

# **SMART FINSEC LIMITED**

## **23rd Annual Report 2017-2018**

### **REGISTERED OFFICE:**

F-88, 2nd Floor, Industrial Pocket, District Centre,  
West Delhi, Raja Garden, New Delhi-110027  
CIN : L74899DL1995PLC063562

**23rd ANNUAL REPORT 2017-18**  
**COMPANY INFORMATION**  
**BOARD OF DIRECTORS**

Mr. Arun Khera, Chairman & Managing Director

Mrs. Raman Khera

Ms. Vimmi Sachdev

Mrs. Sangita Jain

Mr. Arjun Pahwa

**Company Sectary**

Ms. Priyanka Sharma

**Chief Financial Officer**

Mr. Sourabh Kumar

**Auditors**

Chartered Accountants

H. K. Dua & Co.

309, Jyoti Shikhar, 8 District Centre, Janakpuri, New Delhi-110058

**REGISTERED OFFICE:**

F-88, 2nd Floor, Industrial Pocket,

District Centre, West Delhi,

Raja Garden, New Delhi-110027

CIN : L74899DL1995PLC063562

**REGISTRAR AND TRANSFER AGENT**

M/s Alankit Assignments Limited

1E/13, Alankit Heights, RTA Division,

Jhandewalan Extension, New Delhi-110055.

## SMART FINSEC LIMITED

Registered Office:- F-88, IIND FLOOR, INDUSTRIAL POCKET,  
DISTRICT CENTRE WEST DELHI, RAJA GARDEN, NEW DELHI-110027  
Phone:-011- 25167071, Email Id:-smartfinsec@gmail.com  
CIN:- L74899DL1995PLC063562

**Notice** is hereby given that the 23rd Annual General Meeting of the Company will be held on Friday 28th September, 2018 at 10.00 A.M. at F-88, 2nd Floor, Industrial Pocket, District Centre, West Delhi, Raja Garden, New Delhi-110027 to transact the following businesses:

### ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2018, the reports of the Board of Directors and Auditors thereon;
2. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mrs. Vimmi Sachdev (DIN: 01712051) Director, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

Place: New Delhi  
Date: 04/09/2018

For and on behalf of the Board of Directors  
For Smart Finsec Limited

Sd/-  
(Priyanka Sharma)  
Company Secretary

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, IF ANY, INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE AGM. BLANK ATTENDANCE SLIP, PROXY FORM AND ROUTE MAP OF THE VENUE OF THE MEETING IS ATTACHED.**
  - A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than (10%) ten percent of the total share capital of the Company. 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. The Register of Members and Share Transfer Books of the Company will remain close from September 22, 2018 to September 28, 2018 (both days inclusive).
3. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
4. **Members are requested to:**
  - a. note that copies will not be distributed at the AGM and they will have to bring their copies of Annual Report;
  - b. bring the Attendance Slip at the venue duly filled-in and signed for attending the meeting, as entry to venue of AGM will be strictly on the basis of the Entry Slip, which will be available at the meeting venue;
  - c. quote their Folio / Client ID & DP ID Nos. in all correspondence with the Company / R&TA;
  - d. Note that no gifts / coupons will be distributed at the AGM.
5. Members who hold shares in physical are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.

6. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to R & T Agent of the Company in Form SH -13 as prescribed in the Companies (Share Capital and Debentures) Rules, 2014. Blank Nomination form is available at the registered office of the company. In case of shares held in dematerialized form, the nomination form has to be lodged directly with the respective Depository Participant (DP)
7. Process and manner for members opting for voting through Electronic means:
  - i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (LODR) Regulation, 2015 and Secretarial Standards on General Meeting issued by ICSI, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through the e-voting platform of National Securities Depository Limited ("remote e-voting"). Those Shareholders who do not opt to cast their vote through e-voting, may opt their ballot process at the AGM.
  - ii. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. September 21, 2018, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
  - iii. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. September 21, 2018, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Poll Paper at the AGM by following the procedure mentioned in this part.
  - iv. The remote e-voting will commence on September 25, 2018 at 09.00 a.m. and will end on Thursday, September 27, 2018 at 5.00 p.m. During this period, the members of the Company holding shares either in physical form or in demat form as on the Cut-off date i.e. September 21, 2018, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL thereafter.
  - v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
  - vi. The facility for voting through Poll Paper would be made available at the AGM and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting through Poll Paper. The members who have already cast their vote by remote e-voting prior to the meeting, may also attend the meeting, but shall not be entitled to cast their vote again.
  - vii. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. September 21, 2018.
  - viii. The Company has appointed CS Pawan Kumar Mishra, Practicing Company Secretary (Membership No. FCS: 4305; CP No: 16222), to act as the Scrutinizer for conducting the remote e-voting process in a fair and transparent manner.
  - ix. The procedure and instructions for remote e-voting are, as follows:

The procedure to login to e-Voting website is given below:

1. Open the attached PDF file "**e-Voting.pdf**" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (In case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>

3. Click on “Shareholder - Login”.
4. Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. 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)
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of remote “e-Voting” opens. Click on e-Voting : Active Voting Cycles.
7. Select “EVEN” of **(Smart Finsec Ltd.)** Members can cast their vote online from **September 25, 2018 (9:00 am) till September 27, 2018 (5:00 pm)**.  
Note: e-Voting shall not be allowed beyond said time.
8. Now you are ready for “e-voting” as “Cast Vote” page opens.
9. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted.
10. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail (**pkmishra59@yahoo.com**) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

Please note the following:

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.

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.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

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

Other information:

- o Login to 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 'Forgot Password' option available on the site to reset the same.
- o Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- o It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- o Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz.; **[www.icicidirect.com](http://www.icicidirect.com)** for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website **[www.icicidirect.com](http://www.icicidirect.com)**. Please note that in case you are not able to login through the ICICI direct

website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the evoting system of NSDL.

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 <https://www.evoting.nsdl.com> or contact NSDL at the following:

**Toll free no.: 1800-222-990.**

### **Contact Details**

Company	<b>SMART FINSEC LIMITED</b> Registered Office:- F-88, IIND FLOOR, INDUSTRIAL POCKET,DISTRICT CENTRE WEST DELHI, RAJA GARDEN, NEW DELHI-110027 CIN:- L74899DL1995PLC063562 Phone:-011- 25167071 Email Id:-smartfinsec@gmail.com
Registrar and : Transfer Agent	Alankit Assignments Limited Alankit House, 2E/21, Jhandewalan Extension New Delhi-110055
e-Voting Agency	National Securities Depository Limited Trade World - A Wing, 4th Floor Kamala Mills Compound , Lower Parel Mumbai – 400013
	CS Pawan Kumar Mishra P. K. Mishra & Associates Practicing Company Secretary E-mail ID : pkmishra59@yahoo.com

Place: New Delhi  
Date: 04/09/2018

For and on behalf of the Board of Directors  
For Smart Finsec Limited

Sd/-

(Priyanka Sharma)  
Company Secretary

## **SMART FINSEC LIMITED**

Registered Office:- F-88, IIND FLOOR, INDUSTRIAL POCKET,  
DISTRICT CENTRE WEST DELHI, RAJA GARDEN, NEW DELHI-110027  
Phone:-011- 25167071, Email Id:-smartfinsec@gmail.com  
CIN:- L74899DL1995PLC063562

### **DIRECTORS' REPORT**

Dear Shareholders,

Your Directors are pleased to present the 23rd Annual Report along with the Audited Financial Statements of your Company for the Financial Year ended on March 31st , 2018.

#### **Financial Performance:**

The summarized financial highlight is depicted below:

<b>FINANCIAL RESULTS</b>	<b>Forthe Year Ended 31.03.2018</b>	<b>Forthe Year Ended 31.03.2017</b>
Income from operations:	Rs. 8593732	Rs. 12975783
Other Income	Rs. 3300000	Rs. 3300000
Depreciation	Rs. 585253	Rs. 603998
Profit/(Loss) before Tax	Rs. 10446291	Rs 14886947
Profit/(Loss) after Tax	Rs. 8625218	Rs. 11100173

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

#### **TRANSFER TO RESERVES**

Your Company proposes to transfer 17,25,044 amount to the General Reserve.

#### **DIVIDEND**

Directors have not declared any dividend during the year under review due to inadequate of Profit.

#### **MATERIAL CHANGES AND COMMITMENTS**

There was no change in the nature of the business of the Company. There were no material changes and commitments affecting the financial position of the Company between March 31, 2018 and the date of this Report.

#### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary or an associate company within the meaning of Section 2(87) and 2(6) of the Companies Act, 2013 ("Act") respectively, as on March 31, 2018.

#### **DIRECTORS**

During the year Mr. Rajesh Chawla, Director of the Company resigned from the Board of the Company w.e.f. 31/07/2017. The Board expresses its gratitude for their valuable contribution.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

As required by the Section 134(3)© read with the Section 134(5) of the Companies Act, 2013, your directors state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made

judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- (c) The directors had taken a proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and if the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **KEY MANAGERIAL PERSONNEL**

The following persons are Whole-Time Key Managerial Personnel ('KMP') of the Company in terms of provisions of Section 203 of the Companies Act, 2013:

- a. Mr. Arun Khera – Chairman and Managing Director
- b. Mr. Sourabh Kumar – Chief Financial Officer
- c. Ms. Priyanka Sharma – Company Secretary

### **NUMBER OF BOARD MEETINGS**

Five meetings of the Board of Directors of your Company were held during the year under review.

### **EVALUATION OF BOARD PERFORMANCE**

Pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board of Directors has carried out an annual evaluation of its own performance, the Board committees and individual directors. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the diversity of the Board, effectiveness of the board processes, information and functioning etc.

The performances of the committees were evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees and effectiveness of the committee meetings etc. The performance of the individual directors were reviewed on the basis of the criteria's such as contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

The performances of non-independent directors, the Board as a whole and of the Chairman were evaluated in a separate meeting of the Independent Directors after taking into account the views of executive directors and the non-executive directors.

### **INTERNAL FINANCIAL CONTROL**

The Company has in place an established internal control system to ensure proper recording of the financial & operational information, the compliance of various internal controls and other regulatory/statutory compliances. All Internal Audit findings and control systems are periodically reviewed by the Audit Committee of the Board of Directors, which provides strategic guidance on Internal Controls.

### **STATUTORY AUDITORS**

M/s. HK DUA & Co., Chartered Accountants (Firm Registration No. 000581N), has been duly appointed as an statutory Auditors of the Company from Financial Year 2017-18 to Financial Year 2021-22 , Your Company has received letter from M/s. HK Dua & Co., Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013 read with rules made there under and that they are not disqualified for such appointment.

Directors recommend the appointment of M/s. HK Dua & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office for the Period of Five Years, and authorize the Board to fix their remuneration. Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013.

#### **DIRECTORS' VIEW ON AUDITORS' OBSERVATIONS**

The Management responses to the observation of the auditors are explained wherever necessary through appropriate notes to the Accounts is reproduced hereunder in compliance with the relevant legal provisions.

#### **FIXED DEPOSITS**

No disclosure or reporting is required in respect to the deposits covered under Chapter V of the Companies Act, 2013, as there were no transactions in respect to the same during the year under review.

#### **RISK MANAGEMENT**

There is a continuous process of identifying / managing risks through a Risk Management Process. The measures used in managing the risks are also reviewed. The risks identified by the Company broadly fall in the category of operational risk, regulatory risk, financial & accounting risk & foreign currency related risks. The risk management process consists of risk identification, risk assessment, risk monitoring & risk mitigation. During the year, measures were taken for the minimization of risks and the Board was informed from the time to time. In the opinion of the Board, none of the said risks which have been identified may threaten the existence of the Company.

#### **AUDIT COMMITTEE**

The Audit Committee of the Company consists of Mrs. Sangita Jain, Chairman, Mr. Arjum Pahwa & Mr. Arun Khera. The Board of Directors of your Company has revised its terms of reference to make it in line with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

The information pertaining to the conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is enclosed as Annexure - A, and forms part of this Report.

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in the excess of the limits that set out in the said rules is enclosed as Annexure B and forms as part of this report. A statement showing details pertaining to the remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure - B and forms as part of this Report.

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

The Company has not made any investments in securities of other body corporate(s) during the financial year 2017-18.

#### **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions are in ordinary course of business and at arm's length, which are not material in nature. All related party transactions are with the approval of the Audit Committee and periodically placed before the Board for review.

The prescribed Form AOC-2 is enclosed as Annexure - C, and forms part of this Report. Your directors

draw the attention of members to Note 24 to the standalone financial statements which set out related party disclosures.

### **EXTRACT OF ANNUAL RETURN**

The details forming part of the Extract of Annual Return in prescribed form MGT-9 is enclosed as Annexure-D and forms part of this Report.

### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the rules made thereunder, your Company had appointed Mr. Pawan Kumar Mishra, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for financial year 2017-18 is annexed, which forms part of this report as Annexure-E There were no qualifications, reservation or adverse remarks in the Secretarial Audit Report of the Company.

### **Committees of Board**

Detail of Committees constituted by the board of Directors as per the provision of Company Act 2013 are given in Annexure- F

### **DISCLOSURE REQUIREMENTS**

1. Policy on materiality of related party transactions and dealing with related party transactions is available on the website of the Company.
2. The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns, which is available on Company's website <http://www.smartfinsec.com/>. The provisions of this policy are in line with the provisions of Section 177(9) of the Companies Act, 2013 and the Regulation 22 of the SEBI (Listing Obligation and Disclosures Requirements) Regulation, 2015.
3. There were no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. During the year under review, there were no cases reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **ACKNOWLEDGEMENT**

The Directors wish to acknowledge and thank the Central and State Governments and all regulatory bodies for their continued support and guidance. The Directors thank the shareholders, customers, business associates, Financial Institutions and Banks for the faith reposed in the Company and its management.

The Directors place on record their deep appreciation of the dedication and commitment of your Company's employees at all levels and look forward to their continued support in the future as well.

**For on behalf of the Board  
For Smart Finsec Limited**

**Place: New Delhi  
Date: 04/09/2018**

**Sd/-  
Arun Khera  
Managing Director  
DIN :- 00055694**

**Sd/-  
Raman Khera  
Director  
DIN:- 00055728**

## **ANNEXURE A**

Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report.

### **A. CONSERVATION OF ENERGY**

Energy conservation is a very important part of energy planning and its management. This not only saves energy resources for future but also avoids wasteful utilization of energy. Energy conservation initiatives provide solution to the energy crisis, environmental degradation and pollution.

New energy initiatives give greater reliance on non-exhaustible and non-conventional resources of energy in order to conserve exhaustible & conventional resources like coal, petroleum, natural gas etc. Another aspect of energy conservation is to give greater importance on reduction in consumption of energy.

This can be achieved by inculcating change in the individual habits and adoption of latest technology available in vogue. There is a growing gap between supply and demand of electrical power. Needless to say the use of fossil fuels is accompanied with severe and several environmental damages. Due to the liberalization measures of the Government of India, the industrial sector is rapidly growing, thus increasing the energy demand enormously.

In the short run, the only solution to the growing energy deficit is to facilitate good energy saving measures through conservation of power, fuel and water. As industries are the major gutters/ consumers of these resources, the onus should lie on the industrial sector to limit & minimize its demand for energy. The need of the hour is to conserve and preserve the energy resources for future of the mankind.

Your Company is not covered in the Schedule of Industries under rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, requiring furnishing of information relating to conservation of energy. However realizing its importance, the Company has launched a concerted drive for conserving energy. Replacement of worn out wires, control of idle running of engines, and plugging of leakage were some of the measures taken. Besides the measures already taken, efforts are continuing to examine and implement fresh proposals for further conservation of energy. Positive impact of measures already taken has been observed on the costs.

### **B. TECHNOLOGY ABSORPTION**

Company is NBFC so Technology Absorption has not been applicable here.

### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has not earned any income in foreign exchange nor incurred any expenditure in foreign currency during the year under review.

## Annexure - B to the Directors' Report

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2017-18:

Requirement of Rule 5 (1)	Details			
i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Arun Khera – N.A Raman Khera – N.A Vimmi Sachdev – N.A. Sangita Jain – N.A. Arjun Pahwa – N.A.			
ii) the percentage increase in remuneration of each director, CFO, CEO, CS or Manager, if any, in the financial year	Arun Khera – Nil Raman Khera – Nil Vimmi Sachdev – N.A. Sangita Jain – Nil Arjun Pahwa – Nil Priyanka Sharma – Nil Sourabh Kumar – Nil			
iii) the percentage increase in the median remuneration of employees in the financial year;	NIL			
iv) the number of permanent employees on the rolls of the company	No Employee as on 10.12.2015			
v) the explanation on the relationship between average increase in remuneration and company performance;	NIL			
vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2017-18.	560976		
	Revenue	11893732		
	Remuneration of KMPs (as % of revenue)	4.7%		
	Profit before Tax (PBT)	10446291		
	Remuneration of KMP (as % of PBT)	Nil		
vii) a. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year	Particulars	March 31, 2018	March 31, 2017	%Change
	Market Capitalization (Rs. Crore)	15.54	11.10	28.57
	Price Earnings Ratio	17.98	10	44.38
viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	There was no increase in the salaries of employees other than the managerial personnel during the FY 2017-18 over FY 2016-17. There was no increase in managerial remuneration in the financial year 2017-18.			

ix) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company		<b>Arun Khera</b>	<b>Uma Singh</b>	<b>Priyanka Sharma</b>
	Remuneration in FY 18	–	160000	315976
	Revenue	11893732	11893732	11893732
	Remuneration (as % of Revenue)	–	1.34%	2.65%
	Profit before Tax (PBT) (Rs. Lacs)	10446291	10446291	10446291
	Remuneration (as % of PBT)	–	1.53	3.02
x) The key parameters for any variable component of remuneration availed by the directors	All employees including Managing Director and Whole Time Director's entitlement to incentive has a variable component which is based on the individual's performance and Company's financial performance.			
xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Not Applicable			
xii) Affirmation that the remuneration is as per the remuneration policy of the company	Remuneration paid during the year ended March 31, 2018 is as per the Remuneration Policy of the Company			

**Place: New Delhi**  
**Date: 04/09/2018**

**For and on behalf of the Board of Directors**  
**For Smart Finsec Limited**

**Sd/-**

**Arun Khera**  
**Managing Director**

## Form No. AOC-2

**(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 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 arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:
  - (a) Name(s) of the related party and nature of relationship: **SMART EQUITY BROKERS PVT. LTD., (A Pvt. Company in which Directors are Members.)**
  - (b) Nature of contracts/arrangements/transactions: **Brokerage Paid**
  - (c) Duration of the contracts / arrangements/transactions: **One Year**
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **11021/-**
  - (e) Justification for entering into such contracts or arrangements or transactions:
  - (f) Date(s) of approval by the Board: -
  - (g) Amount paid as advances, if any: Nil
  - (h) Date on which the Ordinary Resolution was passed in general meeting as required under first proviso to section 188:
2. Details of '\*material contracts or arrangement or transactions' at arm's length basis: NIL
  - (a) Name(s) of the related party and nature of relationship:N.A.
  - (b) Nature of contracts/arrangements/transactions:N.A.
  - (c) Duration of the contracts / arrangements/transactions:N.A.
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:N.A.
  - (e) Date(s) of approval by the Board, if any:N.A.
  - (f) Amount paid as advances, if any:N.A.

\*Definition of term 'material contracts or arrangement or transactions' is taken as per regulation 23 of the SEBI ( Listing Obligations and Disclosure Requirements) Regulation, 2015 with stock exchanges

**Place: New Delhi**  
**Date: 04/09/2018**

**For and on behalf of the Board of Directors**  
**For Smart Finsec Limited**

**Sd/-**

**Arun Khera**  
**Managing Director**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L74899DL1995PLC063562
2.	Registration Date	May 2, 1995
3.	Name of the Company	Smart Finsec Limited
4.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non – Government Company
5.	Address of the Registered office & contact details	F-88, 2nd Floor, Industrial Pocket, District Centre West Delhi, Raja Garden, New Delhi-110027.
6.	Whether listed company	Yes, BSE Limited
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Alankit Assignments Limited RTA Division, Jhandewalan, New Delhi-1100055 Phone – 011-42541234/23451234

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Whole Income Generated from Sale of Bonds/ shares , Rent received& Interest Income	8030,8049	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :- N.A**

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)  
Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1st April, 2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters (1) Indian</b>									
a) Individual/HUF	2163956	0	2163956	72.132%	2163956	0	2163956	72.132%	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A)</b>	2163956	0	2163956	72.132%	2163956	0	2163956	72.132%	0

<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.	516	1000	1516	.051%	397	1000	1397	0.046	-.005%
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh]	6028	179000	185028	6.17%	9936	175600	185536	6.18	-.01
ii) Individual shareholders holding nominal share capital in excess of Rs 2lakh	643200	0	643200	21.44%	610300	0	610300	20.34	11.82
c) Others (specify)									
Non Resident Indians	0	6300	6300	.21%	15	6300	6315	.22	.01
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	46	0	46	.0015	.0015
HUF	0	0	0	0	320	32130	32450	1.08	1.08
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies-DR	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b> Total Public Shareholding (B)=(B)(1)+ (B)(2)	649744	186300	836044	27.87%	621014	215030	836044	27.87	0 0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	2813700	186300	3000000	100%	2813700	186300	3000000	100%	0

## B. Shareholding of Promoters-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	<b>Arun Khera (HUF)</b>	372500	12.42	Nil	372500	12.42	Nil	No change during the year
2.	<b>Arun Khera</b>	377000	12.57	Nil	377000	12.57	Nil	No change during the year
3.	<b>Raman Khera</b>	393800	13.13	Nil	393800	13.13	Nil	No change during the year
4.	<b>Upasana Khera</b>	128300	4.28	Nil	128300	4.28	Nil	No change during the year
5.	<b>Sachit Khera</b>	564754	18.85	Nil	564754	18.825	Nil	No change during the year
6.	<b>Sunaina Khera</b>	327602	10.92	Nil	327602	10.920	Nil	No change during the year

C) Change in Promoters' Shareholding (please specify, if there is no change) - No change during the year

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

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Change in shareholding		Shareholding at the end of the year	
		No. of Shares	% of total Shares	Increase (Decrease)	Reason	No. of Shares	% of total Shares of Company
1.	<b>Pramod Arora</b>	128000	4.27	-	-	128000	4.27
2.	<b>Asha Gambhir</b>	113500	3.78	-	-	113500	3.78
3.	<b>Jogesh sachdeva</b>	93700	3.12	-	-	93700	3.12
4.	<b>Sanjeev Sethi</b>	90000	3.24	-	-	90000	3.24
5.	<b>Puja Sachdev</b>	81500	2.8	(900)	Sold	80600	3
6.	<b>Shubhash Gambhir</b>	68000	2.27	-	-	68000	2.27
7.	<b>Anita Gupta</b>	36500	-	-	-	36500	1.21
8.	<b>Mohan Gupta</b>	32000	-	-	-	32000	1.06
9.	<b>Gaurav Tandan</b>	6800	.23	-	-	6800	.23
10.	<b>Rajiv</b>	4500	.15	-	-	4500	.15

**E) Shareholding of Directors and Key Managerial Personnel:**

S. No.	Shareholder's of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Arun Khera				
	At the beginning of the year	377000	12.57		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):	No change during the year.			
	At the end of the year			377000	12.57
2.	Raman Khera				
	At the beginning of the year	393800	13.12		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.):	No change during the year.			
	At the end of the year			393800	13.12

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

**Amount in Lac**

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Arun Khera (Managing Director)		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total (A)	NIL	NIL	NIL
	Ceiling as per the Act			60,00,000

### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount
		Sangita Jain	Arjun Pahwa	
1	Independent Directors	N.A.	N.A.	N.A.
	Fee for attending board committee meetings	N.A.	N.A.	N.A.
	Commissions	N.A.	N.A.	N.A.
	Others, please specify	N.A.	N.A.	N.A.
	Total (1)	N.A.	N.A.	N.A.
2	Other Non-Executive Directors	Vimmi Sachdev	Raman Khera	-
	Fee for attending board committee meetings	N.A.	N.A.	N.A.
	Commissions	N.A.	N.A.	N.A.
	Others, please specify	N.A.	N.A.	N.A.
	Total (2)	N.A.	N.A.	N.A.
	Total (B)=(1+2)	N.A.	N.A.	N.A.
	Total Managerial Remunerations	N.A.	N.A.	N.A.
	Overall Ceiling as per the Acts	N.A.	N.A.	N.A.

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	N.A.			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	3,15,976	2,45,000	5,60,976
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
2	Stock Option	N.A.	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.	N.A.
	- as % of profit	N.A.	N.A.	N.A.	N.A.
	others, specify...	N.A.	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.	N.A.
	Total	N.A.	3,15,976	2,45,000	5,60,976

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

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

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**  
(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014)

To,

The Members,

**Smart Finsec Limited,**  
F-88, IInd Floor, Industrial Pocket,  
District Centre, West Delhi,  
Raja Garden,  
New Delhi-110027

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Smart Finsec Limited**, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon we report that:-

- a. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on my 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 the secretarial records. We believe that the process and practices, we followed provide a reasonable basis for my opinion.
- c. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- d. Wherever required, we have obtained the management representation about the compliance of law, rules and regulations and happening of events etc.
- e. The Compliance of the provisions of the corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to verification of procedures on test basis.
- f. The Secretarial Audit Report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Based on my verification of the **Smart Finsec Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2017, 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 **Smart Finsec Limited**, ("the Company") for the Financial Year ended on March 31, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under were duly complied for the period from 1st April 2017 to 31st March 2018.

- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under were duly complied for the period from 1st April 2017 to 31st March 2018.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable on the Company for the Financial Year 2017-18 as disclosed by the management of the Company.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; The Company has filed all disclosure within prescribed time and duly complied all the provisions as disclosed by the management of the company.
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; The Company has duly complied with all the provisions as disclosed by the Management of the Company.
  - (c) The Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2009; **(Not Applicable as the company has not issued any further capital under the regulations during the period under review).**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (as amended up to date);  
**(Not Applicable as the company has not issued any securities under the regulations during the period under review).**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the company has not issued and listed any debt securities under the regulations during the period under review).**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the company is not registered as Registrar to issue and Share Transfer Agent during the period under review).**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **(Not Applicable as the company is still listed on BSE and not applied for delisting during the period under review.)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable as the company has not bought back / proposed to buy-back any of its securities during the financial year under review.)**
  - (i) The company has complied with the requirements under the Equity Listing Agreements entered with the Bombay Stock Exchange Limited (BSE) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - (j) The Memorandum and Articles of Association.

**(i) OTHER APPLICABLE ACTS,**

- (a) Income Tax Act, 1961 and Indirect Tax Laws.

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

- l) Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 and SS-2) w.e.f. 01.07.2015 (revised SS-1 and SS-2 w.e.f.01.10.2017).

ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited.

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

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notices were given to all directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda items were sent at least seven days in advance, and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

The Company has obtained all necessary approvals under the various provisions of the Act; and there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules and Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

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

- As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the period, there were no instances of:

- (I) Public / Rights / Preferential Issue of Shares / Debentures / Sweet Equity.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation /reconstruction etc.
- (iv) Foreign technical collaboration.

**Date: 03/09/2018**

**Place: New Delhi**

**FOR P.K. MISHRA & ASSOCIATES  
COMPANY SECRETARIES**

**SD/-  
PAWAN KUMAR MISHRA  
PROPRIETOR  
Membership No.FCS-4305  
COP No.16222**

## AUDIT COMMITTEE

The Audit Committee of the Company consists of Mrs. Sangita Jain, Chairman, Mr. Arjun Pahwa, Mr. Arun Khera as members. The Board of Directors of your Company has revised its terms of reference to make it in line with the requirements of Section 177 of the Companies Act, 2013 .

All the members of Audit Committee are independent directors except Mr. Arun Khera, who is Managing Director of the Company.

The terms of reference of the Audit Committee cover all areas mentioned under Clause 49(III) of the listing agreement with the stock exchanges and Section 177 of the Companies Act, 2013. The broad terms of reference of the Audit Committee, as on March 31, 2017, include, inter-alia, systematic review of accounting policies & practices, financial reporting process, adequacy of internal control systems and internal audit function, quarterly/half-yearly financial statements. It also recommends appointment of Statutory Auditors, Internal Auditors, Cost Auditors, Secretarial Auditors and fixation of their audit fees.

Representatives of Statutory Auditors attend the Audit Committee Meetings on invitation.

During the year April 01, 2017 to March 31, 2018, Audit Committee meetings have taken place on August 09, 2017, November 13, 2017, February 12, 2018 & May 11, 2018.

The attendance of each director at these meetings was as under:

S.No.	Name	No. of meeting during the year	No. of meeting attended
1	Arun Khera	4	4
2	Sangita Jain	4	4
3	Arjun Pahwa	4	4

The composition and terms of reference of the Audit Committee are in conformity with the Listing Agreement and the Companies Act, 2013.

The minutes of the meetings of the Audit Committee are placed before the Board for its information.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of your Company has renamed and reconstituted its existing 'Remuneration Committee' as 'Nomination and Remuneration Committee' and have also revised its terms of reference to make it in line with the requirements of Section 178 of the Companies Act, 2013 and clause 49 of the listing agreement. At present, the 'Nomination and Remuneration Committee' comprised of Mrs. Sangita Jain , as Chairman, Mr. Arjun Pahwa, Ms. Vimmi Sachdev, as members of the Committee.

##### Terms of Reference

The terms of reference of the Nomination and Remuneration Committee cover all areas mentioned under Clause 49(IV) of the listing agreement with the stock exchanges and Section 178 of the Companies Act, 2013. The broad terms of reference of the Nomination and Remuneration Committee inter-alia include recommending a policy relating to remuneration of directors and senior management personnel, formulation of criteria and identify persons who may be appointed as directors or senior management of the Company, Board diversity and any other matters which the Board of Directors may direct from time to time. During the year April 01, 2017 to March 31, 2018, One (1) 'Nomination and Remuneration Committee' meetings have taken place on February 12 2018.

The attendance of each director at these meetings was as under:

S.No.	Name	No. of meeting during the year	No. of meeting attended
1	Mrs. Sangita Jain	1	1
2	Mr. Arjun Pahwa	1	1
3	Mrs. Vimmi Sachdev	1	1

##### Remuneration Policy:-

The Remuneration Policy recommended by the Nomination and Remuneration Committee has been accepted by the Board of Directors. The Remuneration policy is enclosed as Annexure - D to the Directors Report.

During the year under review, there was no pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company. Both Executive and Non- Executive Directors were paid remuneration only by way of sitting fees for attending the meetings of Board of Directors and Committees thereof.

## MANAGING DIRECTOR DECLARATION

I, Arun Khera , Managing Director of Smart Finsec Limited, certify based on annual disclosures received, that all Board members and senior Management personnel have abided by the Code of Conduct for Directors & Senior Management laid down by the Company.

**Place : New Delhi**

**Date : 04.09.2018**

**For on behalf of the Board**

**Sd/-**

**Arun Khera**

**Managing Director**

**(DIN.: 00055694)**

## CERTIFICATE OF CHIEF FINANCIAL OFFICER

To,

The Board of Directors,  
**Smart Finsec Limited,**

I, **Uma Singh**, Chief Financial Officer of **Smart Finsec Limited**, on the basis of the review of the financial statements and cash flow statement for the year ended 31st March 2018 and to the best of my knowledge and belief, hereby certify that:

These statements do not contain any materially untrue statements or omits any material fact or contain statements that might be misleading.

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.

There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2018 which, are fraudulent, illegal or in violation of the Company's Code of Conduct.

I accept responsibility for establishing and maintaining internal controls for financial reporting and that I 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 those deficiencies in the design or operations of such internal controls of which, I am aware and the steps taken and/ or proposed to be taken to rectify these deficiencies.

I have indicated to the Auditors and the Audit Committee:

There have been no significant changes in the internal control over financial reporting during this year.

There have been no significant changes in the accounting policies during the year.

To the best of our knowledge and belief, there is no instance of significant fraud of which I have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

**Place: New Delhi**

**Dated: 04.09.2018**

**Sd/-**

**Sourabh Kumar**  
**Chief Financial Officer**

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## Forward-Looking Statements

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

## Risks and Concerns

Financing industry has recently witnessed intense competition, falling lease rent and the entry of several big players. The Company continues to achieve cost efficiencies through the application of technology. However with the availability of financial resources, we are hopeful that the said Company will be able to take the opportunities of the expanding business opportunities. The Finance industry in which your Company is operating is subject to extensive regulation. The Company evaluates the technological obsolescence and the associated risk and makes investment according

## Internal Control Systems and their adequacy

The Company has satisfactory internal control system.

**Smart Finsec Ltd.** has an adequate system of internal controls to ensure accuracy of accounting records, compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the management. An extensive internal audit is carried out by independent firms of Chartered Accountants. Post audit reviews are also carried out to ensure follow up on the observations made.

### 1. Financial Performance with respect to Operational Performance Share Capital

The paid up equity share capital of the Company as on March 31, 2018 stands at Rs. 3,00,000,00 divided into 30,00,000 equity shares of Rs. 10/- each fully paid up and 4,80,00,000 divided 4,80,000 Non ConvertibleCumulative redeemable Preference Shares of Rs. 100/- each .

### 2. Opportunities and Threats

Your Company being an Financing Company seeks opportunities in the Finance market. The business of company i.e. Smart Finsec Ltd. is affected by the sentiments prevailing in the Finance markets. Smart Finsec Ltd. is one of the reputed Financing houses. The Company is empanelled with most of the reputed domestic financial institutions including life and non insurance companies, mutual funds, foreign financial institutions and corporate, the likely increase in capital mobilization from the primary market, increase in resource mobilization by mutual funds and phenomenal growth in secondary market volumes provide significant business opportunities for the Company. Capital market activities in which most of our activities depend on is also influenced by global events and hence there is an amount of uncertainty in the near term outlook of the market.

### 3. Net Worth

The Net Worth of the Company increased from Rs. 97,350,744 to Rs. 105,975,962.

### 4. Total Income

During the year under consideration total income was Rs. 11,893,732 as against Rs. 16,275,783 in the previous year.

### 5. Tax Expense

During the year under consideration the Tax Expense was (Rs. 1235,820 ) from (Rs. 3,182,326) in the previous year.

## **INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF **SMART FINSEC LIMITED**

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

We have audited the accompanying financial statements of SMART FINSEC LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

### **Opinion**

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2015("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate in Annexure 'B' and
  - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.
    - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in the Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. For the same Note No. 24 (III) to the financial statements can be referred.

**For H.K. Dua & Co.**  
**Chartered Accountants**  
**FRN:000581N**

**Sd./-**  
**CA Harsh Kumar Dua**  
**M.No.080727**  
**Place: New Delhi**  
**Date: 11.05.2018**

## **Annexure 'A' to the Independent Auditors' Report**

**The annexure referred to our Independent Auditors' Report to the members of the company on the standalone financial statements for the year ended 31.03.2018, we report that:**

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:-

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records shown, the title deeds of immovable property owned by the company are in the name of company only.

(ii) In respect of its inventory:

- a) As explained to us company is into the business of investing and trading in shares & Bonds and its inventory consist of Listed Shares. The inventory is verified electronically by the management during the year.
- b) The procedures of electronic verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of Inventory. No discrepancies were noticed on such verification between the electronically maintained stocks and the book records.

(iii) In respect of loans, secured or unsecured, granted to the parties covered in register maintained under section 189 of the Companies Act 2013:

- (a) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, the Company does not have any loans, investments, guarantees and security referred to in Section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the order is not applicable.

(v) The company has not received any public deposits during the year and therefore this paragraph of the Order is not applicable.

(vi) The Cost records are not prescribed by the central Government under sub section (1) of section 148 of the Companies Act 2013.

(vii)(a) According to the records, information and explanations provided to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable to it and no undisputed amounts payable were outstanding as at March 31st,2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no disputed dues in respect of income tax, sales-tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited with appropriate authorities.

- (viii) In our opinion and according to the information and explanations given to us, there were no dues repayable to government, financial institutions, banks and debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company, Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment of Non convertible cumulative Redeemable Preference Shares during the year. The requirement of Section 42 of the Companies act, 2013 have been complied with and the funds were used for the purpose for which it was raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and is Registered vide Registration No. B-14.00691.

**For A. Mohan & Company**  
**Chartered Accountants**  
**FRN:017403N**

**Ashwani Mohan**  
**Partner**  
**Membership No.:082632**

**Place: New Delhi**  
**Date:26.05.2017**

**SMART FINSEC LIMITED**  
**BALANCE SHEET AS AT 31st MARCH 2018**

Particulars	Notes	As at	
		31st March 2018	31st March 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	78,000,000	78,000,000
Reserves and Surplus	3	<u>27,975,962</u>	<u>19,350,744</u>
		105,975,962	97,350,744
<b>Current Liabilities</b>			
Short-term provisions	4	1,514,475	2,402,492
Other current liabilities	5	<u>750,000</u>	<u>750,000</u>
		2,264,475	3,152,492
<b>Total Equity &amp; Liabilities</b>		<b><u>108,240,437</u></b>	<b><u>100,503,236</u></b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
-Tangible assets	6	16,798,146	17,383,398
Deferred tax assets (net)	7	153,250	420,468
Long term loans and advances	8	<u>1,908,468</u>	<u>2,174,660</u>
		18,859,864	19,978,526
<b>Current Assets</b>			
Current investments	9	58,112,550	53,312,550
Inventories		11,813,369	23,923,180
Cash and bank balances	10	871,8889	2,510,856
Short-term loans and advances	11	<u>18,582,767</u>	<u>778,125</u>
		89,380,575	80,524,710
<b>Total Assets</b>		<b><u>108,240,437</u></b>	<b><u>100,503,236</u></b>
Contingent Liabilities	12		
Significant Accounting Policies	1		
The accompanying notes are an integral part of these financial statements	2-24		

Signed in terms of our report of even date

For and on behalf of the Board of Directors

For H.K Dua & Co.  
Chartered Accountants  
Firm's Registration No.: 000581N

Sd/-  
(Arun Khara)  
Managing Director  
DIN:00055694

Sd/-  
(Raman Khara)  
Director  
DIN:00055728

Sd/-  
(Harsh Kumar Dua)  
Partner  
Membership No. : 080727  
Place: New Delhi  
Dated: 11th May, 2018

Sd/-  
(Priyanka Sharma)  
Company Secretary

Sd/-  
(Sourabh Kumar)  
CFO

# SMART FINSEC LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2018

Particulars	Notes	For the year ended 31st March 2018		For the year ended 31st March 2017	
<b><u>INCOME</u></b>					
Revenue from operations	13	8,593,732	-	12,975,783	
Other Income	14	3,300,000		3,300,000	
Increase/( Decrease in Stock)	15	-		-	
<b>Total Revenue</b>		<b><u>11,893,732</u></b>		<b><u>16,275,783</u></b>	
<b><u>EXPENSES</u></b>					
Employee benefit expenses	16	586,976		656,821	
Other expenses	17	860,465		732,465	
<b>Total Expenses</b>		<b><u>1,447,441</u></b>		<b><u>1,389,286</u></b>	
Profit before interest, tax, depreciation and amortisation expense		10,446,291		14,886,497	
Depreciation and amortisation expense	18	<u>585,253</u>		<u>603,998</u>	
Profit before exceptional items, prior period & taxes		9,861,038		14,282,499	
Exceptional Items		-		-	
Prior Period Expenses		-		-	
Profit before tax		9,861,038		14,282,499	
<b>Tax expenses:</b>					
(1) Current tax		1,368,000	2,123,500		
(2) Deferred tax		<u>(132,180)</u>	<u>1,235,820</u>	<u>1,058,826</u>	3,182,326
Profit for the year		<b><u>8,625,218</u></b>		<b><u>11,100,173</u></b>	
Earning per equity share:					
(1) Basic		2.88		3.70	
(2) Diluted		2.88		3.70	
Significant Accounting Policies	1				
The accompanying notes are an integral part of these financial statements	2-24				
<b>Signed in terms of our report of even date</b>		<b>For and on behalf of the Board of Directors</b>			
<b>For H.K Dua &amp; Co.</b>					
<b>Chartered Accountants</b>					
<b>Firm's Registration No.: 000581N</b>					
Sd/-		Sd/-		Sd/-	
(Harsh Kumar Dua)		(Arun Khera)		(Raman Khera)	
Partner		Managing Director		Director	
Membership No. : 080727		DIN:00055694		DIN:00055728	
Place: New Delhi		Sd/-		Sd/-	
Dated: 11th May, 2018		(Priyanka Sharma)		(Sourabh Kumar)	
		Company Secretary		CFO	

## SMART FINSEC LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2018

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit / (loss) before taxes	9,861,038	14,282,499
<b>Adjustment for:</b>		
Depreciation	585,253	603,998
Interest Income	(3,928,020)	(3,757,866)
Increase in Stock	12,109,811	(15,915,523)
Provision	(2,312,500)	
<b>Operating Profit before working capital changes</b>	<b>16,315,581</b>	<b>(4,786,892)</b>
<b>Adjustment for:</b>		
Receivables and Loans & Advances	(17,139,052)	(2,618,250)
Trade payable & Other Liabilities	56,483	798
<b>Cash generated from Operations</b>	<b>(766,988)</b>	<b>(7,404,344)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Investment	(4,800,000)	(38,680,335)
Sale of Investment	-	-
Dividend	-	-
Purchase of Fixed Assets	-	-
Net of Purchase & Sale of Shares	-	-
Profit in Jobbing	-	-
Profit in F&O	-	-
Income From Sale of Bonds	-	-
Interest & Profit on Liquid Fund Received	3,928,020	3,757,867
<b>Net Cash used in Investing Activities</b>	<b>(871,980)</b>	<b>(34,922,468)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Unsecured loan	-	-
Share Capital	-	33,000,000
<b>Net Cash Flow from Financing Activities</b>	<b>-</b>	<b>33,000,000</b>
 Net Increase in cash and cash equivalents (A) + (B) + (C)	 (1,638,968)	 (9,326,813)
Cash and cash equivalents - Opening	2,510,856	11,837,669
Cash and cash equivalents - Closing	871,889	2,510,856

Signed in terms of our report of even date

For H.K Dua & Co.  
Chartered Accountants  
Firm's Registration No.: 000581N

Sd/-  
(Harsh Kumar Dua)  
Partner  
Membership No. : 080727  
Place: New Delhi  
Dated: 11th May, 2018

For and on behalf of the Board of Directors

Sd/-  
(Arun Kherra)  
Managing Director  
DIN:00055694

Sd/-  
(Raman Kherra)  
Director  
DIN:00055728

Sd/-  
(Priyanka Sharma)  
Company Secretary

Sd/-  
(Sourabh Kumar)  
CFO

## SMART FINSEC LIMITED

The accompanying notes are an integral part of these financial statements

Particulars	As at 31st March 2018	As at 31st March 2017
<b><u>NOTE-2: SHARE CAPITAL</u></b>		
<b><u>AUTHORIZED CAPITAL</u></b>		
32,00,000 Equity Shares of Rs. 10/- each. (Previous Year Rs 32,00,000 Equity Shares)	32,00,000	32,00,000
4,80,000- 2% Non Convertible Cumulative Redeemable Preference Shares of Rs. 100/- each (Previous Year NIL)	48,00,000	48,00,000
<b>Total</b>	<b><u>80,00,000</u></b>	<b><u>80,00,000</u></b>
<b><u>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</u></b>		
30,00,000 Equity Shares of Rs. 10/- each, fully paid up (Previous Year 30,00,000 Equity Shares)	30,00,000	30,00,000
4,80,000- 2% Non Convertible Cumulative Redeemable Preference Shares of Rs. 100/- each, fully paid up Previous Year 1,50,000- 2% Non Convertible Cumulative Redeemable Preference Shares of Rs. 100/- each, fully paid up	48,00,000	15,00,000
<b>Total</b>	<b><u>78,00,000</u></b>	<b><u>45,00,000</u></b>

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

### 2.2 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the

Balance at the commencement of the year	7,800,000	4,500,000
Additions during the year	-	3,300,000
Balance at the end of the year	7,800,000	7,800,000

### 2.3 During the five reporting periods immediately preceding the reporting period no shares have been issued for consideration other than cash.

### **NOTE-3: RESERVES & SURPLUS**

#### **(A) Statutory Reserve**

Balance brought forward from previous year	3,778,785	1,558,750	
(+) Transfer from Statement of profit & loss	<u>1,725,044</u>	<u>2,220,035</u>	3,778,785

#### **(B) Surplus in statement of profit & loss**

Balance brought forward from previous year	15,571,958.72	6,691,821	
(+) Net Profit /(Net loss) for the current year	8,625,218	11,100,173	
(+) Excess Provisions			
(-) Proposed dividend			
(-) Interim dividend			
(-) Transfer to statutory reserve for Short fall in			
(-) Transfer to statutory reserve for this year	<u>1,725,044</u>	<u>2,220,035</u>	

Closing Balance	22,472,133	15,571,959
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<b>Total</b>	<b><u>27,975,962</u></b>	<b><u>19,350,744</u></b>
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## SMART FINSEC LIMITED

The accompanying notes are an integral part of these financial statements

Particulars	As at 31st March 2018	As at 31st March 2017
<b><u>NOTE-4: SHORT TERM PROVISIONS</u></b>		
Expenses Payable	101,500	88,047
Provision for Taxation	1,368,000	2,312,500
Contingent Provision against Standard Assets	44,975	1,945
<b>Total</b>	<b><u>2,402,492</u></b>	<b><u>2,402,492</u></b>
<b><u>NOTE-5: OTHER CURRENT LIABILITIES</u></b>		
Security deposit against rent	750,000	750,000
<b>Total</b>	<b><u>750,000</u></b>	<b><u>750,000</u></b>
<b><u>Note-7: DEFERRED TAX ASSETS</u></b>		
<b><u>Deferred Tax Asset on account of</u></b>		
- Depreciation, Unabsorbed Depreciation , Losses & ROC	153,250	21,070
- MAT Credit available	-	399,398
<b>Total</b>	<b><u>153,250</u></b>	<b><u>420,468</u></b>
<b><u>NOTE-8: LONG TERM LOANS &amp; ADVANCES</u></b> <b><u>(unsecured, considered good unless otherwise stated)</u></b>		
<b><u>Advance Income Tax/Refund Due</u></b>		
- TDS & Income Tax	1,509,070	2,174,660
- MAT Credit available	399,398	
<b>Total</b>	<b><u>1,908,468</u></b>	<b><u>2,174,660</u></b>
<b><u>NOTE-9: CURRENT INVESTMENT</u></b>		
Investment in shares		
Tax Free Bonds	47,312,550	47,312,550
HDFC Liquid Fund	10,80,000	6,000,000
<b>Total</b>	<b><u>58,112,550</u></b>	<b><u>53,312,550</u></b>
<b><u>NOTE-10: CASH &amp; CASH EQUIVALENTS</u></b>		
<b><u>Balances with banks</u></b>		
In current accounts	835,760	2,473,756
Cash on hand	36,129	37,100
<b>Total</b>	<b><u>871,889</u></b>	<b><u>2,510,856</u></b>
<b><u>NOTE-11: SHORT TERM LOANS &amp; ADVANCES</u></b> <b><u>(Unsecured and Considered good unless otherwise stated)</u></b>		
Loans & Advances	17,990,000	778,125
Margin & SEBPL	10,863	-
Rent Receivable	360,000	-
Interest Receivable	221,904	-
<b>Total</b>	<b><u>18,582,767</u></b>	<b><u>778,125</u></b>
<b><u>NOTE-12: CONTINGENT LIABILITIES</u></b>		
	Nil	Nil

## SMART FINSEC LIMITED

The accompanying notes are an integral part of these financial statements

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Note-13: REVENUE FROM OPERATIONS</b>		
Opening Stock	23,923,180	8,007,657
Purchase of Shares	131,012,811	65,669,288
Trading Expense	375,798	170,020
<b>Total (A)</b>	<b><u>155,311,789</u></b>	<b><u>73,846,965</u></b>
Interest	3,928,020	3,757,867
Dividend	199,688	106,760
Sale of Share	146,907,816	53,778,683
Sale of Liquid Fund	227,859	1,202,771
Profit in F&O	703,969	3,993,305
Profit in Jobbing	69,375	60,183
SLB Fee	55,425	-
<b>Total (B)</b>	<b><u>152,092,152</u></b>	<b><u>62,899,568</u></b>
<b>Total (B-A)</b>	<b><u>(3,219,637)</u></b>	<b><u>(10,947,397)</u></b>
Less: Closing Stock	11,813,369	23,923,180
<b>Net Revenue From Operations</b>	<b>8,593,732</b>	<b>12,975,783</b>
<b>Note-14: OTHER INCOME</b>		
Rental Income	3,300,000	3,300,000
<b>Total</b>	<b><u>3,300,000</u></b>	<b><u>3,300,000</u></b>
<b>Note-15: INCREASE/(DECREASE) IN STOCK</b>		
Opening Stock	23,923,179.70	8,007,656.90
Closing Stock	11,813,368.83	23,923,179.70
	<b><u>(12,109,810.87)</u></b>	<b><u>15,915,522.80</u></b>
<b>Note-16: EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages, Bonus etc	586,976	656,821
<b>Total</b>	<b><u>586,976</u></b>	<b><u>656,821</u></b>

## SMART FINSEC LIMITED

The accompanying notes are an integral part of these financial statements

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>Note-17: OTHER EXPENSES</b>		
Fees & Subscription	3,800	–
Maintenace Expenses	7,190	16,379
Communication costs	6,936	4,207
Rent	70,350	68,950
Insurance	5,617	5,186
Auditor's Remuneration	25,000	25,000
Annual Custody Fees	27,600	20,610
Advertising and sales promotion	45,535	31,755
Listing Fee	2,87,500	229,000
Postage Courier	18,294	16,680
Printing & Stationery	–	7,000
Professional Charges	178,000	102,000
Property Tax	26,085	56,233
ROC Charges	10,786	7,200
RTA Charges	25,290	52,515
Miscellaneous Expenses	1,180	1,151
Internet Expenes	15,504	11,745
Vehicle Maintenance	59,110	67,432
Provision against Standard Assets	43,030	1,945
Website Expenses	3,658	3,566
Bank Charges	–	162
Rates & Taxes	–	3,750
<b>Total</b>	<b>860,465</b>	<b>732,465</b>

### **Note-18: DEPRECIATION & AMORTISATION EXPENSES**

Depreciation on tangible assets	585,253	603,998
<b>Total</b>	<b>585,253</b>	<b>603,998</b>

### **Note-19: SEGMENT INFORMATION**

#### **Segment Reporting**

	Real Estate		NBFC Activities	
	C.Y	P.Y	C.Y	P.Y
Revenue from segment	3,300,000	3,300,000	152,092,152	62,899,000
Segment Result	2,924,019	2,269,000	6,937,019	12,013,000
<i>Other Information</i>				
Segment Assets	16,759,000	8,708,741	91,481,437	91,794,496
Segment Liabilities	750,000	1,950,274	1,514,475	1,202,219
Net	16,009,000	6,758,468	89,966,962	90,592,278

### **Note-20: VALUE OF IMPORTS ON CIF BASIS**

NIL

NIL

### **Note-21: EXPENDITURE IN FOREIGN CURRENCY**

NIL

NIL

### **Note-22: EARNING IN FOREIGN CURRENCY**

NIL

NIL

## SMART FINSEC LIMITED

The accompanying notes are an integral part of these financial statements

Sr. No	Particulars	Gross Block				Depreciaton				Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2018	WDV as on 31.03.2017
	<b>Tangible Assets</b>										
1	Car	850,689	-	-	850,689	743,907	32,392	-	776,299	74,390	106,782
2	Furniture & Fixture	5,787,435	-	-	5,787,435	1,137,507	545,189	-	1,682,696	4,104,739	4,649,928
3	Office Equipments	86,680	-	-	86,680	82,346	-	-	82,346	4,334	4,334
4	Land & Building	10,412,332	-	-	10,412,332	-	-	-	-	10,412,332	10,412,332
5	Property At Sainik Farms	2,200,000	-	-	2,200,000	-	-	-	-	2,200,000	2,200,000
6	Computer	47,000	-	-	47,000	36,978	7,672	-	44,650	2,350	10,022
	<b>Total Figures for the Current Year</b>	<b>19,384,136</b>	<b>-</b>	<b>-</b>	<b>19,384,136</b>	<b>2,000,738</b>	<b>585,253</b>	<b>-</b>	<b>2,585,991</b>	<b>16,798,146</b>	<b>17,383,398</b>
	<b>Total Figures for the Previous Year</b>	<b>19,337,136</b>	<b>47,000</b>	<b>-</b>	<b>19,384,136</b>	<b>1,396,740</b>	<b>603,998</b>	<b>-</b>	<b>2,000,738</b>	<b>17,383,398</b>	<b>17,987,396</b>

## SMART FINSEC LIMITED

### NOTE-6: FIXED ASSETS

Sr. No	Particulars	Gross Block				Depreciaton				Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2016	WDV as on 31.03.2015
	<b>Tangible Assets</b>										
1	Car	850,689	-	-	850,689	711,515	32,364	-	743,907	106,782	139,174
2	Furniture & Fixture	5,787,435	-	-	5,787,435	592,318	545,189	-	1,137,507	4,649,928	5,195,117
3	Office Equipments	86,680	-	-	86,680	82,346	-	-	82,346	4,334	4,334
4	Land & Building	10,412,332	-	-	10,412,332	-	-	-	-	10,412,332	10,412,332
5	Property At Sainik Farms	2,200,000	-	-	2,200,000	-	-	-	-	2,200,000	2,200,000
6	Computer	47,000	-	-	47,000	10,561	26,417	-	36,978	10,022	36,439
	<b>Total Figures for the Current Year</b>	<b>19,384,136</b>	<b>-</b>	<b>-</b>	<b>19,384,136</b>	<b>1,396,740</b>	<b>603,998</b>	<b>-</b>	<b>2,000,738</b>	<b>17,383,398</b>	<b>17,987,396</b>
	<b>Total Figures for the Previous Year</b>	<b>19,337,136</b>	<b>47,000</b>	<b>-</b>	<b>19,384,136</b>	<b>808,626</b>	<b>588,114</b>	<b>-</b>	<b>1,396,740</b>	<b>17,987,396</b>	<b>18,528,510</b>

## SMART FINSEC LIMITED

The accompanying notes are an integral part of these financial statements

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
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### **Note-23: EARNINGS PER SHARE**

Earnings per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity

Profit/(Loss) for the after taxes before Exceptional / Prior Basic and diluted Earning per Share	8,625,218	11,100,173
- Number of equity shares outstanding during the year	3,000,000	3,000,000
- Earning per share (₹)	2.88	3.70

### **Note-24: RELATED PARTY DISCLOSURES**

#### **(I) Related Party Disclosures Under Accounting Standard -18**

**(A) Enterprises in which the Company has control**

N.A.

N.A.

**(B) Parties in respect of which the company is a joint**

N.A.

N.A.

**(C) Key Management Personnel**

Managing Director	Mr. Arun Khera	Mr. Arun Khera
Director	Mrs. Raman Khera	Mrs. Raman Khera
Director	Ms. Vimmi Sachdev	Mr. Rajesh Chawla
Director	Ms. Sangita Jain	Ms. Sangita Jain
Director	Mr. Arjun Pahwa	Ms. Sunayana
CFO	Mr. Sourabh Kumar	Mr. Uma Singh
Company Secretary	Ms. Priyanka Sharma	Ms. Priyanka Sharma

#### **(D) Transactions with and outstanding balances of related parties during the year**

Name of the Company/Firm/Indl.	Nature of Transaction		
Smart Equity Brokers Private Limited	Brokerage Paid	110,211	77,179
Smart Equity Brokers Private Limited	Rent Paid	70,350	68,950
Mr. Arun Khera	Rent Received	1,800,000	1,800,000

#### **Outstanding Balances of Related Parties**

Mr. Arun Khera	Rent Receivable	360,000	NIL
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**(E) Enterprises over which key management personnel and their relatives are able to exercise significant influences.**

NIL

NIL

**(II) Auditor's Remuneration**

25,000

25,000

# SMART FINSEC LIMITED

Registered Office:- F-88, IIND FLOOR, INDUSTRIAL POCKET,  
DISTRICT CENTRE WEST DELHI, RAJA GARDEN

NEW DELHI-110027

CIN:- L74899DL1995PLC063562

Phone:-011- 25167071

Email Id:-smartfinsec@gmail.com

## Form MGT – 11

### PROXY FORM

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

23<sup>rd</sup> Annual General Meeting – September 28<sup>th</sup>, 2018

Name of Member(s)	
Registered Address	
Email Id	
Folio No.	
DP ID	
Client ID	

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

1.	Name		
	Address		
	E – Mail id		
	Or failing him		
		Signature	
2	Name		
	Address		
	E – Mail id		
	Or failing him		
		Signature	
3	Name		
	Address		
	E – Mail id		
	Or failing him		
		Signature	
4	Name		
	Address		
	E – Mail id		
	Or failing him		
		Signature	

As my/ our proxy to attend and vote ( on poll) for me/us and on my our behalf at the 23rd Annual General Meeting of the company to be held on September 28th, 2018 at 10:00 AM at F-88, IIInd Floor, Industrial Pocket, District Centre, West Delhi, Raja Garden, New Delhi-110027 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional	
		For	Against
	Ordinary Resolution		
1	Adoption of Audited Balance Sheet as at March 31, 2018, the Profit and Loss Account for the year ended on that date with the reports of the Board of Directors and Auditors thereon .		
2	Mrs. Vimmi Sachdev (DIN:01712051) Director, wo retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company”.		

Signed this..... day of.....2018

Affix Revenue Stamp not less than Rs. 0.15
---

.....  
Signature of Member

.....  
Signature of Proxy Holder(s)

- Note.:
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. For Resolutions and Notes, please refer to the Notice of 23<sup>rd</sup> Annual General Meeting of the Company.
  3. It is Optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the, 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
  4. Please complete all details including details of Member(s) in above box before submission.

# SMART FINSEC LIMITED

Registered Office:- F-88, IIND FLOOR, INDUSTRIAL POCKET,  
DISTRICT CENTRE WEST DELHI, RAJA GARDEN  
NEW DELHI-110027

CIN:- L74899DL1995PLC063562

Phone:-011- 25167071

Email Id:-smartfinsec@gmail.com

## ATTENDANCE SLIP

(To be surrendered at the time of entry to the venue)

23<sup>rd</sup> Annual General Meeting on Friday, 28<sup>th</sup> September, 2018, at 10:00 AM at F-88, IIND FLOOR INDUSTRIAL POCKET, DISTRICT CENTRE WEST DELHI, RAJA GARDEN NEW DELHI-110027.

Name	
Address	
DP ID	
Client ID	
Regd. Folio No.	
No. of Shares held	

I certify that I am a member / proxy for the member(s) of the Company

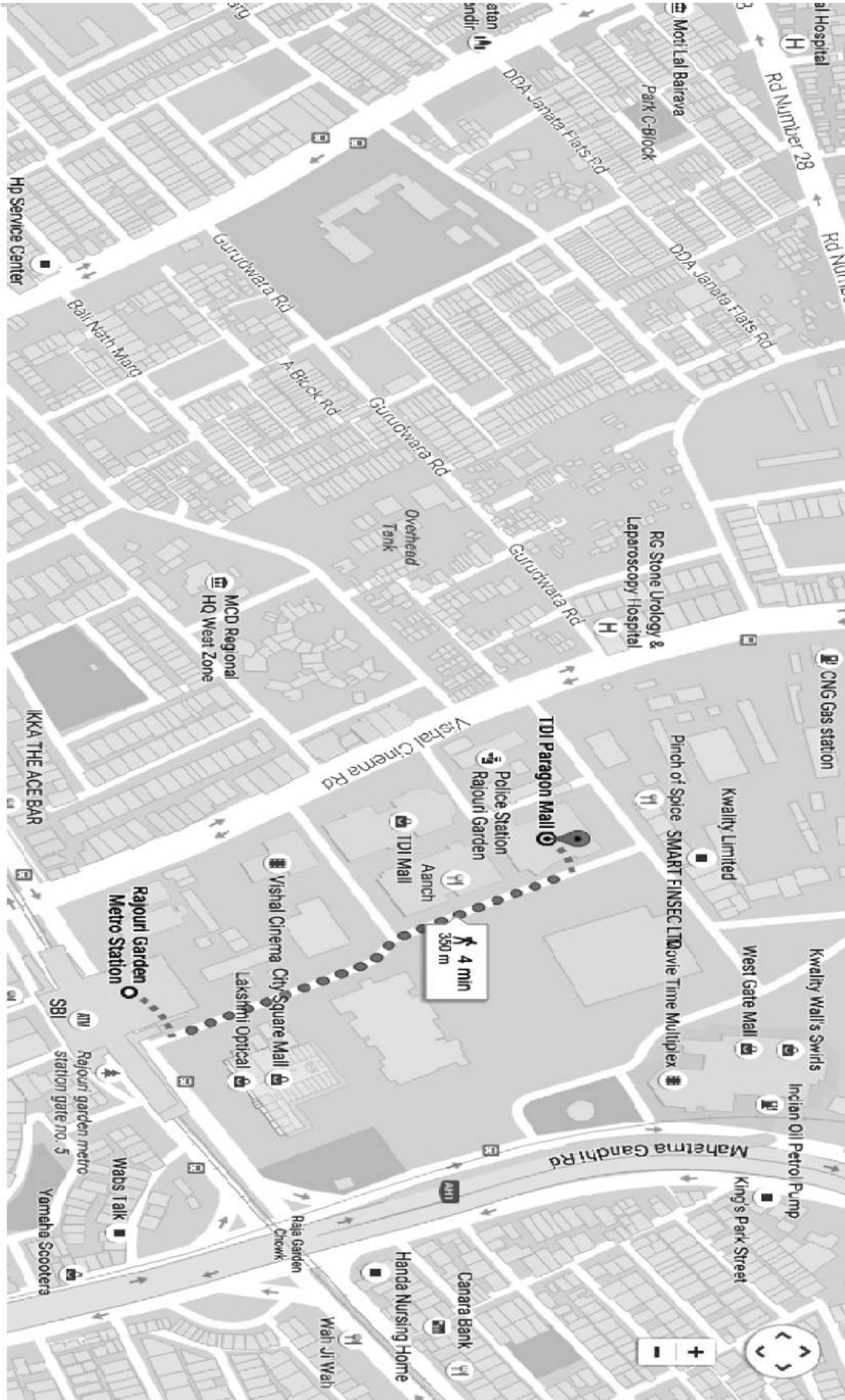
I hereby record my presence at the 23rd Annual General Meeting of the company to be held on September 28th , 2018 at 10:00 AM, at F-88, IIND FLOOR INDUSTRIAL POCKET, DISTRICT CENTRE WEST DELHI, RAJA GARDEN NEW DELHI-110027.

.....  
Member's/Proxy's name in block letters

.....  
Signature of Member / Proxy

- Note.: 1. Only Member/ Proxy holder can attend the meeting.  
2. Members are requested to bring their copies of the Annual Report to the meeting.

# LOCATION MAP



Landmark – TDI Paragon Mall

