORATE SOCIAL RESPONSIBILITY**

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

## **17. CHANGES IN SHARE CAPITAL**

Members are hereby informed that the Board of Directors in its meeting held on August 08, 2022 has approved the Right Issue amounting to INR 15,03,33,000 and pursuant to said corporate Action, it is required to increase the Authorised Share Capital of the Company.

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

## **18. PREVENTION OF INSIDER TRADING**

The Company has formulated the Code of Practice for Fair Disclosure of Un-Published Price Sensitive Information and the Code of Conduct for regulating, monitoring and to protect the interest of shareholders at large, prevent misuse of any unpublished price sensitive information and prevent any insider trading activity by dealing in shares of the Company by its Designated Persons and their immediate relatives in terms of the SEBI (Prohibition of Insider Trading)

Regulations, 2015, as amended from time to time (“Regulation”). The said Code is uploaded on the website of the Company. The objective of the Code is to protect the interest of shareholders at large, to prevent misuse of any unpublished price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, Designated Persons, other employees and their immediate relatives.

## **19. CODE OF CONDUCT**

In compliance with Regulation 26(3) of Listing Regulations and the Companies Act, 2013, the Company has framed and adopted Code of Conduct (‘the Code’). The code is applicable inter-alia to all Directors, Independent Directors and Senior Management of the Company. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The code is available on the Company’s website. All the Board Members and the Senior Management personnel have confirmed compliance with the Code as on 31st March, 2023. A declaration to this effect, signed by the Chairman in terms of Listing Regulations form part of the Corporate Governance Report.

## **20. ANNUAL RETURN**

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

## **21. SUSPENSION OF TRADING**

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

## **22. COMPLIANCE WITH SECRETARIAL STANDARDS:**

Your Company is in Compliance with the Secretarial Standards on Meeting of the Board of Directors (SS-1) and Secretarial Standards on General Meeting (SS-2) for the financial year ended March 31, 2023.

## **23. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

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

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

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

## **24. DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

Pursuant to section 134(3)(n) of the Companies Act, 2013 the Company has framed Risk Management Policy which lays down the framework to define, assess, monitor and mitigate the business, operational, financial and other risks associated with the business of the Company. During the year under review, the Company has not identified any element of risk which may threaten the existence of the Company.

## **25. LISTING FEES**

The Company's shares are listed on BSE Limited.

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

## **26. GENERAL**

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

- Your Company had not accepted Deposits from the public any time and hence no opening balances of Deposits. Further, your Company has also not accepted any Deposits during the financial year 2022-23 and as such no principal or interest were outstanding as on March 31, 2023 as per the provisions of the Companies Act, 2013 (hereinafter referred to as "Act") and the Rules framed thereunder.
- The Company had not issued equity shares with differential rights as to dividend, voting or otherwise.
- The Company had not issued shares (including sweat equity shares) to employees of the Company under any scheme or Employees' Stock Options Plan.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- There were no outstanding material litigations as on March 31, 2023. Details of Statutory dues/tax matters are disclosed in the financial statements.

- As on the date of the Report any application is not pending under the Insolvency and Bankruptcy Code, 2016 and the Company did not file any application under (IBC) during the Financial Year 2022-23.
- During the year under review, the Company has not entered in any one time settlement with any of the Banks/Financial Institutions and therefore, the relevant disclosures are not applicable to the Company.
- The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Cost Audit under Companies (Cost Records and Audit) Rules, 2014 is not applicable on the Company.
- The Company follows the financial year commence from 01 April and ends on 31 March of subsequent year.

## **ACKNOWLEDGEMENT**

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

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

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

For and on behalf of the Board

New Delhi  
August 11, 2023

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

**Form No. AOC-2**

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

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

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

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

| Sl. No. | Name (s) of the related party | Nature of relationship | Nature of contracts/arrangements/transactions | Duration of the contracts/arrangements/transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date of approval by the Board / Audit Committee | Amount paid as advances, if any |
|---------|-------------------------------|------------------------|---|---|--|---|---------------------------------|
| NIL     |                               |                        |   |   |  |   |                                 |

For and on behalf of the Board

New Delhi  
August 11, 2023

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

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2023**

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

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

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

**We report that-**

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information(s) provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 (“Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:



We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, which has been generally complied with.
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) \*The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) \*The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, which has been generally complied with.

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

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

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

- (iv) The Company is engaged in the business of carrying NBFC activities. As informed by the Management,

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

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

**We further report that** the Board of Directors of the Company was duly constituted as on March 31, 2023 with proper balance of Executive Directors, Non-Executive Directors and Independent Director. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

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

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

**We further report** that board of directors of the Company at their meeting held on **August 08, 2022** has discussed and decided to issue 1,50,33,300 equity shares of the face value of Rs. 10 each on right basis.

**For Neeraj Arora & Associates**  
**Company Secretaries**  
**Firm Registration No. S2019DE706400**  
**Firm Peer Review No. - 3738/2023**

**New Delhi**  
**August 11, 2023**

**Neeraj Arora**  
**Proprietor**  
**CP No.: 16186**  
**UDIN: F010781E000788131**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****ECONOMIC REVIEW GLOBAL ECONOMY**

During Financial Year 2022-23, the Indian economy faced challenges due to the transmission of global shocks through commodities prices and exchange rates, leading to elevated and persistent inflation. However, the economy displayed remarkable resilience, emerging as one of the world's fastest-growing major economies. This growth was driven by robust domestic consumption and a relatively lower reliance on international trade.

According to a recent report from the National Statistics Office (NSO), the Indian GDP surpassed market expectations, recording a substantial growth rate of 7.2%. Indian economy witnessed sustainable growth in Financial Year 2022-23 despite the tailwind of the pandemic and the headwind of the geopolitical conflicts. Macroeconomic environment has witnessed stability on various fronts including improved current account deficit, robust banks and easing inflation pressure.

Notably, the industrial sector experienced a significant upswing during the first half of FY23. Gross Value Added (GVA) witnessed a remarkable increase of 3.7%, outpacing the average growth rate of 2.8% recorded during the preceding decade, as revealed by the Economic Survey 2022-23. Several factors contributed to this growth surge, including robust private final consumption expenditure, export incentives, heightened investment demand due to public CAPEX, and improved bank and corporate balance sheets, which collectively fuelled industrial expansion. This growth was evident in key indicators such as the PMI manufacturing index, which remained in the expansion zone since July 2021, and the healthy pace of growth in the Index of Industrial Production.

Global GDP is likely to grow 2.8% in CY2023 and 3% in CY2024 led by the sustained efforts of central banks to fight inflation. The decline in growth in CY2023 from CY2022 is driven by advanced economies. In EMDEs, growth bottomed out in CY2022 and is expected to pick up, led by China, with the full reopening in CY2023. Advanced economies are expected to grow at 1.3% and 1.4%, respectively, in CY2023 and CY2024. EMDEs are expected to grow at 3.9% in CY2023 and 4.2% in CY2024. Global inflation likely to drop from 8.7% in 2022 to 7% in CY2023 and 4.9% in CY2024.

The inflation rate based on the Consumer Price Index (CPI) stood at 5.56 % in March 2023 and 6.71 percent in July 2022. Previously, high inflation was recorded at 7.79 percent in April 2022.

**FINANCIAL SERVICES - NBFC SECTOR**

In the previous fiscal year, the non-banking financial company (NBFC) sector experienced a significant surge in credit demand, primarily driven by pent-up consumer demand and an improved operating environment for borrowers. This growth was especially notable in the

unsecured segments, where the adoption of digitalization in borrower onboarding and underwriting processes, access to comprehensive borrower data, and leveraging of established borrower franchises contributed to the strong performance. Consequently, the NBFC sector witnessed an impressive overall growth rate of 25%, surpassing expectations, and the assets under management (AUM) exceeded 14 trillion as of March 2023.

Within the retail exposure growth of NBFCs in FY23, the unsecured segments (excluding microfinance) played a pivotal role, representing personal/consumer loans and unsecured business loans, with an estimated growth rate of about 45% during the last fiscal year. On the other hand, the secured segment, comprising vehicle loans, gold loans, mortgage-backed loans, and similar products, experienced a relatively moderate growth pace of about 17-18% during the same period. Consequently, the share of the unsecured segment in the NBFCs' retail AUM rose to approximately 23%, up from 17% in March 2021. Microfinance, another unsecured segment, accounted for an estimated 11% of the retail AUM of NBFCs as of March 2023.

Over the last 10 years, the share of banks lending to NBFCs has approximately doubled. However, a 250 basis points increase in the Repo Rate within twelve months resulted in higher borrowing costs for NBFCs through market instruments. Consequently, banks' term loans emerged as the preferred source of borrowing for the NBFCs due to this development.

## **INDIAN ECONOMIC OVERVIEW**

The Indian economy has rebounded since the COVID-19 pandemic, with an exponential growth rate of 9.1 % since the previous fiscal year. The continued momentum indicates India's resilience and ability to recover from the hindrances caused by the global health crisis. One notable factor contributing to India's growth is the increase in imports of capital goods, which surged by almost 20% in Financial Year 2023 compared to the previous year. This indicates improved private sector capital formation and signals confidence in the country's economic prospects.

India's overall 7.2% GDP growth was fueled by the strong performance in the services sector and robust consumption, solidifying India's position as one of the world's fastest-expanding and major economies. India's nominal GDP or GDP at current prices for the fiscal year 2022-23 is projected to reach ₹272.41 lakh crore, (approximately \$3.30 trillion), marking a significant growth rate of 16.1 percent compared to the ₹234.71 lakh crore (approximately \$2.84 trillion) in 2021-22.

India's economy expanded by 6.1 percent in the Q4 of the fiscal year 2022-23, leading to an annual growth rate of 7.2 percent. The growth rate during the January-March period surpassed the 4.5 percent expansion witnessed in the previous quarter of October-December 2022-23. According to official figures released on May 31, 2023. The estimated Q4 GDP for the current fiscal year stands at ₹43.62 lakh crore, compared to ₹41.12 lakh crore recorded in Q4 of the previous fiscal year 2021-22.

India's GDP has marked \$3.75 trillion economy in 2023. At \$3,737 billion in current price terms, India's GDP is only lower than the US (\$26,854), China's (\$19,374 billion), and Germany's (\$4,309 billion).

India's stock market has outperformed most large markets over the last three years. Rising inflationary expectations at the beginning of 2022-23 led to tightening of global financial conditions as central banks around the globe hiked interest rates. These factors resulted in corrections in equity markets along with heightened volatility, hardening in sovereign yields and rise in dollar index owing to flight to safety during major part of 2022-23.

## **OUTLOOK**

Elevated worldwide price pressures on important food commodities, such as edible oils, and in animal and poultry feed as a result of global supply constraints create a significant degree of uncertainty over the future of food prices, necessitating continual monitoring. International hurdles have slowed India's economic progress, yet the country has remained resilient in the face of such obstacles. The Reserve Bank of India projected that the headline Consumer Price Index (CPI) inflation rate has been expected to be 5.1% down from 6.6% in FY23. India's macroeconomic fundamentals remain strong, positioning it as a bright spot amidst the uncertainties of the global environment. Although risks to the growth-inflation balance persist, the ongoing structural reforms and economic resilience will serve as a buffer against potential shocks.

Taking all these factors into consideration, RBI has been projecting the real GDP growth for FY 2024 at 8 %, with Q1 at 6.5 %; Q2 at 6.5 %; Q3 at 6.0 %; and Q4 at 5.7 %, with risks broadly balanced.

The government's continued focus on capital expenditure will gradually attract private sector investment. However, in line with the broader economic slowdown, bank credit growth is expected to moderate in the coming year, leading to a reduction in the divergence between credit and deposit growth. Nonetheless, deposit growth is likely to improve slightly, encouraged by higher interest rates as an incentive, and an anticipated enhancement in system liquidity conditions during the second half of the year.

## **INDUSTRY STRUCTURE AND DEVELOPMENTS**

### **INDUSTRY INSIGHTS:**

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

encouraging financial inclusion. And one of the vital components of financial inclusion is adequate access to credit, which has created enormous prospects for the NBFC sector. This is a key factor that many NBFCs have been constantly focusing on improving their services through diversified offerings, technology adoption, strategic partnership, robust operational model, and regulatory compliance.

#### **DIVERSIFIED OFFERINGS:**

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

#### **ROBUST OPERATIONAL MODEL AND REGULATORY COMPLIANCE:**

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

NBFCs have become important constituents of the financial sector and have been recording higher credit growth than scheduled commercial banks (SCBs) over the past few years. NBFCs grew at a slower pace as the economy continued to weather the headwinds of COVID-19 pandemic and muted credit demand. However, NBFCs continued to disburse credit despite disruptions caused by the pandemic, albeit at a slower pace. Sequential easing of spread of NBFCs debentures over the corresponding G-sec yield along with increased retail participation in the NBFC debenture market augured well for the market and public perception regarding the sector. The retail sector benefitted from incremental credit disbursed by the sector, aided by their low GNPA ratios and by staying tuned to customer preferences.

The profitability of the NBFCs improved compared to the corresponding quarter of the previous year on account of steeper fall in expenditure than in income. Given the persistence of infections, the full effects of the lockdown and suspension of business on the asset quality of NBFCs will be evident gradually.

## SEEKING LONG-TERM GROWTH OPPORTUNITIES

NBFCs has been contributing in the Growth of India's GDP and played a vital role in bringing the economically underprivileged sections of society to the nation's financial lifeline. FY 2022-23 was a year of 'repair and transition' for all NBFCs.

Non-Banking Financial Companies (NBFCs) have contributed towards the development of the country's infrastructure. The availability of long-term funding by non-bank lenders has helped in the financial closure and growth of many large-scale infrastructural projects. Non-Banking Financial Companies (NBFCs) have played a crucial role in fostering credit expansion across a range of industries, including microfinance loans, personal loans, and auto finance loans.

Many NBFCs have developed digital platforms that allow customers to apply for loans online, making the process faster and more convenient. This has helped to attract a younger, tech-savvy customer base which give ability to provide loans quickly. Unlike the other banks, which have a lengthy approval process, NBFCs can approve loans much faster. This is because they have a smaller bureaucracy and can make decisions quickly. The recent wave of mergers and acquisitions in this sector has been rising as larger NBFCs seek to expand their reach and smaller ones look to scale up their operations.

## CAPITAL MANAGEMENT

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

## SWOT ANALYSIS:-

### Strengths

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

### Weakness

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

### Opportunities

- Use of digital solutions for business/collections.

### Threats

- High cost of funds.

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

## **RISKS AND CONCERNS**

SMC Credits Limited has maintain constant vigilance over both external environments and internal risks, ensuring it remains well-prepared with effective risk mitigation measures to address potential threats. This proactive approach allows the Company to capitalise on opportunities arising from various events and effectively navigate challenges posed by potential threats. Some of the identified risks and concerns include:

1. A slowdown in the global and Indian economy, potentially triggered by escalating geopolitical tensions
2. The persistent rise in interest rates as central banks respond to current inflationary pressures in the economy
3. A potential slowdown in the real estate sector, which could impact collections and loan book growth within the Wholesale lending vertical
4. The possibility of facing challenges in raising funds at competitive borrowing costs, which may have an impact on the company's overall profitability and growth
5. Execution risks associated with the Company's emerging business vertical, specifically SME Retail & it's newly launched unsecured loan product - Fabricator Loan

By closely monitoring these factor SMC Credits Limited has endeavours to proactively address and mitigate potential risks while seizing opportunities for sustainable growth and maintaining a robust financial position.

## **FINANCIAL PERFORMANCE**

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

The highlights of the financial statement of your Company for the year ended 31st March, 2023 along with the previous year's figures are given as under:

| Particulars                             | 31 <sup>st</sup> March, 2023 | 31 <sup>st</sup> March, 2022 |
|---|------------------------------|------------------------------|
|   | (Amount in Lakhs)            |                              |
| Profit before depreciation and taxation | 1184.13                      | 336.6                        |
| Less: Depreciation                      | 3.47                         | 3.47                         |
| <b>Provision for Tax</b>                |                              |                              |
| a) Current Tax                          | 150.00                       | 74.29                        |
| b) Deferred Tax                         | 8.61                         | (0.27)                       |



|   |                |               |
|---|----------------|---------------|
| c) prior period tax                           | ----           | ----          |
| <b>Profit after depreciation and taxation</b> | <b>1022.05</b> | <b>259.11</b> |

During the year under review your company achieved a profit of Rs. 1022.05 Lakhs as against Rs. 259.11 Lakhs for the same period last year, showing an increase of 295.44%.

During the year under review the company had a total revenue of Rs 545.41 Lakhs and earned a profit (after tax for the year) of Rs. 1022.05 Lakhs.

**The summarized standalone financial performance and key financial ratios are as Under:**

| <b>PARTICULARS (in ₹ crore)</b>  | <b>FY 2023</b> | <b>FY 2022</b> | <b>CHANGE (%)</b> |
|--|----------------|----------------|-------------------|
| Revenue from Operations  | 4.52           | 4.26           | 5.97%             |
| Other Income   | 0.94           | 0.98           | -3.95%            |
| <b>TOTAL INCOME</b>  | <b>5.45</b>    | <b>5.24</b>    | <b>4.12%</b>      |
| <b>EXPENSE</b>   |                |                |                   |
| Material Cost  | 0              | 0              | 0                 |
| Changes in Inventory of Finished Goods, Work-in-progress   | 0              | 0              | 0                 |
| Employee Benefit Expense   | 0.12           | 0.08           | 47.3%             |
| Finance Cost   | 1.56           | 1.54           | 1.2%              |
| Depreciation and Amortization cost   | 0.03           | 0.03           | -0.1%             |
| Other Expense  | 0.96           | 0.25           | 277.6%            |
| <b>TOTAL EXPENSE</b>   | <b>2.67</b>    | <b>1.91</b>    | <b>40.1%</b>      |
| <b>Exceptional Item</b>  | <b>9.02</b>    | <b>0</b>       | <b>100.0%</b>     |
| <b>PROFIT BEFORE TAX</b>   | <b>11.81</b>   | <b>3.33</b>    | <b>254.4%</b>     |
| <b>TAX EXPENSE</b>   | <b>1.59</b>    | <b>0.74</b>    | <b>114.3%</b>     |
| <b>PROFIT AFTER TAX</b>  | <b>10.22</b>   | <b>2.59</b>    | <b>294.5%</b>     |
| Total Comprehensive Income for the period (Net of Tax)   | 445.95         | 6.95           | 6313.8%           |
| <b>Total Comprehensive Income for the period [Comprising profit/(loss) for the period (after tax) and other comprehensive income (net of tax)]</b> | <b>456.18</b>  | <b>9.54</b>    | <b>4679.8%</b>    |
| Earnings Per Share ( In Rupee)   | 7.36           | 2.59           | 184.2%            |

| <b>PARAMETERS (As a % of Total Income)</b>      | <b>FY 2023</b> | <b>FY 2022</b> | <b>CHANGE (%)</b> |
|---|----------------|----------------|-------------------|
| Material Cost                                   | 0              | 0              | 0                 |
| Employee Cost                                   | 2.13%          | 1.51%          | 41%               |
| Manufacturing, Administrative and other Expense | 17.7%          | 4.87%          | 263%              |
| Financial Charges                               | 28.6%          | 29.37%         | -3%               |
| Depreciation                                    | 0.64%          | 0.66%          | -4%               |

|                   |         |        |      |
|-------------------|---------|--------|------|
| EBITDA            | 80.21%  | 93.62% | -14% |
| Profit Before Tax | 216%    | 63.59% | 240% |
| Profit After Tax  | 187.39% | 49.46% | 279% |

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

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

### **INTERNAL CONTROL SYSTEMS**

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

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

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

### **HUMAN RESOURCES POLICIES**

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

### **INDUSTRIAL RELATIONS**

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

## **ACKNOWLEDGEMENT**

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

## **CAUTIONARY STATEMENTS**

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

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

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

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

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

**I. BOARD OF DIRECTORS**

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

As on March 31, 2023, the Company has an optimum combination of Executive, Non-Executive Directors, representing a blend of professionalism, knowledge and experience. The size and composition of the Board meet the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Companies Act, 2013 ('the Act').

As on 31<sup>st</sup> March, 2023, The Company's Board comprises of one Executive Director who is also the Chairman, one Non-Executive Director and two Non-Executive Independent Directors, including one woman Director i.e. 75% of total strength of Board comprises Non-Executive Directors

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

- a) Mr. Rajesh Ramnani (DIN: 00533679), was appointed as an Independent Director of the Company for a term of five (5) years w.e.f. 18<sup>th</sup> July, 2022 to 17<sup>th</sup> July, 2027 and his appointment was duly regularized and approved by the shareholders in their 30<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2022
- b) Mr. Harsh Priya Arya, Non-executive and Independent Director resigned to be a Director w.e.f 17<sup>th</sup> July, 2022.

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

Composition of Board as on March 31, 2023 is given in Table 1:

**Table1: Company's Board**

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

\*As required by Regulation 26 of Listing Regulations, the disclosure includes memberships/chairmanships of the Audit Committee and Stakeholders' Relationship Committee

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

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

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

**Table 2: Directorship in other listed Companies**

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

There is no inter-se relationship among other Directors.

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

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

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

specified in the Companies Act, 2013 and Listing Regulations.

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

**a. Board meeting held during the year**

During FY 2022-2023, the Board met (Ten) times viz. on May 28, 2022, June 29, 2022, July 18, 2022, August 08, 2022, August 17, 2022, November 14, 2022, November 21, 2022, December 16, 2022, December 29, 2022 and February 14, 2023. The Board met at least once in a quarter with a time gap of not more than one hundred and twenty days between two consecutive meetings.

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

**Table 3: Directors' attendance record during FY 2022-2023 at Board meetings and previous annual general meeting**

| Name of Directors     | Number of Board Meetings |          | Attendance at Previous AGM |
|-----------------------|--------------------------|----------|----------------------------|
|                       | Held                     | Attended |                            |
| Mr. Rajesh Goenka     | 10                       | 10       | ☑                          |
| Mr. Prasahesh Arya    | 10                       | 10       | ☑                          |
| Ms. Jyoti Rajshree    | 10                       | 10       | ☑                          |
| Mr. Rajesh Ramnani@   | 10                       | 7        | ☑                          |
| Mr. Harsh Priya Arya* | 10                       | 3        | NA                         |

@ Since, Mr. Rajesh Ramnani Appointed as a Director w.e.f. July 18, 2022, he was entitled to attend only 7 Board Meetings held during the financial Year 2022-23

\* Since, Mr. Harsh Priya Arya Ceased to be Director of the Company w.e.f. July 18, 2022, he was entitled to attend only 3 Board Meetings held during the financial Year 2022-23

**b. Independent Directors**

Eminent people having an independent standing in their respective field /profession and who can effectively contribute to the Company's business and policy decisions are considered for appointment as Independent Directors. They are expected to be independent from management and to act as trustees of shareholders, this implies that they should actively participate in Board/

Committee meetings, seek answers to questions, evaluate proposals from the perspective of small shareholders, review current information flow and suggest necessary changes wherever required. The Nomination and Remuneration Committee ('NRC'), inter alia, considers various metrics and adheres to defined processes for selection of Independent Directors. The Board considers the NRC's recommendation and takes appropriate decisions in appointment of the Independent Directors. None of the Independent Directors hold more directorships than the permissible limits under the Companies Act, 2013 and Listing Regulations.

During FY 2022-23 Mr. Rajesh Ramnani was appointed as Non-Executive & Independent Director w.e.f. 18<sup>th</sup> July, 2022 and Mr. Harsh Priya Arya resigned from the Non-Executive & Independent Directorship w.e.f. 18<sup>th</sup> July, 2022 due to his pre-occupations. Further, Mr. Harsh Priya Arya has provided a confirmation that there are no other material reasons other than the above mentioned reason for his resignation.

**c. Familiarization Programmes for Independent Directors:**

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

**d. Separate meeting of Independent Directors**

Pursuant to Schedule IV of the Act and the Rules made thereunder and Regulation 25 of the Listing Regulations, a meeting of the Independent Directors without the presence of Non-Independent Directors and members of the Management of the Company was held on September 08, 2022 under the guidance of Ms. Jyoti Rajshree, Independent Director as the Chairman of the meeting. The Independent Directors, inter-alia, reviewed the performance of Non- Independent Directors, Board as a whole and Chairman of the company, taking in to account of views of Executive Directors and Non- Executive Directors. All Independent Directors were present in the meeting.

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

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



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

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

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

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

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

**f. Declaration by Independent Directors:**

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

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

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

## **II. Audit Committee:**

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

As on March 31, 2023, the Audit Committee, comprises of three Directors viz. Ms. Jyoti, Mr. Prasahesh Arya and Mr. Rajesh Ramnani.

Ms. Jyoti is the Chairperson of the Committee. All members of the Audit Committee are financially literate and have accounting or related financial management expertise as mandated by the Listing Regulations.

The Audit Committee has the following terms of reference:

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

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement forming part of the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgement by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- Approval of any subsequent modification of transactions of the Company with related parties;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle-blower mechanism;
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- To review the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ` 100 crore or 10% including existing loans/ advances/ investments; of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments;
- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders

The Audit Committee also mandatorily reviews the following information:

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

A total of 4 (Four) Audit Committee Meetings were held during the financial year 2022-2023 on 28<sup>th</sup> May, 2022, 08<sup>th</sup> August, 2022, 14<sup>th</sup> November, 2022 and 14<sup>th</sup> February, 2023. All the committee members were present at all the meetings.

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

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

| <b>Names of Committee Members</b> | <b>Position held</b> | <b>No. of meetings held during FY 2022-23</b> | <b>No. of meetings attended</b> |
|-----------------------------------|----------------------|---|---------------------------------|
| Ms. Jyoti Rajshree                | Chairperson          | 4   | 4                               |
| Mr. Prasahesh Arya                | Member               | 4   | 4                               |
| Mr. Harsh Priya Arya*             | Member               | 4   | 1                               |
| Mr. Rajesh Ramnani#               | Member               | 4   | 3                               |

# Since, Mr. Rajesh Ramnani Appointed as a Director w.e.f. July 18, 2022, he was entitled to attend only 3 Meetings held during the financial Year 2022-23

\* Since, Mr. Harsh Priya Arya Ceased to be Director of the Company w.e.f. July 18, 2022, he was entitled to attend only 1 Meetings held during the financial Year 2022-23

### **III. Nomination & Remuneration committee:**

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

The Nomination and Remuneration Committee has the following terms of reference in accordance with Listing Regulations:

- to formulate and recommend to the Board of Directors the Company's policies, relating to the remuneration for the Directors, Key Managerial Personnel and other employees, criteria for determining qualifications, positive attributes and independence of a Director;
- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- to carry out evaluation of every Director's performance;
- to devise a policy on Board diversity;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a) use the services of an external agencies, if required;
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) consider the time commitments of the candidates

- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- Recommend to the board, all remuneration, in whatever form, payable to senior management

As on March 31, 2023, the Audit Committee, comprises of three Directors viz. Ms. Jyoti, Mr. Prasahesh Arya and Mr. Rajesh Ramnani. Ms. Jyoti is the Chairperson of the Committee.

During the FY 2022- 2023, one meeting of the NRC was held on July 18, 2022. The composition of NRC and attendance details of members are given below in Table 5.

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

| <b>Names of Committee Members</b> | <b>Position held</b> | <b>No. of meetings held during FY 2022-23</b> | <b>No. of meetings attended</b> |
|-----------------------------------|----------------------|---|---------------------------------|
| Ms. Jyoti Rajshree                | Chairperson          | 1   | 1                               |
| Mr. Prasahesh Arya                | Member               | 1   | 1                               |
| Mr. Harsh Priya Arya*             | Member               | 1   | 1                               |
| Mr. Rajesh Ramnani <sup>#</sup>   | Member               | 1   | 1                               |

# Since, Mr. Rajesh Ramnani Appointed as a Director w.e.f. July 18, 2022, he was entitled to attend only 1 Meeting, held during the financial Year 2022-23

\* Since, Mr. Harsh Priya Arya Ceased to be Director of the Company w.e.f. July 18, 2022, he was entitled to attend only 1 Meeting, held during the financial Year 2022-23

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

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

A structured questionnaire including the new criteria has been prepared, covering various aspects of the functioning of the Board and its Committees, such as, adequacy of the constitution and composition of the Board and its Committees, discharge of roles and responsibilities by the Board and its Committees, succession plan for Board Members and Senior Management, frequency of the

meetings, regulatory compliances and Corporate Governance, etc. Similarly, for evaluation of individual director's performance including for independent directors, the questionnaire covers various aspects like his/ her attendance at the meetings of Board and its Committees, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, adequate and timely disclosures, etc. The said questionnaires are reviewed by the NRC & Board members

### **Remuneration paid to Executive Directors**

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

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

Table 6 gives details of remuneration paid to Executive Director.

Table 6: Remuneration to Executive Directors as on 31<sup>st</sup> March, 2023<sup>#</sup>

(in lakhs)

| <b>Name of Directors</b> | <b>Basic Salary</b> | <b>Perquisite Allowances</b> | <b>and</b> | <b>Total</b> |
|--------------------------|---------------------|------------------------------|------------|--------------|
| Mr. Rajesh Goenka        | 5.91                | 0                            |            | 5.91         |

**Note:** Mr. Rajesh Goenka (DIN: 00298227), was appointed as a Whole-time Director & CFO of the Company for a term of three (3) years w.e.f. September 08, 2021 to September 07, 2024 which was duly approved by the shareholders in their 29<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2021.

### **Remuneration paid to Non-Executive Directors as on 31<sup>st</sup> March 2023**

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

During FY 2022-23, the Company did not advance any loans to any of its Directors. Further, there are no pecuniary relationships or transactions between the Independent Directors and the Company, other than the details provided above and the sitting fees and commission drawn by the Non-Executive and Independent Directors.

#### IV. Stakeholders' Relationship Committee:

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

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

The Stakeholder Relationship Committee, comprises of three Directors viz. Ms. Jyoti Rajshree, Mr. Prasahesh Arya and Mr. Rajesh Ramnani. At present Ms. Jyoti Rajshree is the Chairperson of the Committee.

During the year, one meetings of the Stakeholders' Relationship Committee was held on August 17, 2023. The Company Secretary acts as the Secretary of the Stakeholders' Relationship Committee. Ms. Kaira Dewani act as the Company Secretary & Chief Compliance Officer of the Company.

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

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

| <b>Names of Stakeholders' Relationship Committee Members</b> | <b>Position held</b> | <b>No. of meetings held during FY 2022-23</b> | <b>No. of meetings attended</b> |
|--|----------------------|---|---------------------------------|
| Ms. Jyoti Rajshree   | Chairperson          | 1   | 1                               |
| Mr. Prasahesh Arya   | Member               | 1   | 1                               |
| Mr. Rajesh Ramnani <sup>#</sup>                              | Member               | 1   | 1                               |

<sup>#</sup> Appointed as the Member of the SRC Committee of SRC w.e.f. July 18, 2022

The role of the Committee include the following:

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



**Name & Address of Compliance Officer:**

Name: Kaira Dewani

Address: 24, Ashoka Chambers, 5-B Rajindra Park,  
Pusa Road, New Delhi – 110060.Email id: [smccorp011@gmail.com](mailto:smccorp011@gmail.com)

Ph: 011-45012880

**Shareholders grievances / complaints received and resolved during the year:**

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

**V. General Body Meetings:**

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

| Year | Location   | Date                             | Time     | Special Resolutions passed  |
|------|--|----------------------------------|----------|---|
| 2020 | 24, Ashoka chambers, 5-B, Rajindra Park, Pusa Road, New Delhi-110060 | 28 <sup>th</sup> December, 2020  | 5.00 p.m | 1. Authorise under Section 180(1)(a) of the Companies Act, 2013 the year.<br>2. Authorized to borrow in excess Section 180(1)(c) of the Companies Act, 2013.<br>3. Approved the limits for the Loans and Investment by the Company in terms of the provisions of the Section 186 of the Companies Act, 2013 |
| 2021 | 24, Ashoka chambers, 5-B, Rajindra Park, Pusa Road, New Delhi-110060 | 30 <sup>th</sup> September, 2021 | 5.00 p.m | 1. Change in designation of Mr. Prasaresh Arya (DIN: 00006507) from Executive Director, Chairmanship to Non-Executive Non Independent Director of the Company.<br><br>2. Appointment of Mr. Rajesh Goenka (DIN: 00298227) as Whole Time Director of the Company   |

|      |  |                                  |          |   |
|------|--|----------------------------------|----------|---|
| 2022 | 24, Ashoka chambers, 5-B, Rajindra Park, Pusa Road, New Delhi-110060 | 30 <sup>th</sup> September, 2022 | 3.00 p.m | 1. To appoint Mr. Rajesh Ramnani (DIN: 00533679) as an Independent Director for a period of 5 years with effect from July 18, 2022. |
|------|--|----------------------------------|----------|---|

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

## **VI. Means of Communication:**

The Company publishes unaudited quarterly/half yearly financial results and audited annual financial results reviewed by auditor, in newspapers like Financial Express and Jansatta. The said results are also informed to the Stock Exchanges where the shares of the Company are listed. The quarterly & half yearly results are not being sent separately to any of the shareholder. The Company also issues news releases on significant corporate decisions/ activities and posts them on the website.

The financial results of the Company are displayed on the website of the Company i.e., [www.smccredits.com](http://www.smccredits.com). The Company does not make presentations for institutional investors or to the analysts.

## **VII. SCORES (SEBI Complaints Redressal System)**

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

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

## **VIII. DISCLOSURES:**

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

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

Further, the details of the related party transactions of the Company during the year ended 31<sup>st</sup>

March, 2023 are given in Notes on Accounts forming part of Annual Report. All related party transactions entered are on arms' length basis and in the ordinary course of business unless specifically mentioned for which the necessary approvals were obtained by the Company and are intended to further the interest of the Company. During the year all recommendation by all committees which were mandatorily required were accepted.

- ii. The Company do not have any subsidiary company.
- iii. Policy on dealing with Related Party Transaction is available at web link: <http://www.smccredits.com/investors.aspx>
- iv. Whistle Blower Policy :

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

- v. The Company does not deal in commodities hence exposure to Commodity Price risk and commodity hedging activities disclosure is not required to be given.
- vi. Disclosure under Regulation 32 (7A) is not applicable for the year ended 31.03.2022.
- vii. The Company has a Code of Conduct for its Board and Senior Management Personnel (as per Code of Corporate Governance), which is available on the Company's website. The Company has obtained a compliance certificate from all concerned
- viii. Details of Compliance with mandatory requirements: The Company has fully complied with all applicable mandatory requirements of Listing Regulations

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

- ix. All recommendations of the various committees were accepted by the Board.
- x. The Company is in compliance with the corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of Listing Regulations.
- xi. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as follows:
  - a. Number of complaints filed during the financial year : NIL
  - b. Number of complaints disposed of during the financial year : NIL

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

- xii.** Company has obtained a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority (same forms part of this report)
- xiii.** The Fees paid to the statutory auditors for all services provided by them are detailed in the Financials.

**General shareholder information**

**Annual General Meeting**

Date and time : 30<sup>th</sup>, September, 2023 at 03:00 pm.  
Venue : 24, Ashoka Chambers, 5-B Rajindra Park, Pusa Road, New Delhi – 110060  
Financial year : 1<sup>st</sup> April- 31<sup>st</sup> March

The Company's financial year begins on April 1 and ends on March 31. Our tentative calendar for declaration of results for the financial year 2023-24 are as given below:

|   |  |
|---|--|
| 1st quarter ended 30 <sup>th</sup> June, 2023                       | on or before 14 <sup>th</sup> August, 2023   |
| 2 <sup>nd</sup> quarter ended 30 <sup>th</sup> September, 2023      | on or before 14 <sup>th</sup> November, 2023 |
| 3 <sup>rd</sup> quarter ended 31 <sup>st</sup> December, 2023       | on or before 14 <sup>th</sup> February, 2024 |
| 4 <sup>th</sup> quarter and year ended 31 <sup>st</sup> March, 2024 | on or before 30 <sup>th</sup> May, 2024      |

Stock code : 532138

Book closure date : 24<sup>th</sup> September, 2023 to 30<sup>th</sup> September, 2023

Dividend payment date : No dividend paid during the year.

Equity Shares Listed on : Bombay Stock Exchange Limited

Address : Phiroz Jeejeebhoy Towers Dalal Street, Mumbai – 400001

Demat ISIN in NSDL : INE440E01012

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

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

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

Share Transfer system : Presently, the share transfers in physical form are processed and share certificates returned with in a period of 15 days from the date of receipt, subject to the documents being clear in all respects. The Company also offer transfer-cum-demat facility for the convenience of the investors.

Distribution of Shareholding  
as on 31<sup>st</sup> March, 2023

| Category                                 | %           |
|--|-------------|
| Financial Institution/Banks/Mutual Funds | -           |
| NRI/OCBs                                 | -           |
| Bodies Corporate                         | 91.99%      |
| Others                                   | 08.01%      |
| <b>Total</b>                             | <b>100%</b> |

#### SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2023

| Category code        | Category of Shareholder  | Number of Shares | Percentage (%) |
|----------------------|--|------------------|----------------|
| <b>(A)</b>           | <b>Shareholding of Promoter and Promoter Group</b>                             |                  |                |
| 1                    | Indian   | 5759750          | 22.99          |
| 2                    | Foreign  | -                | -              |
| <b>Sub Total(A):</b> |  | <b>5759750</b>   | <b>22.99</b>   |
| <b>(B)</b>           | <b>Public shareholding</b>   |                  |                |
| <b>1</b>             | <b>Institutions</b>  |                  |                |
| (a)                  | Mutual Funds/ UTI  | -                | -              |
| (b)                  | Financial Institutions / Banks   | -                | -              |
| (c)                  | Insurance Companies  | -                | -              |
| (d)                  | Foreign Portfolio Investors  | -                | -              |
|                      | <b>Sub-Total (B)(1):</b>   | -                | -              |
| 2                    | Central Government/ State Government(s)  | -                | -              |
|                      | <b>Sub-Total (B)(2):</b>   | -                | -              |
| 3                    | Non-institutions   |                  |                |
| (a)                  | Bodies Corporate   | 17289650         | 69.01          |
| (b)                  | Individual shareholders holding nominal share capital up to Rs 2 lakh          | 1900600          | 7.59           |
| (c)                  | Individual shareholders holding nominal share capital in excess of Rs. 2 lakh. | 105500           | 0.42           |

|                           |  |                 |               |
|---------------------------|--|-----------------|---------------|
| (d)                       | NRI with & without REPAT                               | -               | -             |
| (e)                       | Trust  | -               | -             |
| (f)                       | IEPF   | -               | -             |
| <b>Sub-Total (B)(3):</b>  |  | <b>19295750</b> | <b>77.01</b>  |
|                           | <b>Total Public Shareholding (B)(1)+(B)(2)+(B)(3):</b> | <b>19295750</b> | <b>77.01</b>  |
| <b>Grand Total: (A+B)</b> |  | <b>25055500</b> | <b>100.00</b> |

## **IX. DEMATERIALIZATION OF SHARES & LIQUIDITY**

The shares of the Company are in compulsory demat segment and are available for trading on BSE. As at 31<sup>st</sup> March, 2023, 2,08,19,900 equity shares out of 2,50,55,500 equity shares of the company, representing 83.09% of the Company's paid up capital are held in dematerialized form.

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

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

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

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

By Order of the Board  
For SMC Credits Limited

New Delhi  
August 11, 2023

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

## **CORPORATE GOVERNANCE CERTIFICATE**

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

We have examined the compliance of conditions of Corporate Governance by SMC Credits Limited ("the Company"), for the financial year ended March 31, 2023, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

**For Neeraj Arora & Associates**  
**Company Secretaries**  
**Firm Registration No. S2019DE706400**  
**Firm Peer Review No.- 3738/2023**

**New Delhi**  
**August 11, 2023**

**Neeraj Arora**  
**Proprietor**  
**CP No.- 16186**  
**UDIN- F010781E000788129**

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,

The Members,

**SMC Credits Limited**

(CIN: L65910DL1992PLC049566)

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

Pusa Road, New Delhi-110060

1. The SMC Credits Limited (CIN: L65910DL1992PLC049566) is having registered office at 24, Ashoka Chambers, 5-B, Rajindra Park, Pusa Road, New Delhi-110060 (hereinafter referred as “the Company”). The equity shares of the Company are listed on BSE Limited.
2. We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Company, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. As on 31<sup>st</sup> March, 2023, the Board of Directors of the Company comprises of the following directors:

| <b>Sr. No.</b> | <b>Name of the Director</b> | <b>Director Identification Number (DIN)</b> |
|----------------|-----------------------------|---|
| 1.             | Mr. Prasahesh Arya          | 00006507                                    |
| 2.             | Mr. Rajesh Goenka           | 00298227                                    |
| 3.             | Mr. Rajesh Ramnani          | 00533679                                    |
| 4.             | Ms. Jyoti Rajshree          | 09311715                                    |

4. Based on verification and examination of the disclosures/ register under section 184/ 189, 170, 164, 149 of the Companies Act, 2013 (the Act) and DIN based search on MCA Portal (<http://www.mca.gov.in/mcafoportal/showEnquireDIN.do>), We certify that none of the above named Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority for the Financial Year ending 31<sup>st</sup> March, 2023.



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

**For Neeraj Arora & Associates**  
**Company Secretaries**  
**Firm Registration No. S2019DE706400**  
**Firm Peer Review No. - 3738/2023**

**New Delhi**  
**August 11, 2023**

**Neeraj Arora**  
**Proprietor**  
**CP No.- 16186**  
**UDIN- F010781E000788151**

### **CODE OF CONDUCT COMPLIANCE CERTIFICATE FOR FINANCIAL YEAR 2022-23**

To the best of my knowledge and belief and information available with me, I hereby declare that all the Board Members and Senior Management Personnel of M/s SMC Credits Limited have complied with the code of conduct during the financial year 2022-23 (as applicable on them).

**New Delhi  
May 30, 2023**

**For SMC Credits Limited**

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

## CEO AND CFO CERTIFICATE

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

30<sup>th</sup> May, 2023

### **Sub: Annual Certificate of Compliance for FY 2022-23**

Sir(s),

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

- a) We have reviewed financial statement and the cash flow statement for the year ended 31<sup>st</sup> March, 2023 and to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee:
  - i. significant changes in such internal control during the year, if any;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system for financial reporting.

Thanking You,

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

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

**INDEPENDENT AUDITORS' REPORT  
To The Members of SMC CREDITS LIMITED**

**Report on the Audit of the Financial Statements  
Opinion**

We have audited the Financial Statements of SMC CREDITS LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and profit/(loss) (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

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

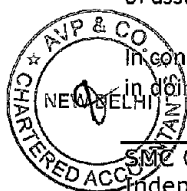
| SN | Key audit matter   | Auditor's response  |
|----|--|---|
| 1. | <b>Impairment of Loan Assets</b><br>The company is having outstanding loan asset to corporates under its NBFC business. The company has classified such loan asset as standard asset and doubtful asset and provision thereof as per the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

**Other Information**

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

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or



SMC Credits Limited  
Independent Auditors' Report FY 2022-2023

Page 1 of 10

our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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



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

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure – A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. A As required by section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) in our opinion, the aforesaid financial statement comply with the Indian Accounting Standards specified in section 133 of the Act;
  - (e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure – B".
- B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (a) The Company does not have any pending litigations which would impact its financial position as on March 31, 2023.
  - (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

The management has represented that, to the best of its knowledge and belief, other than as

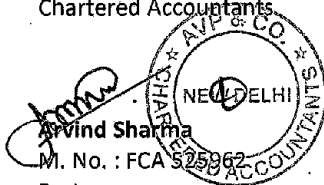
disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (ii) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- (e) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- (f) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.
- 3. With respect to the matter to be included in the Auditors' Report under section 197(16):  
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For AVP & Co**

F. R. N.: 025193N

Chartered Accountants



**Arvind Sharma**

M. No. : FCA 525962

Partner

Date : 30-05-2023

Place : New Delhi

ICAI UDIN: 23525962BGUPSB5096

**SMC CREDITS LIMITED**

**ANNEXURE – A**

**to the independent auditors' report**

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

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

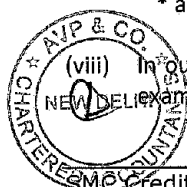


| Particulars (Days past range) | Total Amount Outstanding<br>(Amount in ₹ Lacs) | No. of cases |
|-------------------------------|--|--------------|
| More than 90 days             | 671.81   | 1            |

- (d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. According to information and explanation made available to us, ₹ 671.81 (Amount in ₹ Lacs) as at 31 March 2023 is overdue for more than 90 days in respect of 1 party. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.
- (e) The principal business of the Company is to give loans and hence reporting under clause (iii)(e) of the Order is not applicable;
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.
- (v) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause (v) of paragraph 3 of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/or services provided by it). Accordingly, clause (vi) of paragraph 3 of the Order is not applicable.
- (vii) In respect of statutory dues:
- (a) According to the records of the Company, undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues have been *generally* regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2023 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company did not have dues which have not been deposited as on March 31, 2023, except for the following:

| Name of the statute  | Nature of disputed dues | Amount under dispute (₹ Lacs) | Amount paid (₹ Lacs) | Period to which the amount relates | Forum where dispute is pending       |
|----------------------|-------------------------|-------------------------------|----------------------|------------------------------------|--------------------------------------|
| Income Tax Act, 1961 | Income Tax              | 22.67                         | Nil                  | FY 2017-18                         | Commissioner of Income-tax (Appeals) |
| Income Tax Act, 1961 | Income Tax              | 21.97                         | Nil                  | FY 2016-17                         | -do-                                 |

\* amount of addition in income as filled in the appeal filing.



(viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions

not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

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

Based on information and explanations provided to us and our audit procedures, in our opinion,



the Company has an internal audit system commensurate with the size and nature of its business.

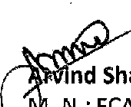
- (b) We have taken into consideration, the reports of the Internal Auditors received by the Company during the year and provided to us while determining the nature, timing and extent of audit procedures.
- (xv) In our opinion and according to the information and explanations given to us, during the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

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**For AVP & Co**

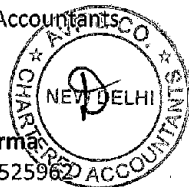
F. R. N.: 025193N

Chartered Accountants

  
Arvind Sharma

M. N.: FCA 525962

Partner



Date : 30-05-2023

Place : New Delhi

ICAI UDIN: 23525962BGUPSB5096

## SMC CREDITS LIMITED

### ANNEXURE – B

#### to the independent auditors' report

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

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

We have audited the internal financial controls over financial reporting of SMC CREDITS LIMITED ('the Company') as of 31st March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended and as on that date.

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

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

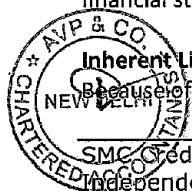
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility



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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For AVP & Co**

F. R. N.: 025193

Chartered Accountants



**Arvind Sharma**

M. N.: FCA 525962

Partner

Date : 30-05-2023

Place : New Delhi

ICAI UDIN: 23525962BGUPSB5096

SMC Credits Limited  
CIN L65910DL1992PLC049566  
Balance Sheet as at 31 March 2023

Amount in ₹ Lacs

| Particulars   | Note No | As at 31 March 2023 | As at 31 March 2022 |
|---|---------|---------------------|---------------------|
| <b>ASSETS</b>   |         |                     |                     |
| (1) Financial assets  |         |                     |                     |
| (a) Cash and cash equivalents   | 2       | 937.91              | 137.24              |
| (b) Bank Balance other than (a) above   | 3       | -                   | -                   |
| (b) Receivables   | 3       | 0.87                | 46.50               |
| (i) Trade Receivables   |         | 0.03                | -                   |
| (ii) Other Receivables  |         | 4,027.50            | 4,189.46            |
| (c) Loans   | 4       | 93,900.76           | 47,402.50           |
| (d) Investments   | 5       | 37.74               | 3.95                |
| (e) Other Financial assets  | 6       | 98,904.81           | 51,779.65           |
| (2) Non-financial Assets  |         |                     |                     |
| (a) Current tax assets (Net)  | 7       | 27.20               | 23.84               |
| (b) Deferred tax Assets (Net)   | 8       | 228.29              | 236.90              |
| (c) Property, Plant and Equipment   | 9       | 156.02              | 210.38              |
| (d) Other non-financial assets  | 10      | 411.51              | 471.12              |
| <b>TOTAL ASSETS</b>   |         | <b>99,316.32</b>    | <b>52,250.77</b>    |
| <b>LIABILITIES AND EQUITY</b>   |         |                     |                     |
| <b>LIABILITIES</b>  |         |                     |                     |
| (1) Financial Liabilities   |         |                     |                     |
| (a) Payables  | 10      | -                   | -                   |
| (i) Trade Payables  |         | -                   | -                   |
| (i) total outstanding dues of micro enterprises and small enterprises                       |         | -                   | -                   |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |         | 7.59                | 4.72                |
| (ii) Other Payables   |         | -                   | -                   |
| (i) total outstanding dues of micro enterprises and small enterprises                       |         | -                   | -                   |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises |         | -                   | -                   |
| (b) Borrowings (Other than Debt Securities)   | 11      | 2,053.51            | 2,164.56            |
| (c) Other financial liabilities   | 12      | 2,061.10            | 2,169.28            |
| (2) Non-Financial Liabilities   |         |                     |                     |
| (a) Current tax liabilities (Net)   | 12      | 65.42               | -                   |
| (b) Other non-financial liabilities   | 13      | 15.83               | 28.86               |
|   |         | 81.25               | 28.86               |
| (3) Equity  |         |                     |                     |
| (a) Equity share capital  | 14      | 2,505.55            | 1,002.22            |
| (b) Other equity  | 15      | 94,668.42           | 49,050.41           |
|   |         | 97,173.97           | 50,052.63           |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |         | <b>99,316.32</b>    | <b>52,250.77</b>    |
| Significant accounting policies   | 1       |                     |                     |
| Notes to the financial statements   | 2 - 37  |                     |                     |

In terms of our Audit Report

For AVP & Co

FRN. 025193N

Chartered Accountants

NEW DELHI

ANIL SHARMA

MN. FCA 525962

Partner

Date: 30/05/2023

Place: New Delhi

For and on behalf of the Board

Prasanna Arya

DIN 00006507

Director

Rajesh Goenka

DIN 00298227

Director

Kalra Dewani

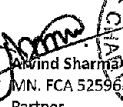
Company Secretary

SMC Credits Limited  
CIN L65910DL1992PLC049566  
Statement of Profit and loss for the year ended 31 March 2023

Amount in ₹ Lacs

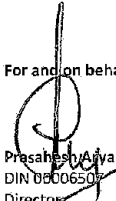
| Particulars  | Note No | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--|---------|----------------------------------|----------------------------------|
| <b>REVENUE FROM OPERATIONS</b>                               |         |                                  |                                  |
| Interest Income  | 16      | 231.92                           | 216.58                           |
| Dividend Income  | 17      | 214.07                           | 201.98                           |
| Net gain on fair value changes                               | 18      | 5.55                             | 7.56                             |
| <b>Other Income</b>  | 19      | 93.87                            | 97.73                            |
| <b>Total income</b>  |         | <b>545.41</b>                    | <b>523.85</b>                    |
| <b>Expenses</b>  |         |                                  |                                  |
| Employee benefit expense                                     | 20      | 11.64                            | 7.90                             |
| Financing expenses   | 21      | 155.79                           | 153.88                           |
| Depreciation and amortization expense                        | 22      | 3.47                             | 3.47                             |
| Other expenses   | 23      | 96.27                            | 25.47                            |
| <b>Total expenses</b>  |         | <b>267.17</b>                    | <b>190.72</b>                    |
| <b>Profit before exceptional items and tax</b>               |         | <b>278.24</b>                    | <b>333.13</b>                    |
| Exceptional Items  | 24      | 902.42                           | -                                |
| <b>Profit before tax</b>                                     |         | <b>1,180.66</b>                  | <b>333.13</b>                    |
| <b>Tax expense:</b>  |         |                                  |                                  |
| Current tax  |         | 150.00                           | 74.29                            |
| Deferred tax   |         | 8.61                             | (0.27)                           |
| <b>Total tax expense</b>                                     |         | <b>158.61</b>                    | <b>74.02</b>                     |
| <b>Profit after tax for the year</b>                         |         | <b>1,022.05</b>                  | <b>259.11</b>                    |
| <b>Other Comprehensive Income</b>                            |         |                                  |                                  |
| <b>Items that will not be reclassified to profit or loss</b> |         |                                  |                                  |
| Fair value changes on equity instruments through OCI         |         | 44,589.14                        | 695.58                           |
| Income tax impact thereon                                    |         | -                                | (0.71)                           |
| <b>Items that will be reclassified to profit or loss</b>     |         |                                  |                                  |
| Fair value changes on debt instruments through OCI           |         | 6.34                             | 0.43                             |
| Income tax impact thereon                                    |         | -                                | -                                |
| <b>Total other comprehensive income</b>                      |         | <b>44,595.48</b>                 | <b>695.30</b>                    |
| <b>Total Comprehensive Income for the year</b>               |         | <b>45,617.53</b>                 | <b>954.41</b>                    |
| <b>Earnings per equity share:</b>                            | 25      |                                  |                                  |
| Basic  |         | 7.36                             | 2.59                             |
| Diluted  |         | 7.36                             | 2.59                             |
| Significant accounting policies                              | 1       |                                  |                                  |
| Notes to the financial statements                            | 2 - 37  |                                  |                                  |


In terms of our Audit Report


For AVP & Co  
FRN. 025193N  
Chartered Accountants  
  
Arvind Sharma  
MN. FCA 525963  
Partner

Date: 30/05/2023  
Place: New Delhi

For and on behalf of the Board

  
Prasanna Arva  
DIN 00006507  
Director

  
Kaira Dewani  
Company Secretary

  
Rajesh Goenka  
DIN 00298227  
Director

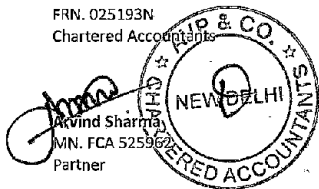
| Particulars   | Note No | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---------|----------------------------------|----------------------------------|
| <b>A Cash flows from operating activities</b>               |         |                                  |                                  |
| Profit before tax   |         | 1,180.66                         | 333.13                           |
| Adjustment to reconcile profit before tax to net cash flows |         |                                  |                                  |
| Depreciation  |         | 3.47                             | 3.47                             |
| Profit on sale of fixed assets                              |         | -902.42                          | -                                |
| Operating profit before working capital changes             |         | 281.71                           | 336.60                           |
| Movements in working capital:                               |         |                                  |                                  |
| Other bank balance  |         | -                                | -                                |
| Receivables   |         | 45.61                            | -32.01                           |
| Loans   |         | 161.96                           | -333.30                          |
| Other financial assets                                      |         | -33.79                           | 14.02                            |
| Other non-financial assets                                  |         | -                                | -                                |
| Trade Payable   |         | 2.87                             | 3.35                             |
| Financial liabilities                                       |         | -111.05                          | 55.78                            |
| Other financial liabilities                                 |         | -                                | -                                |
| Other non-financial liabilities                             |         | -13.03                           | 9.46                             |
| <b>Cash generated from operations</b>                       |         | <b>334.28</b>                    | <b>53.90</b>                     |
| Direct taxes paid (net of refunds)                          |         | -87.94                           | -87.74                           |
| <b>Net cash flow from operating activities</b>              |         | <b>246.34</b>                    | <b>-33.84</b>                    |
| <b>B Cash flows from investing activities</b>               |         |                                  |                                  |
| Proceed from Sale/Redemption of Investments                 |         | -                                | -                                |
| Proceed from sale of property plant and equipments          |         | 974.16                           | -                                |
| Purchase of Investments (Net)                               |         | -1,902.30                        | 141.10                           |
| <b>Net cash flow (used in) investing activities</b>         |         | <b>-928.14</b>                   | <b>141.10</b>                    |
| <b>C Cash flows from financing activities</b>               |         |                                  |                                  |
| Proceed from issue of equity shares (net of expenses)       |         | 1,482.47                         | -                                |
| <b>Net cash flow from financing activities</b>              |         | <b>1,482.47</b>                  | <b>-</b>                         |
| <b>Net increase in cash and cash equivalents</b>            |         | <b>800.67</b>                    | <b>107.26</b>                    |
| Cash and cash equivalents at the beginning of the year      |         | 137.24                           | 29.98                            |
| <b>Cash and cash equivalents at the end of the year</b>     |         | <b>937.91</b>                    | <b>137.24</b>                    |

Significant accounting policies  
Notes to the financial statements

1  
2 - 37

In terms of our Audit Report

For AVP & Co  
FRN: 025193N  
Chartered Accountants



Avinid Sharma  
MN. FCA 525962  
Partner

Date: 30/05/2023  
Place: New Delhi

For and on behalf of the Board

Prasannesh Arya  
DIN 00086307  
Director

Kanchan

Kaira Dewani  
Company Secretary

Rajesh Goanka  
DIN 00298227  
Director

R. Goanka



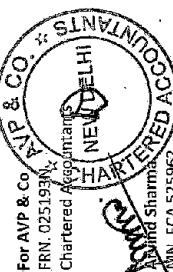
SMC Credits Limited  
CIN L65910DL1992PLC049566  
Statement of Change in Equity for the year ended 31 March 2023

Amount in ₹ Lacs

| Particulars   | Note No | A. Equity | B. Other Equity   |                      |                    |                                | Total     |
|---|---------|-----------|-------------------|----------------------|--------------------|--------------------------------|-----------|
|   |         |           | Retained Earnings | Reserves and Surplus | Impairment Reserve | Other Comprehensive Income     |           |
|   |         |           |                   | Statutory Reserves   |                    | Equity Instruments through OCI |           |
|   |         |           |                   |                      |                    | Debt Instruments through OCI   |           |
| Balance as at 31 March 2021                                       |         | 1,002.22  | 1,943.10          | 652.62               | 1,033.15           | 44,465.62                      | 48,091.89 |
| Changes in Equity Share Capital due to prior period errors        |         |           |                   |                      |                    |                                |           |
| Restated balance at the beginning of the current reporting period |         | 1,002.22  | 1,943.10          | 652.62               | 1,033.15           | 44,465.62                      | 48,091.89 |
| Profit for the year   |         |           | 259.11            |                      |                    |                                | 259.11    |
| Transfer to Statutory Reserve                                     |         |           | (51.82)           | 51.82                |                    |                                |           |
| Transfer to Impairment Reserve                                    |         |           | (1.33)            |                      | 1.33               |                                |           |
| Gain on sale/redemption of Investment                             |         |           |                   |                      |                    | 4.12                           | 4.12      |
| Income tax impact on gain   |         |           |                   |                      |                    | (0.71)                         | (0.71)    |
| OCI for the year before Income tax                                |         |           |                   |                      |                    | 695.58                         | 696.01    |
| Balance as at 31 March 2022                                       |         | 1,002.22  | 2,149.06          | 704.44               | 1,034.48           | 45,164.61                      | 49,050.42 |
| Changes in Equity Share Capital due to prior period errors        |         |           |                   |                      |                    |                                |           |
| Restated balance at the beginning of the current reporting period |         | 1,002.22  | 2,149.06          | 704.44               | 1,034.48           | 45,164.61                      | 49,050.42 |
| Shares issued during the year pursuant to Rights Issue            |         | 1,503.33  |                   |                      |                    |                                |           |
| Profit for the year   |         |           | 1,022.05          |                      |                    |                                | 1,022.05  |
| Transfer to Statutory Reserve                                     |         |           | (204.41)          | 204.41               |                    |                                |           |
| Transfer to Impairment Reserve                                    |         |           |                   |                      | (38.06)            |                                |           |
| Gain on sale/redemption of Investment                             |         |           |                   |                      |                    | 0.48                           | 0.48      |
| Income tax impact on gain   |         |           | 38.06             |                      |                    |                                |           |
| OCI for the year before Income tax                                |         |           |                   |                      |                    | 44,589.14                      | 44,595.48 |
| Income tax on OCI   |         |           |                   |                      |                    |                                |           |
| Balance as at 31 March 2023                                       |         | 2,505.55  | 3,004.76          | 908.85               | 996.42             | 89,754.23                      | 94,668.43 |

Significant accounting policies  
Notes to the financial statements

In terms of our Audit Report



Date: 30/05/2023  
Place: New Delhi

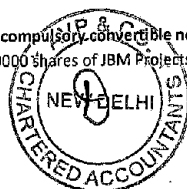
For and on behalf of the Board

Prasanna Aya  
DIN 00006501  
Director

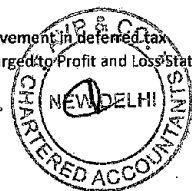
Kaira Dewani  
Company Secretary

Rajesh Goenka  
DIN 00298327  
Director

| Note No | Particulars   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---------|---|------------------------|------------------------|
| 2       | <b>Cash and cash equivalents</b>  |                        |                        |
|         | Cash in hand  | 0.22                   | 0.22                   |
|         | Balances with banks   |                        |                        |
|         | In current accounts   | 331.85                 | 7.02                   |
|         | In deposits with original maturity of 3 months or less                                    | 605.84                 | 130.00                 |
|         |   | <b>937.91</b>          | <b>137.24</b>          |
| 3       | <b>Receivables *</b><br>(Unsecured, considered good, unless stated otherwise)             |                        |                        |
|         | Trade Receivables   | 0.87                   | 46.50                  |
|         | Other Receivables   | 0.03                   | -                      |
|         |   | <b>0.90</b>            | <b>46.50</b>           |
|         | * also refer Note No 34   |                        |                        |
| 4       | <b>Loans (at amortised cost)</b>  |                        |                        |
| A       | Term loan   | 4,027.50               | 4,189.46               |
|         |   | <b>4,027.50</b>        | <b>4,189.46</b>        |
| B       | Unsecured Loan  | 4,027.50               | 4,189.46               |
| C       | Loans in India  |                        |                        |
|         | Public Sector   | -                      | -                      |
|         | Others  | 4,027.50               | 4,189.46               |
| 5       | <b>Investments (other than Subsidiaries and Joint-ventures)</b>                           |                        |                        |
| A.      | <b>Investment in equity instruments (at FVTOCI)</b>                                       |                        |                        |
|         | <b>Quoted</b>   |                        |                        |
|         | Fully paid up of face value ₹ 10 each   |                        |                        |
|         | 43 shares of Reliance Power Ltd. *  | -                      | 0.01                   |
|         | (₹ 427 as at 31 March 2023; ₹ 581 as at 31 March 2022)                                    |                        |                        |
|         | <b>Fully paid up of face value ₹ 5 each</b>   |                        |                        |
|         | 822800 shares of Jay Bharat Maruti Ltd.   | 1,079.51               | 1,166.73               |
|         | 7734861 shares of JBM Auto Ltd.   | 74,790.69              | 33,824.55              |
|         |   | <b>75,870.20</b>       | <b>34,991.29</b>       |
|         | <b>Unquoted</b>   |                        |                        |
|         | Fully paid up of face value ₹ 10 each   |                        |                        |
|         | 840000 shares of A to Z securities Ltd  | 302.90                 | 286.52                 |
|         | 233000 shares of Shuklamber Exports Ltd   | 413.85                 | 380.35                 |
|         | 3200 shares of Gurera Udyog Ltd.  | 0.35                   | 0.35                   |
|         | 495200 shares of Focal Leasing & Credits Ltd  | 302.37                 | 287.66                 |
|         | 1930000 shares of Neel Metal Products Ltd.  | 12,819.64              | 9,335.22               |
|         | 30000 shares of Prasha Technologies Ltd   | 3.00                   | 3.00                   |
|         | 85000 shares of Neel Industries Pvt Ltd   | 212.46                 | 167.91                 |
|         | 217633 shares of JBM Industries Ltd.  | 1,673.12               | 1,555.55               |
|         | 89300 shares of Shreeaumji Infrastructure & Projects Pvt. Ltd.                            | 52.61                  | 52.61                  |
|         | <b>Fully paid up of face value ₹ 100 each</b>   |                        |                        |
|         | 3808 shares of NAP Investment & Leasing Pvt. Ltd  | 3.75                   | 3.51                   |
|         |   | <b>15,784.05</b>       | <b>12,072.68</b>       |
|         |   | <b>91,654.25</b>       | <b>47,063.97</b>       |
| B.      | <b>Investment in preference shares (at FVTOCI)</b>  |                        |                        |
|         | <b>1% non cumulative redeemable preference shares of ₹ 10 each</b>                        |                        |                        |
|         | 1287900 shares of Shreeaumji Infrastructure & Projects Pvt. Ltd.                          | 82.59                  | 78.91                  |
|         | 16469 shares of JBM Corporate Services Pvt. Ltd.  | 0.96                   | 0.92                   |
|         | 2500000 shares of Faridabad Presswell Pvt. Ltd.   | 146.45                 | 140.12                 |
|         | <b>1% compulsory convertible non-cumulative redeemable preference shares of ₹ 10 each</b> |                        |                        |
|         | 250000 shares of JBM Projects & Infrastructure Pvt. Ltd                                   | 14.64                  | 14.01                  |
|         |   | <b>244.64</b>          | <b>233.96</b>          |



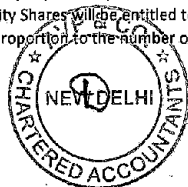
| Note No | Particulars  | As at<br>31 March 2023   | As at<br>31 March 2022  |
|---------|--|--|---|
| C.      | Investment in debentures (at FVTOCI)<br>0.001% compulsory convertible debentures of ₹ 10 each<br>100000 debentures of Satish Buildwell Private Limited   | 8.33<br>8.33   | 7.83<br>7.83  |
| D.      | Investment in units of Mutual Fund (at FVTPL)<br>48,387 (PY 46,920) units of Nippon India Liquid Fund<br>146,423 (PY 140,036) units of Nippon India Low Duration Fund  | 0.78<br>1.55   | 0.74<br>1.48  |
|         | Investment in units of Mutual Fund (at FVTOCI)<br>82972.427 (PY Nil) units of HDFC Focused 30 Fund-Growth<br>Nil (PY 9557.682) units of UTI Flexi Cap Fund-Growth<br>6846.14 units of UTI Mid Cap Fund-Growth<br>19977.634 (PY Nil) Abakus Diversified Alpha Fund<br>1109797.423 (PY Nil) Canara Robeco Mid Cap Fund<br>410225.031 (PY Nil) Canara Robeco Small Cap Fund<br>237552.181 (PY Nil) Mirae Asset Midcap Fund<br>11111.711 (PY Nil) SBI Contra Fund<br>48414.886 (PY Nil) SBI Technology Opportunities Fund<br>107333.614 (PY Nil) TATA Small Cap Fund<br>38174.608 (PY Nil) UTI Money Market Fund-Direct Plan-Growth<br>49154.333 (PY Nil) UTI Structured Debt Opportunities Fund | 109.05<br>-<br>12.20<br>198.27<br>107.32<br>96.69<br>48.44<br>25.16<br>67.28<br>25.14<br>1,005.85<br>50.00 | -<br>23.41<br>12.39<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
|         |  | 1,747.73   | 38.02   |
| E.      | Investment through PMS (at FVTPL)<br>In Equity Shares  | 245.81<br>245.81   | 58.72<br>58.72  |
|         |  | 93,900.76  | 47,402.50   |
|         | Investment at FVTOCI   | 91,909.55  | 47,307.98   |
|         | Investment at FVTPL  | 1,991.21   | 94.52   |
| 6       | Other Financial assets<br>Security deposits<br>Inventories of Stock of Shares (at FVTPL)<br>Other balance with PMS   | 15.21<br>0.02<br>22.51<br>37.74  | 0.05<br>0.02<br>3.88<br>3.95  |
| 7       | Current tax assets (Net)<br>Current tax assets (Net)<br>Non-Current tax assets (Net)   | -<br>27.20<br>27.20  | 2.16<br>21.68<br>23.84  |
| 8       | Deferred tax assets (net)<br>Deferred tax assets (net)   | 228.29<br>228.29   | 236.90<br>236.90  |
|         | On account of timing difference in<br>Property, plant and equipment<br>Impairment reserve  | 0.31<br>227.98<br>228.29   | 0.21<br>236.69<br>236.90  |
|         | Movement in deferred tax<br>Charged to Profit and Loss Statement   | 8.61<br>8.61   | -0.27<br>-0.27  |



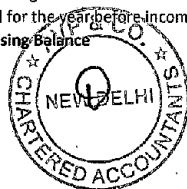
| Note No | Particulars  | As at<br>31 March 2023    | As at<br>31 March 2022  |
|---------|--|---------------------------|-------------------------|
| 10      | <b>Trade payables</b>  |                           |                         |
|         | Due to micro enterprises and small enterprises (also refer Note 33)  | -                         | -                       |
|         | Due to others  | 7.59                      | 4.72                    |
|         |  | <b>7.59</b>               | <b>4.72</b>             |
| 11      | <b>Borrowings (Other than Debt Securities)</b>   |                           |                         |
|         | Loans repayable on demand (at amortised cost)  |                           |                         |
|         | From bank and financial institution  | 552.97                    | 573.35                  |
|         | From Others  | 1,500.54                  | 1,591.21                |
|         |  | <b>2,053.51</b>           | <b>2,164.56</b>         |
| 12      | <b>Current tax liabilities (Net)</b>   |                           |                         |
|         | Current tax liabilities (Net)  | 65.42                     | -                       |
|         |  | <b>65.42</b>              | <b>-</b>                |
| 13      | <b>Other non-financial liabilities</b>   |                           |                         |
|         | Security Deposit   | -                         | 7.00                    |
|         | Payable to statutory authorities   | 15.83                     | 21.86                   |
|         |  | <b>15.83</b>              | <b>28.86</b>            |
| 14      | <b>Equity Share capital</b>  |                           |                         |
| a       | <b>Authorised</b>  |                           |                         |
|         | 2,60,00,000 (PY 1,10,00,000) Equity Shares of ₹ 10 each  | 2,600.00                  | 1,100.00                |
| b       | <b>Issues, subscribed and fully paid-up in cash:</b>   |                           |                         |
|         | 2,50,55,500 (PY 1,00,22,200) Equity Shares of ₹ 10 each  | 2,505.55                  | 1,002.22                |
|         |  | <b>2,505.55</b>           | <b>1,002.22</b>         |
| c       | <b>Reconciliation of Shares Outstanding</b>  |                           |                         |
|         | <b>Particulars</b>   | <b>Number of Shares</b>   | <b>Amount in ₹ Lacs</b> |
|         | As at 01 April 2021  | 1,00,22,200               | 1,002.22                |
|         | Issued during the financial year 2021-2022   | -                         | -                       |
|         | As at 31 March 2022  | <b>1,00,22,200</b>        | <b>1,002.22</b>         |
|         | Issued during the financial year 2022-2023 *   | 1,50,33,300               | 1,503.33                |
|         | As at 31 March 2023  | <b>2,50,55,500</b>        | <b>2,505.55</b>         |
|         | * During the year, the Company has allotted 1,50,33,300 equity shares of face value of ₹ 10 each ("Rights Equity Shares") at par aggregating up to ₹ 1503.33 Lacs. |                           |                         |
| d       | <b>Equity Shares held by shareholders holding more than 5% shares</b>  |                           |                         |
|         | <b>Name of Shareholder</b>   | <b>No. of Shares held</b> | <b>%age of Holding</b>  |
|         | As at 31 March 2023  |                           |                         |
|         | Shuklamber Exports Limited   | 37,33,250                 | 14.90%                  |
|         | Focal Leasing & Credits Limited  | 57,59,750                 | 22.99%                  |
|         | A To Z Securities Limited  | 35,07,750                 | 14.00%                  |
|         | Amity Infotech Private Limited   | 38,03,100                 | 15.18%                  |
|         | Zeal Impex & Traders Private Limited   | 38,58,900                 | 15.40%                  |
|         | JBM International Limited  | 23,80,250                 | 9.50%                   |
|         | As at 31 March 2022  |                           |                         |
|         | Shuklamber Exports Limited   | 14,93,300                 | 14.90%                  |
|         | Focal Leasing & Credits Limited  | 14,01,200                 | 13.98%                  |
|         | A To Z Securities Limited  | 14,03,100                 | 14.00%                  |
|         | Amity Infotech Private Limited   | 14,03,100                 | 14.00%                  |
|         | Zeal Impex & Traders Private Limited   | 13,59,900                 | 13.57%                  |
|         | JBM International Limited  | 9,52,100                  | 9.50%                   |

**e Terms/Rights attached to Equity Shares**

The Company has only one class of Equity Shares having a par Value of ₹ 10 per Share. In the event of Liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



| Note No | Particulars                                   | As at<br>31 March 2023 | As at<br>31 March 2022   |                                 |
|---------|---|------------------------|--------------------------|---------------------------------|
| g       | <b>Shareholding of Promoters</b>              |                        |                          |                                 |
|         | <b>Promoter name</b>                          | <b>No. of Shares</b>   | <b>% of total shares</b> | <b>% Change during the year</b> |
|         | <b>As at 31 March 2023</b>                    |                        |                          |                                 |
|         | Focal Leasing & Credits Limited               | 57,59,750              | 22.99%                   | Nil                             |
|         | <b>As at 31 March 2022</b>                    |                        |                          |                                 |
|         | Focal Leasing & Credits Limited               | 14,01,200              | 13.98%                   | Nil                             |
| 15      | <b>Other equity</b>                           |                        |                          |                                 |
| a       | <b>Retained Earnings/(Deficit)</b>            |                        |                          |                                 |
|         | Opening Balance                               | 2,149.05               | 1,943.09                 |                                 |
|         | Add: Profit for the year                      | 1,022.05               | 259.11                   |                                 |
|         | Less: Transfer to Impairment Reserve          | 38.06                  | (1.33)                   |                                 |
|         | Less: Transfer to Statutory Reserve           | (204.41)               | (51.82)                  |                                 |
|         | Closing Balance                               | 3,004.75               | 2,149.05                 |                                 |
| b       | <b>Statutory reserve u/s 45-IC of RBI Act</b> |                        |                          |                                 |
|         | Opening Balance                               | 704.44                 | 652.62                   |                                 |
|         | Addition during the Year                      | 204.41                 | 51.82                    |                                 |
|         | Closing Balance                               | 908.85                 | 704.44                   |                                 |
| c       | <b>Impairment Reserve *</b>                   |                        |                          |                                 |
|         | Opening Balance                               | 1,034.48               | 1,033.15                 |                                 |
|         | Addition during the Year                      | (38.06)                | 1.33                     |                                 |
|         | Closing Balance                               | 996.42                 | 1,034.48                 |                                 |
|         | * also refer Note No. 27                      |                        |                          |                                 |
| d       | <b>Other reserves</b>                         |                        |                          |                                 |
|         | <b>Equity Instrument FVTOCI</b>               |                        |                          |                                 |
|         | Opening Balance                               | 45,164.61              | 44,465.62                |                                 |
|         | OCI for the year before income tax            | 44,589.14              | 695.58                   |                                 |
|         | Gain on sale/redemption of Investment         | 0.48                   | 4.12                     |                                 |
|         | Income tax impact on gain                     | -                      | (0.71)                   |                                 |
|         | Closing Balance                               | 89,754.23              | 45,164.61                |                                 |
|         | <b>Debt Instrument FVTOCI</b>                 |                        |                          |                                 |
|         | Opening Balance                               | (2.17)                 | (2.60)                   |                                 |
|         | OCI for the year before income tax            | 6.34                   | 0.43                     |                                 |
|         | Closing Balance                               | 4.17                   | (2.17)                   |                                 |
|         |   | 94,668.42              | 49,050.41                |                                 |



SMC Credits Limited  
CIN L65910DL1992PLC049566  
Notes to financial statements

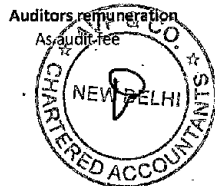
Note No. 9: Property, plant and equipment

Amount in ₹ Lacs

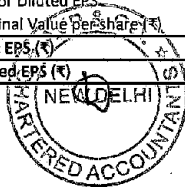
| Current Year<br>Particulars | Gross Block            |                        | Depreciation           |                        | Net Block              |                        |
|-----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                             | As at<br>01 April 2022 | As at<br>31 March 2023 | As at<br>01 April 2022 | As at<br>31 March 2023 | As at<br>31 March 2023 | As at<br>31 March 2022 |
|                             |                        |                        |                        |                        |                        |                        |
| Tangible Assets             |                        |                        |                        |                        |                        |                        |
| Land                        | 56.38                  | 56.38                  | -                      | -                      | 56.38                  | 56.38                  |
| Building                    | 218.15                 | 135.60                 | 3.43                   | -31.67                 | 99.17                  | 153.48                 |
| Furniture & Fixture         | 5.63                   | 5.63                   | 0.04                   | -                      | 0.31                   | 0.35                   |
| Office Equipment            | 3.17                   | 3.17                   | -                      | -                      | 0.16                   | 0.16                   |
| <b>Total</b>                | <b>283.33</b>          | <b>200.78</b>          | <b>3.47</b>            | <b>-31.67</b>          | <b>156.02</b>          | <b>210.37</b>          |
| Previous Year               | 283.34                 | 283.34                 | 69.48                  | 72.96                  | 210.38                 | 213.85                 |



| Note | Particulars  | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|------|--|-------------------------------------|-------------------------------------|
| 16   | <b>Interest Income</b>   |                                     |                                     |
|      | Interest on loans (at amortised cost)  | 230.56                              | 216.37                              |
|      | Interest on deposits with banks (at amortised cost)                                  | 1.36                                | 0.21                                |
|      |  | <b>231.92</b>                       | <b>216.58</b>                       |
| 17   | <b>Dividend Income</b>   |                                     |                                     |
|      | Dividend Income  | 214.07                              | 201.98                              |
|      |  | <b>214.07</b>                       | <b>201.98</b>                       |
| 18   | <b>Net gain/(loss) on fair value changes</b>   |                                     |                                     |
|      | <b>Net gain/(loss) on financial instruments at fair value through profit or loss</b> |                                     |                                     |
|      | On trading portfolio   | -                                   | -                                   |
|      | On financial instruments designated at FVTPL   | 5.55                                | 7.56                                |
|      |  | <b>5.55</b>                         | <b>7.56</b>                         |
|      | <b>Fair Value changes:</b>   |                                     |                                     |
|      | Realised   | 37.14                               | 18.36                               |
|      | Unrealised   | (31.59)                             | (10.80)                             |
|      |  | <b>5.55</b>                         | <b>7.56</b>                         |
| 19   | <b>Other Income</b>  |                                     |                                     |
|      | Rent Received  | 93.87                               | 97.73                               |
|      |  | <b>93.87</b>                        | <b>97.73</b>                        |
| 20   | <b>Employee benefit expense</b>  |                                     |                                     |
|      | Salaries and wages   | 7.13                                | 6.44                                |
|      | Staff welfare  | 0.31                                | 0.04                                |
|      | Directors sitting fees   | 4.20                                | 1.42                                |
|      |  | <b>11.64</b>                        | <b>7.90</b>                         |
| 21   | <b>Financing expenses</b>  |                                     |                                     |
|      | Interest on loans  | 155.79                              | 153.88                              |
|      |  | <b>155.79</b>                       | <b>153.88</b>                       |
| 22   | <b>Depreciation and amortization expense</b>   |                                     |                                     |
|      | Depreciation on tangible assets  | 3.47                                | 3.47                                |
|      |  | <b>3.47</b>                         | <b>3.47</b>                         |
| 23   | <b>Other expenses</b>  |                                     |                                     |
|      | Travelling and conveyance  | 6.72                                | 5.39                                |
|      | Printing and stationery  | 1.07                                | 0.01                                |
|      | Rent   | 1.08                                | 1.08                                |
|      | Rates and taxes  | 15.81                               | 1.78                                |
|      | Property Tax   | 1.40                                | 1.44                                |
|      | Advertisement  | 0.21                                | 0.20                                |
|      | Legal and professional   | 61.34                               | 8.97                                |
|      | Computer & data processing expenses  | 0.06                                | 0.04                                |
|      | Office Repairs and maintenance   | 1.92                                | 1.90                                |
|      | Depository charges   | 0.07                                | -                                   |
|      | Listing Fee  | 3.54                                | 3.54                                |
|      | Bank charges   | 0.06                                | 0.02                                |
|      | Miscellaneous Expenses   | 0.18                                | 0.15                                |
|      | Website Expenses   | 0.14                                | 0.14                                |
|      | Round off  | 0.02                                | (0.04)                              |
|      | <b>Auditors remuneration</b>   |                                     |                                     |
|      | As audit fee   | 0.65                                | 0.65                                |
|      |  | <b>96.27</b>                        | <b>25.47</b>                        |



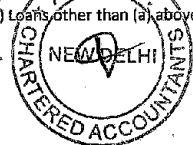
| Note | Particulars   | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|------|---|-------------------------------------|-------------------------------------|
| 24   | <b>Exceptional Items</b>                                    |                                     |                                     |
|      | Profit on sale of fixed assets                              | 923.28                              | -                                   |
|      | Expenses relating to right issue                            | (20.86)                             | -                                   |
|      |   | <u>902.42</u>                       | <u>-</u>                            |
| 25   | <b>Earning Per Share</b>                                    |                                     |                                     |
|      | Net profits attributable to Equity Shareholders (₹ in Lacs) | 1,022.05                            | 259.11                              |
|      | Weighted Average No. of Equity Shares                       |                                     |                                     |
|      | For Basic EPS   | 1,38,93,790.00                      | 1,00,22,200.00                      |
|      | For Diluted EPS   | 1,38,93,790.00                      | 1,00,22,200.00                      |
|      | Nominal Value per share (₹)                                 | 10.00                               | 10.00                               |
|      | <b>Basic EPS (₹)</b>  | <b>7.36</b>                         | <b>2.59</b>                         |
|      | <b>Diluted EPS (₹)</b>                                      | <b>7.36</b>                         | <b>2.59</b>                         |





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

| Liabilities Side; |   | Amount<br>Outstanding | Amount Overdue |
|-------------------|---|-----------------------|----------------|
| (1)               | Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :                  |                       |                |
| a)                | Debentures  |                       |                |
|                   | : Secured   | Nil                   | Nil            |
|                   | : Unsecured   | Nil                   | Nil            |
|                   | (other than falling within the meaning of public deposits )   |                       |                |
| b)                | Deferred credits  | Nil                   | Nil            |
| c)                | Term loans  | Nil                   | Nil            |
| d)                | Inter-corporate loans & borrowings  | 2,054                 | Nil            |
| e)                | Commercial paper  | Nil                   | Nil            |
| f)                | Public deposits   | Nil                   | Nil            |
| g)                | Other loans –   |                       |                |
|                   | i) Working capital loans from banks   | Nil                   | Nil            |
|                   | ii) Security deposit for corporate guarantee  | Nil                   | Nil            |
|                   | iii) Unsecured loans  | 553                   | Nil            |
| (2)               | Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid ) :  |                       |                |
| a)                | In the form of unsecured debentures :   | Nil                   | Nil            |
| b)                | In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security | Nil                   | Nil            |
| c)                | Other public deposits   | Nil                   | Nil            |
| Assets Side;      |   | Amount<br>Outstanding |                |
| (3)               | Break-up of Loans and advances including bills receivables (other than those included in (4) below ):         |                       |                |
| a)                | Secured   | Nil                   |                |
| b)                | Unsecured   | 4,028                 |                |
| (4)               | Break up of Leased Assets and stock on hire and other assets counting towards AFC activities                  |                       |                |
| i)                | Lease assets including lease rentals under sundry debtors   |                       |                |
| a)                | Financial lease   | Nil                   |                |
| b)                | Operating lease   | Nil                   |                |
| ii)               | Stock on hire including hire charges under sundry debtors :   |                       |                |
| a)                | Assets on hire  | Nil                   |                |
| b)                | Reposessed assets   | Nil                   |                |
| iii)              | Hypothecation loans counting towards EL / HP activities   |                       |                |
| a)                | Loans where assets have been reposessed   | Nil                   |                |
| b)                | Loans other than (a) above  | Nil                   |                |



| Assets Side;                  | Amount Outstanding |
|-------------------------------|--------------------|
| (5) Break-up of Investments : |                    |
| 1. Quoted:                    |                    |
| i) Shares:                    |                    |
| a) Equity                     | 75,870             |
| b) Preference                 | Nil                |
| ii) Debentures and Bonds      | Nil                |
| iii) Units of mutual funds    | 1,748              |
| iv) Government Securities     | Nil                |
| v) Others (please specify)    |                    |
| PMS                           | 246                |
| 2. Unquoted                   |                    |
| i) Shares:                    |                    |
| a) Equity                     | 15,784             |
| b) Preference                 | 245                |
| ii) Debentures and Bonds      | 8                  |
| iii) Units of mutual funds    | Nil                |
| iv) Government Securities     | Nil                |
| v) Others (please specify)    | Nil                |

| (6) Borrower group-wise classification of all leased assets, stock-on hire and loans and advances |         | Amount net of provisions |       |
|---|---------|--------------------------|-------|
| Category  | Secured | Unsecured                | Total |
| 1. Related Parties  |         |                          |       |
| a) Subsidiaries   | Nil     | Nil                      | Nil   |
| b) Companies in the same group  | Nil     | Nil                      | Nil   |
| c) Other related parties  | Nil     | Nil                      | Nil   |
| 2. Other than related parties   |         | 4,028                    | 4,028 |
| Total   | Nil     | 4,028                    | 4,028 |

| (7) Investor group-wise classification of all investments in shares and securities ( both quoted and unquoted ) |  | Market Value / Book value (net of provision) |        |
|---|--|--|--------|
| Category  |  | Break up or fair value or NAV                |        |
| 1. Related Parties  |  |  |        |
| a) Subsidiaries   |  | Nil  | Nil    |
| b) Companies in the same group  |  | Nil  | Nil    |
| c) Other related parties  |  | Nil  | Nil    |
| 2. Other than related parties   |  | 93,901                                       | 93,901 |
| Total   |  | 93,901                                       | 93,901 |

| (8) Other Information                        |  | Amount in ₹ Lacs |
|--|--|------------------|
| Particulars                                  |  |                  |
| i) Gross Non-Performing Assets               |  |                  |
| a) Related parties                           |  | Nil              |
| b) Other than related parties                |  | 6,71,80,876      |
| ii) Net Non-Performing Assets                |  |                  |
| a) Related parties                           |  | Nil              |
| b) Other than related parties                |  | 6,71,80,876      |
| iii) Assets acquired in satisfaction of debt |  | Nil              |



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

Comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments' as of 31 March 2023

| Asset classification as per RBI Norms                | Asset classification as per Ind AS 109 | Gross carrying amount as per Ind AS | Loss allowance (Provisions) as required under Ind AS 109 | Net carrying amount | Provision required as per IRACP norms | Difference between Ind AS 109 provision and IRACP norms |
|--|--|-------------------------------------|--|---------------------|---------------------------------------|---|
| (1)  | (2)                                    | (3)                                 | (4)  | (5) = (3) - (4)     | (6)                                   | (7) = (4) - (6)   |
| (a) Performing Assets Standard                       | Stage 1                                | 1,14,16,452                         | -  | 1,14,16,452         | 45,666                                | (45,666)  |
| (b) Non Performing Assets (NPA) Doubtful upto 1 year | Stage 1                                | 6,71,80,876                         | -  | 6,71,80,876         | 6,71,80,876                           | (6,71,80,876)   |
| Total (a+b)  |  | 7,85,97,328                         | -  | 7,85,97,328         | 6,72,26,542                           | (6,72,26,542)   |

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

| Particulars          | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------|------------------------|------------------------|
| Income Tax matters * | 50,29,836              | 42,14,184              |

\* demand as appearing in online income tax portal.

- 29 Fair values

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

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

- 30 Financial risk management objectives and policies

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

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

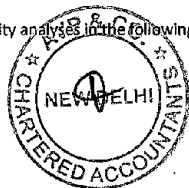
All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

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

a. Market risk

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

The sensitivity analyses in the following sections relate to the position as at 31 March 2023 and 31 March 2022.



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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2023 and 31 March 2022.

**b. Interest rate risk**

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

**c. Foreign currency risk**

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

**d. Credit risk**

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

**Balances with banks**

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

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 is the carrying amounts of balances with banks.

**e. Liquidity risk**

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

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

| Particulars            | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total    |
|------------------------|-----------|--------------------|----------------|--------------|-----------|----------|
| <b>Trade payables</b>  |           |                    |                |              |           |          |
| Year ended 31 Mar 2023 | -         | 7.59               | -              | -            | -         | 7.59     |
| Year ended 31 Mar 2022 | -         | 4.72               | -              | -            | -         | 4.72     |
| <b>Borrowings</b>      |           |                    |                |              |           |          |
| Year ended 31 Mar 2023 | 2,053.51  | -                  | -              | -            | -         | 2,053.51 |
| Year ended 31 Mar 2022 | 2,164.56  | -                  | -              | -            | -         | 2,164.56 |

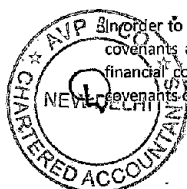
**31 Capital management**

**A. Objectives, policies and processes of capital management**

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

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

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



No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

**B. Analytical Ratios**

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

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

**32 Related Party Transactions**

**A. List of Related Parties**

| Name of Related Parties | Nature of Relationship |
|-------------------------|------------------------|
| Prasahesh Arya          | Director               |
| Rajesh Goenka           | Whole-Time Director    |
| Jyoti Rajshree          | Independent Director   |
| Rajesh Ramnani          | Independent Director   |
| Kaira Dewani            | Company Secretary      |

**B. Significant Transactions with Related Parties:**

| Nature of Transaction              | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|------------------------------------|-------------------------------------|-------------------------------------|
| <b>Salary Expenses</b>             |                                     |                                     |
| Rajesh Goenka                      | 11.21                               | 5.91                                |
| <b>Sitting Fees</b>                |                                     |                                     |
| Jyoti Rajshree                     | 2.40                                | 1.20                                |
| Rajesh Ramnani                     | 2.40                                | -                                   |
| <b>Legal and Professional Fees</b> |                                     |                                     |
| Kaira Dewani                       | 1.65                                | 0.30                                |

**C. Balance Outstanding:**

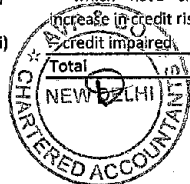
| Nature of Transaction                 | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---------------------------------------|------------------------|------------------------|
| Trade Payable (also refer Note No 10) | -                      | 0.12                   |

**33** The company has initiated the process of identification of suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collected only to the extent of information received as at balance sheet date. Based on the information available with the company, there are no suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprises Development Act 2006" as at 31 March 2023.

**34 Ageing for trade receivables and trade payables**

**A. Trade Receivables as on 31 March 2023**

| Particulars   | Outstanding for following periods from due date of payment |                  |           |           |                   | Total       |
|---|--|------------------|-----------|-----------|-------------------|-------------|
|   | Less than 6 months   | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years |             |
| <b>Undisputed Trade receivables</b>                   |  |                  |           |           |                   |             |
| (i) - considered good                                 | 0.87   | -                | -         | -         | -                 | 0.87        |
| (ii) - which have significant increase in credit risk | -  | -                | -         | -         | -                 | -           |
| (iii) - credit impaired                               | -  | -                | -         | -         | -                 | -           |
| <b>Disputed Trade receivables</b>                     |  |                  |           |           |                   |             |
| (iv) - considered good                                | -  | -                | -         | -         | -                 | -           |
| (v) - which have significant increase in credit risk  | -  | -                | -         | -         | -                 | -           |
| (vi) - credit impaired                                | -  | -                | -         | -         | -                 | -           |
| <b>Total</b>  | <b>0.87</b>  | <b>-</b>         | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>0.87</b> |



**Trade Receivables as on 31 March 2022**

| Particulars   | Outstanding for following periods from due date of payment |                   |           |           |                   | Total        |
|---|--|-------------------|-----------|-----------|-------------------|--------------|
|   | Less than 6 months   | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |              |
| <b>Undisputed Trade receivables</b>                   |  |                   |           |           |                   |              |
| (i) – considered good                                 | 46.50  | -                 | -         | -         | -                 | 46.50        |
| (ii) – which have significant increase in credit risk | -  | -                 | -         | -         | -                 | -            |
| (iii) – credit impaired                               | -  | -                 | -         | -         | -                 | -            |
| <b>Disputed Trade receivables</b>                     |  |                   |           |           |                   |              |
| (iv) – considered good                                | -  | -                 | -         | -         | -                 | -            |
| (v) – which have significant increase in credit risk  | -  | -                 | -         | -         | -                 | -            |
| (vi) – credit impaired                                | -  | -                 | -         | -         | -                 | -            |
| <b>Total</b>  | <b>46.50</b>   | <b>-</b>          | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>46.50</b> |

**B Trade Payable as on 31 March 2023**

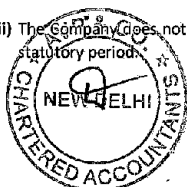
| Particulars                 | Outstanding for following periods from due date of payment |                  |           |           |                   | Total       |
|-----------------------------|--|------------------|-----------|-----------|-------------------|-------------|
|                             | Amount not due   | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |             |
| (i) MSME                    | -  | -                | -         | -         | -                 | -           |
| (ii) Others                 | -  | 7.59             | -         | -         | -                 | 7.59        |
| (iii) Disputed dues - MSME  | -  | -                | -         | -         | -                 | -           |
| (iv) Disputed dues - Others | -  | -                | -         | -         | -                 | -           |
| <b>Total</b>                | <b>-</b>   | <b>7.59</b>      | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>7.59</b> |

**Trade Payable as on 31 March 2022**

| Particulars                 | Outstanding for following periods from due date of payment |                  |           |           |                   | Total       |
|-----------------------------|--|------------------|-----------|-----------|-------------------|-------------|
|                             | Amount not due   | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |             |
| (i) MSME                    | -  | -                | -         | -         | -                 | -           |
| (ii) Others                 | -  | 4.72             | -         | -         | -                 | 4.72        |
| (iii) Disputed dues - MSME  | -  | -                | -         | -         | -                 | -           |
| (iv) Disputed dues - Others | -  | -                | -         | -         | -                 | -           |
| <b>Total</b>                | <b>-</b>   | <b>4.72</b>      | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>4.72</b> |

**35 Additional Regulatory Information**

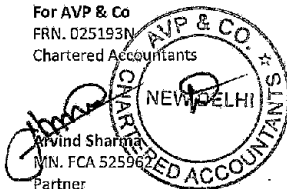
- i) All the title deeds of the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) is held in the name of the company.
- ii) The Company has not granted Loans or Advances in the nature of loans are granted to promoters,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



- viii) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- x) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- xi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 36 Significant accounting judgements, estimates and assumptions**  
The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.
- Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.
- Judgments**  
In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:
- Estimates and assumptions**  
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.
- 37** Previous year's figures have been rearranged and re-grouped wherever found necessary to make comparable with those of the current year and the figures has been rounded off to the nearest to rupee.

**In terms of our Audit Report**

For AVP & Co  
FRN. 025193N  
Chartered Accountants



Arvind Sharma  
MIN. FCA 525962  
Partner

Date: 30/05/2023  
Place: New Delhi

For and on behalf of the Board

Prasanth Arya  
DIN 00006507  
Director

Kaira Dewani  
Company Secretary

Rajesh Goenka  
DIN 00298227  
Director