

*27th ANNUAL
REPORT
2021-2022*

SMART FINSEC LIMITED

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

Mr. Arun Khera
Mr. Sachit Khera
Mrs. Vimmi Sachdev
Mr. Vishesh Chaturvedi
Ms. Parul Pathak

Managing Director (DIN-00055694)
Director (DIN-03536957)
Director(DIN-017120510)
Director(DIN-08398352)
Director(DIN-09554476)

KMP OF THE COMPANY

Mrs. Priyanka Sharma
Mrs. Shashi Sharma

Company Secretary & Compliance Officer
Chief Financial Officer of the Company

AUDITORS

Chartered Accountants
H. K Dua & Co.
309, Jyoti Shikhar, 8 District Centre,
Janakpuri, New Delhi-110058

REGISTERED OFFICE:

FC-02,4TH FLOOR,TDI MALL,VISHALENCLAVE
RAJOURI GARDEN, New Delhi-110027.
E-Mail Id:- smartfinsec@gmail.com

REGISTRAR AND TRANSFER AGENT

M/s Alankit Assignments Limited
1E/13, Alankit Heights, RTA Division,
Jhandewalan Extension, New Delhi-110055.

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SMART FINSEC LIMITED

Registered Office:- FC-02, 4th FLOOR, TDI MALL, VISHAL ENCLAVE,
 RAJOURI GARDEN, NEW DELHI-110027, Phone:-011- 25167071,
 Email Id:-smartfinsec@gmail.com
 CIN:- L74899DL1995PLC063562

Notice is hereby given that the 27th Annual General Meeting of the Company will be held on Friday 30th September, 2022 at 10:00 A.M through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022, 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 Ms. 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”.

3. To Appoint and Fix the Remuneration of Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/S A. Mohan & Co. ,Chartered Accountants (Firm Registration No. : 017403N) be and is hereby appointed as Statutory Auditors of the Company to hold office for first term of 5(Five) Consecutive Years from Financial Year 2022-23 to 2026-27 from the Conclusion of this Annual General Meeting (AGM) till the Conclusion of AGM to be held in the Year 2027, to examine and conduct the Audit of the Accounts of the Company, at such remuneration as may be fixed in this behalf by the Board of Directors of the Company”.

SPECIAL BUSINESS

4. To Appoint Mr. Sachit Khera, (DIN 03536957) as Director of the Company

To consider and if thought fit to pass with or without modification(s) as may deem fit, the

Following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT” pursuant to the provisions of Sections 149, 152, 160 and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) and on the recommendation of Nomination and Remuneration Committee and in compliance with Nomination and Remuneration Policy of the Company, Mr. Sachit Khera (DIN: 03636957), who was appointed as an Additional Director of the Company effective from January 11th, 2022 in terms of Section 161(1) of the Act and whose term expires at this Annual General Meeting be and is hereby Appointed as a Director of the Company.”

5. To Appoint Mr. Vishesh Chaturvedi, (DIN 08398352) as an Independent Director on the Board of the Company

To consider and if thought fit to pass with or without modification(s) as may deem fit, the

Following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Act, Regulation 16(1)(b) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Nomination and Remuneration Policy of the Company, Mr. Vishesh Chaturvedi (DIN:08398352), who was appointed as an Additional Director (Independent Director) of the Company with effect from March 31st, 2022 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Act and Articles of Association of the Company and who has submitted a declaration that he meets the criteria for independence as provided under the Act and Listing Regulations, be and is hereby appointed as an Independent Director to hold office for a term of 5 (Five) consecutive years with effect from March 31st, 2022 to March 30th, 2027.”

6. To Appoint Ms. Parul Pathak ,(DIN 09554476) as an Independent Director on the Board of the Company

To consider and if thought fit to pass with or without modification(s) as may deem fit, the

Following Resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Act, Regulation 16(1)(b) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Nomination and Remuneration Policy of the Company, Ms. Parul Pathak (DIN:09554476), who was appointed as an Additional Director (Independent Director) of the Company with effect from March 31st, 2022 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Act and Articles of Association of the Company and who has submitted a declaration that he meets the criteria for independence as provided under the Act and Listing Regulations, be and is hereby appointed as an Independent Director to hold office for a term of 5 (Five) consecutive years with effect from March 31st, 2022 to March 30th, 2027.

Place: New Delhi
Date: 03/09/2022

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

Sd/-

(Priyanka Sharma)
Company Secretary

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), relating to the special business to be transacted at the 27th Annual General Meeting ('AGM'), is annexed Information pursuant to the provisions of Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 (SS-2) on "General Meetings" issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM are also annexed to this Notice.
3. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VCOAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for Appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to the Annual Report.
However, in pursuance of Section 112 and Section 113 of the Act, Corporate Members are entitled to appoint their authorized representatives to attend the AGM through VC/ OAVM on their behalf and to vote through electronic means.
4. Members attending the AGM through VC/OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. All the documents referred to in the accompanying Notice and Explanatory Statement, shall be available for inspection through electronic mode, basis the request being sent on smartfinsec@gmail.com
6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
7. Since the AGM will be held through VC/OAVM without the physical presence of Members at a common venue, the route map is not required.
8. The Register of Members and Share Transfer Books of the Company will remain close from September 24th, 2022 to September 30th, 2022(both days inclusive).
9. **Change of Address or other Particulars**
Members are requested to intimate change, if any, in their address (with PIN Code), E-mail ID, Nominations, bank details, mandate instructions, National Electronic Clearing Service ('NECS') mandates, etc. under the signature of the registered holder(s) to 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.
10. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice, inter-alia, explaining the manner of attending AGM through VC/ OAVM and electronic voting (e-voting) along with the Annual Report for the Financial Year 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or

Depository Participants or RTA of the Company. Members may note that the Annual Report including Notice 2021-22 will also be available on Company’s website www.smartfinsec.com and website of the stock exchange also be available at www.bseindia.com and on the website of National Securities Depository Limited (‘NSDL’) at www.evoting.nsdl.com.India.com.

11. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization. Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

12. Instructions for e-Voting and joining the AGM are as follows:

- (i) In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with MCA and SEBI Circulars in relation to e-voting provided by Listed Entities, the Members are provided with the facility to cast their votes electronically, through remote e-voting services provided by NSDL on all resolutions set forth in this
- (ii) The remote e-voting period begins on September 27th, 2022 at 09:00A.M. and ends on September 29th, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 23rd, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.
- (iii) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/ OAVM but shall not be entitled to cast their e-vote again.
- (iv) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date should treat this Notice for information purpose only.
- (v) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

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

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

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

	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

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

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

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

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pkmishra59@yahoo.com with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to smartfinsec@gmail.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to smartfinsec@gmail.com.

3. . If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e.Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
4. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

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

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at smartfinsec@gmail.com. The same will be replied by the company suitably.
6. Members who would like to express their views or ask questions during the AGM may register

Themselves as speakers by sending their request from their registered email address mentioning their

name, DP ID and Client ID/folio number, PAN, mobile number at smartfinsec@gmail.com From, September 23rd, 2022 (9:00 AM IST) to September 25th, 2022 (5:00 PM IST). A Member who has registered as a speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers,

as appropriate for smooth conduct of the AGM.

Other Instructions:

- The Board of Directors has appointed Mr. Pawan Kumar Sharma (FCS No. 4305, C.P. No.: 16222) Proprietor of PK Mishra & Associates Company Secretaries, has been appointed as 'Scrutinizer' to scrutinize the process of e-voting during the AGM and remote e-voting held before the AGM in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, unblock the votes cast through remote e-voting and e-vote cast during the AGM and shall make, not later than 3 days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total e-votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the Scrutinizer's Report and declare the result of the voting forthwith

ANNEXURE TO THE NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

[In pursuance of Secretarial Standard on General Meetings (SS-2) & Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Particulars	Item No. 4	Item No.5	Item No.6
Name of the Director	Sachit Khera	Vishesh Chaturvedi	Parul Pathak
DIN(Director Identification No.)	03536957	08398352	09554476
Date of Birth	28/06/1990	14/08/1985	04/04/1988
Age	32	37	34
Nationality	Indian	Indian	Indian
Date of First Appointment on Board	January 11 th , 2022	March31st,2022	March31st,2022
Qualification	B. COM, ACA	ACS, LLB	ACS, LLB
Brief Resume including experience, expertise, in specific functional Area	He is having more than 10 years of Experience in the Field of Finance, He has expertise in his field.	He is having more than 16 years of Experience in the field of Law & Finance, He is having vast experience with different field, Law , Finance & Taxation .	She is having more than 10 years of Experience in the field of Law & Finance, She achieved a great exposure to work with different filed: law & Finance..
Terms & Conditions for appointment/ Re-appointment	He is appointed as Non Executive Director in the Board, who is liable to retire by rotation.	He is appointed as an Independent Director of the Company for a period of Five Years, subject to approval of Members at this Annual General Meeting.	She is appointed as an Independent Director of the Company for a period of Five Years, subject to approval of Members at this Annual General Meeting.
Shareholding in Smart Finsec Ltd.	Yes	Nil	Nil
Relationship with other Directors & KMP	He is son of Mr. Arun Khera, who is Managing Director of the Company,related to him, Except this he is not related with any other Director & KMP	None	None

Place: New Delhi
Date: 03/09/2022

For and on behalf of the Board
For Smart Finsec Limited

Sd/-
(Priyanka Sharma)
Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 27th Annual Report along with the Audited Financial Statements of your Company for the Financial Year ended on March 31st, 2022.

Financial Performance:

The summarized financial highlight is depicted below:

(Rs in Lakhs)

Particulars	Financial Year Ended 31 st March	
	2021-2022	2020-2021
Revenue from Operation	5081.99	2322
Other Income	Nil	Nil
Depreciation	5.45	5.45
Profit/ (Loss) before Tax	454.96	44.37
Profit/ (Loss) after Tax	345.84	44.75

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

Company proposes to transfer amount Rs. 67,64,500 from Profit & Loss to the Statutory Reserve.

DIVIDEND

Partially Dividend of Rs.37,000 paid to Mr. Arun Khara @ 0.1% Non Convertible Redeemable Preference Shares 480000 @ Rs. 100(In 1st November ,2022 Redeem Rs. 2,20,00,000 Cumulative Non Convertible Redeemable Preference shares , out of Rs. 4,80,00,000 , so dividend paid partially.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2022 was Rs.3, 00, 000, 00/- (Rs. Three Crore) and 4,80,000 Non Convertible Cumulative Preference shares of Rs. 100 Each, On November 01st, 2022 the Board of Directors decide to Redeem Rs. 2,20,00,000 Cumulative Non Convertible Redeemable Preference shares , out of Rs. 4,80,00,000 Cumulative Non Convertible redeemable Preference shares . Redemption of Preference shares has done out of Profit of the Company.

MATERIAL CHANGES AND COMMITMENTS

The Company has done the process of Sub-Division of Equity Shares of the company, Sub-division approved through the Postal ballot, Result of Postal Ballot declared on 30.07.2021.

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, 2022.

DIRECTORS & KMP

Appointment, Re-appointment& Resignation

- Ms. Vimmi Sachdev, Director of the Company ,retires by rotation at the ensuing Annual General Meeting of the Company, and being eligible offer herself for Re-appointment.
- Pursuant to the Provision of Company Act,2013, the Board of Directors of meeting held on January 11th,2022 approved the appointment of Mr. Sachit Khara,Additional , Non Executive Director on the Board, subject to approval of the Members of ensuing Annual General Meeting by way of Ordinary resolution.
- During the Period on Review, Mrs. Raman Khara, Director of the Company has resigned from the Board with effect from January 13th,2022.
- Pursuant to the Provision of Company Act, 2013, the Board of Directors of meeting held on March 31st, 2022 approved the appointment of Mr. Vishesh Chaturvedi, Additional, Independent Director on the Board for a period of Five years with effect from March 31st, 2022 to March 30th, 2027." subject to approval of the Members of ensuing Annual General Meeting by way of Ordinary resolution.

5. Pursuant to the Provision of Company Act, 2013, the Board of Directors of meeting held on March 31st, 2022 approved the appointment of Ms. Parul Pathak, Additional, Independent Director on the Board for a period of Five years with effect from March 31st, 2022 to March 30th, 2027." subject to approval of the Members of ensuing Annual General Meeting by way of Ordinary resolution.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by the Section 134(3)(c) 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. Ms. Priyanka Sharma -Company Secretary
- c. Mrs. Shashi Sharma – Chief Financial officer

NUMBER OF BOARD MEETINGS

Seven 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

Pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/S A. Mohan & Co., Chartered Accountants (Firm Registration No. : 017403N) be and is hereby appointed as Statutory Auditors of the Company to hold office for first term of 5(Five) Consecutive Years from Financial Year 2022-23 to 2026-27 from the Conclusion of this Annual General Meeting (AGM) till the Conclusion of AGM to be held in the Year 2027, to examine and conduct the Audit of the

Accounts of the Company, at such remuneration as may be fixed in this behalf by the Board of Directors of the Company”.

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. Arjun Pahwa & Mr. Arun Khara are Members of the Audit Committee. 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..

- Ms. Sangita Jain has resigned from the Board with effect from March 28th,2022 and New Chairmen has been appointed for her replacement
- Mr. Arjun Pahwa has resigned from the Board with effect from March 30th,2022.

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

There was no such employee of the Company who is covered under 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.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not made any investments in securities of other body corporate(s) during the financial year 2021-22

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 - B, 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-C 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 there under, 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 2021-22 is annexed, which forms part of this report as **Annexure-D** There were no qualifications, reservation or adverse remarks in the Secretarial Audit Report of the Company.

COMPLIANCE WITH PROVISIONS OF SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to uphold and maintain the dignity of women employee and it has in place a policy which provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. During

the year, no such complaints were received. The Company has also constituted an Internal Compliance Committee under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

Committees of Board

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

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: 03/09/2022**

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

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

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.

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)

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) This form pertains to the 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: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis.

The contracts or arrangement or transactions entered with the related parties during the financial year 2021-22 were not material and the same were disclosed in the notes to accounts in Note 24, forming part of the financial statements for the year ended 31st March 2021

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

**Place: New Delhi
Date: 03-09-2022**

**Sd/-
Arun Khera
Managing Director**

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2021

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:

CIN	L74899DL1995PLC063562
Registration Date	May 2, 1995
Name of the Company	Smart Finsec Limited
Category/Sub-category of the Company	Company Limited by Shares / Indian Non - Government Company
Address of the Registered office & contact details	FC-02, 4 th floor, TDI Mall, Vishal Enclave, Rajouri Garden, New Delhi-110027.
Whether listed company	Yes, BSE Limited
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 1 st April, 2021]				No. of Shares held at the end of the year[As on 31-March-2022]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2163956	0	2163956	72.132%	2163956	0	21639560	72.132%	Nil
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
Total shareholding of Promoter (A)	2163956	0	2163956	72.132%	2163956	0	2163956	72.132%	0

B. Public Shareholding

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) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1):-	0	0	0	0	0	0	0	0	0

2. Non-Institutions									
a) Bodies Corp.	2210	1000	3210	0.11	43143	10000	53143	0.18	0.07
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	62884	122300	185184	6.17	3435031	1070000	4505031	15.02	8.85

ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	609334	0	609334	20.31	3492000	0	3492000	11.64	-8.69
c) Others (specify)									
Non Resident Indians	15	6300	6315	.21%	59027	63000	122027	.41	0.19
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	1	0	0	.0%	16831	0	16831	0.06	.06
HUF	32000	0	32000	1.067%	167782	0	167782	0.56	-.51
Trusts	0	0	0	0	0	0	0	0	0
Non Resident Non Repatriates	0	0	0	0	3626	0	3626	0.01	0
Sub-total (B) (2):-	706444	129600	836044	27.87	7217440	1143000	8360440	27.87	0
Total Public Shareholding (B)=(B)(1)+(B)(2)									0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2818200	181800	3000000	100%	28857000	1143000	30000000	100%	0

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in 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.	Arun Khera (HUF)	372500	12.42	Nil	3725000	12.42	Nil	No change during the year
2.	Arun Khera	377000	12.57	Nil	3770000	12.57	Nil	No change during the year

3	Raman Khera	393800	13.13	Nil	3938000	13.13	Nil	No change during the year
5	Upasana Khera	128300	4.28	Nil	1283000	4.28	Nil	No change during the year
7	Sachit Khera	564754	18.85	Nil	5647540	18.825	Nil	No change during the year
8	Sunaina Khera	327602	10.92	Nil	3276020	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.	Name of shareholder	Shareholding at the beginning of Year		Change in Shareholding	Shareholding at the End of Year
		No. Of Shares	% of total shares of Company	Increase (Decrease)	No. Of Shares
1	Pramod Arora	128000	4.27	-	Nil
2	Asha Gambhir	113500	3.78	Nil	1135000
3	Jogesh sachdeva	93700	3.12	-	937000
4	Sanjeev Sethi	90000	3.24	--	Nil
5	Puja Sachdev	79634	2.69	-965	740000
6	Shubhash Gambhir	68000	2.27	-	680000
7	Anita Gupta	36500	-	-	Nil
8	Mohan Gupta (HUF)	32000	-	-	100000
9	Hardeep Bedi	8900	.29	-	Nil
10	Vishal Sanatbhai Silhar	-	-	-	50000
11	Vishal Kanti Lal Jain	-	-	-	50000
12	Rameshbhai shambhbhai domadiya	-	-	-	50000
13	Shimpy Rani Jain	-	-	-	46000
14	Rajiv	4500	.15	-	45000

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Arun Khera				
	At the beginning of the year	3770000	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.):	Shareholding increase due to Sub - Division of Shares.			
	At the end of the year			3770000	12.57

2.	Raman Khera				
	At the beginning of the year	3938000	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.):	Shareholding increase due to Sub - Division of Shares.			
	At the end of the year			3938000	13.12
	Sachit Khera				
	At the beginning of the year	5647540	18.83		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Shareholding increase due to Sub - Division of Shares.			

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

(Rs. In '000)

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

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

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.
	Commission	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.
	Commission	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 Remuneration	N.A.	N.A.	N.A.
	Overall Ceiling as per the Act	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.	369000	284000	653000
	(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.	369000	284000	653000

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

(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,

(CIN: L74899DL1995PLC063562)

FC-02, 4th Floor TDIMall, Vishal Enclave,

Rajouri Garden,

New Delhi-110027

I 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 I report that:-

- a. Maintenance of Secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
- b. I 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. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
- c. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- d. Wherever required, I 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. My 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, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Smart Finsec Limited**, ("the Company") for the Financial Year ended on March 31, 2022 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 2021 to 31st March 2022.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under were duly complied for the period from 1st April 2021 to 31st March 2022.
- (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 2021-22 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;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018; **(Not Applicable as the company has not issued any further capital under the regulations during the review period as disclosed by the management of the company).**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021); **(Not Applicable during the review period).**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable during the review period).**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the company is not registered as Registrar to issue and Share Transfer Agent during the period review period).**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021. **(Not Applicable to the Company during the review period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable as the Company has not bought back / proposed to buy-back any securities of the Company during the review period);**
- (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; **(The Company has filed all required disclosure(s) within prescribed time and duly complied all the applicable provisions as disclosed by the management of the Company);**
- (j) The Memorandum and Articles of Association.

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India.

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

I 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 generally at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and Committees of the Board as the case may be.

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 period 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.

I 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.

I further report that during the period, there were no other event/action having major bearing on the affairs of the Company.

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

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

Date:01.09.2022

Place: New Delhi

UDIN: F004305D000888837

Peer Review Certificate No. 2656/2022

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, 2022, 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, 2021 to March 31, 2022, Audit Committee meetings have taken place on June 25, 2021, August 13, 2021, November 01, 2021 & February 14, 2022.

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.

Note:- Ms. Sangita Jain has resigned from Board as on March 28th, 2022 with effect from April 10th, 2022.

Mr. Arjun Pahwa has resigned from the Board as on March 30th, 2022 with effect from April 10th, 2022.

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, 2021 to March 31, 2022, One (1) 'Nomination and Remuneration Committee' meetings have taken place on February 14, 2022.

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	Ms. Vimmi Sachdev	1	1

Remuneration Policy:-

The Remuneration Policy recommended by the Nomination and Remuneration Committee has been accepted by the Board of Directors. During the year under review, there was no pecuniary relationship or transactions of the non-executive directors vis-

à-vis the Company. The Non-Executive Directors does not draw any remuneration from the company.

Remuneration paid to Sh. Arun Khera, managing Director for the F.Y. 2021-2022

(Amount in Rs.)

Salary	Nil
Company's Contribution to PF	Nil

Note: None of the non-executive directors has any pecuniary relationship or transaction vis-à-vis the Company.

Independent Directors Meeting

During the year under review, the Independent Directors met on 31.03.2022, inter alia to discuss :-

- i. Review the performance of non-independent directors and the Board as a whole;
- ii. Review the performance of the chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Annexure F**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 : 03.09.2022

For on behalf of the Board
Sd/-
Arun Khera
Managing Director
(DIN.: 00055694)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(As per Para C Clause 10 (i) of Schedule V of the **Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015** read with Regulation 34(3) of the said Listing Regulations).

To,

The Members of

Smart Finsec Limited

FC-02, 4th Floor, TDI Mall, Vishal Enclave,

Rajouri Garden, New Delhi-110027

I have examined the relevant registers, records, forms, returns and disclosures received from **M/s Smart Finsec Limited** having CIN: L74899DL1995PLC063562 and having registered office at FC-02, 4th Floor, TDI Mall, Vishal Enclave, New Delhi-110027 (hereinafter to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of information and according to the verifications, (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 has been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.No.	Name of Director	DIN	Date of appointment in Company
1	ARUN KHERA	00055694	02/05/1995
2	VIMMI SACHDEV	01712051	01/08/2017
3	SACHIT KHERA	03536957	11/01/2022
4	VISHESH CHATURVEDI	08398352	31/03/2022
5	PARUL PATHAK	09554476	31/03/2022

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

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

PAWAN KUMAR MISHRA

Proprietor

FCS-4305 / CP-16222

Place: New Delhi

Date: 5th September, 2022

UDIN: F004305D000913829

Peer Review Certificate No. 2656/2022

UDIN: F004305D000913829

CERTIFICATE OF CHIEF FINANCIAL OFFICER

To,
The Board of Directors,
Smart Finsec Limited,

I, Shashi Sharma, 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 2022 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 2022 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: 03.09.2022

Sd/-
Shashi Sharma
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, 2022 stands at Rs. 3,00,000,00 divided into 30,00,000,00 equity shares of Rs. 1/- each fully paid up and 2,60,00,000 divided 2,60,000 Non Convertible Cumulative 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.

**Independent Auditors' Report
To the members of Smart Finsec Limited
Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone Ind AS Financial Statements of **Smart Finsec Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the standalone Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules 2015 as amended ("Ind AS") and other accounting Principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit/loss including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters in our report.

Information other than the Financial Statements and Auditors' Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - C. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

- D. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- E. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- G. In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
- H. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts
 - iii) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.
 - iv)(a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or behalf of the company ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
 - iv)(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or behalf of the Funding Party ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries; and
 - iv)(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub clause (a) and (b) contain any material mis-statement.
- I. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

For H.K. Dua & Co.
Chartered Accountants
ICAI Firm Registration Number: 000581N

(Harsh Kumar Dua)
Partner
Membership Number: 080727
UDIN:

Place: New Delhi
Date: May 27, 2022

Annexure 'A' to the Independent Auditors' Report

Referred to in Paragraph 1 under 'Report on other legal and regulatory requirements' section of our report in the Independent Auditors' Report of even date to the members of Smart Finsec Limited on the standalone financial statements for the year ended 31.03.2022

(i) In respect of its Property Plant and Equipment:

- (a)** (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The company is not having any intangible asset. Therefore, the provisions of Clause (i)(a)(B) of paragraph 3 of the order are not applicable to the company.
- (b)** As explained to us, the Property, Plant and Equipment 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 is reasonable having regard to the size of the Company and nature of its assets. 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.
- (d)** Based on the records examined by us and information and explanation given to us, the company has not revalued its Property, Plant and Equipment during the year. Therefore, the provisions of Clause (i)(d) of paragraph 3 of the Order are not applicable to the company.
- (e)** According to the information and explanations and the representation given to us by the management, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, the provisions of Clause (i)(e) of paragraph 3 of the order are not applicable to the company.

(ii) In respect of its inventory:

- a) As explained to us the 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. 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. No material discrepancies were noticed on such verification.
- b) During any point of time of the year, the company has not been sanctioned any working capital limits, from banks or financial institutions on the basis of security of current assets. Therefore, the provisions of Clause (ii)(b) of paragraph 3 of the order are not applicable to the company..

(iii) a) Since the Company is a NBFC, clause 3(iii) (a) of the Order is not applicable.

- b) In our opinion and according to information and explanation given to us, the terms and conditions of investments and loans granted during the year are prima facie not prejudicial to the interest of the Company.
- c) Based on the records examined by us and information and explanation given to us, the schedule of repayment of principal and interest has been stipulated and the repayment /receipts have been regular.
- d) According to the information and explanations given to us and on the basis of our examination of records of the Company, there is no overdue amount for more than ninety days in respect of loan given.
- e) Since the Company is a NBFC, clause 3(iii) (e) of the Order is not applicable.
- f) Based on our verification of records of the Company and information and explanation given to us, the Company has not granted any loans repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans and investments made to the extent applicable.

(v) The company has not received any public deposits during the year and therefore clause (v) of paragraph 3 of the Order is not applicable.

(vi) As explained to us, the Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Therefore, the provisions of Clause (vi) of paragraph 3 of

the order are not applicable to the Company.

(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, goods and service tax and other material statutory dues as applicable to it and no undisputed amounts payable were outstanding as at March 31st, 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are not any statutory dues referred in sub-clause (a) which have not been deposited on account of any dispute. Therefore, the provisions of Clause (vii)(b) of paragraph 3 of the order are not applicable to the Company.

(viii) According to information and explanation given to us and representation given by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of any loan or other borrowings or any interest due thereon to any lender.

(b) In our opinion and according to the information and explanations given to us, the company has not been declared a wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.

(d) In our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been utilised for long term purposes.

(e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) 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 (x) (a) of the Order is not applicable.

(b) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares during the year. Accordingly, paragraph 3 (x) (b) of the Order is not applicable.

(xi) (a) Based on the audit procedures performed by us and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, no whistleblower complaints have been received by the Company during the year.

(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) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

(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) (a) 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.

- (b) On the basis of examination of records and according to the information and explanation given to us by the Company, the Company has conducted Non- Banking Financial activities as permitted by the Registration Certificate issued by RBI.
- (c) In our opinion and according to the information and explanation given to us, the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India.
- (d) As represented by the management, the Group does not have any Core Investment Company as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions 2016.
- (xvii) The company has not incurred cash loss in current financial year as well in immediately preceding financial year.
- (xviii) There has been no resignation of the previous statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumption, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) There is no liability of the Company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) of paragraph 3 of the order are not applicable to the Company.
- (xxi) The company has not made investments in subsidiary company. Therefore, the company does not require to prepare consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of the order are not applicable to the Company.

For H.K. Dua & Co.
Chartered Accountants
ICAI Firm Registration Number: 000581N

per CA Harsh Kumar Dua
Partner
Membership Number 080727
Place: New Delhi
Date: May 27, 2022
UDIN:

ANNEXURE B TO THE AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF SMART FINSEC LIMITED ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT").

We have audited the internal financial controls with reference to standalone Ind AS financial statements of **SMART FINSEC LIMITED** ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For H.K. Dua & Co.
Chartered Accountants
ICAI Firm Registration Number: 000581N

per CA Harsh Kumar Dua
Partner
Membership Number 080727
Place: New Delhi
Date: May 27, 2022
UDIN:

BALANCE SHEET AS AT 31.03.2022

Particulars	Note	(Rs. In '000)	
		As At 31.03.2022	As At 31.03.2021
ASSETS			
1. Financial Assets			
a) Cash and Cash Equivalents	2	1,799.69	1,230.03
b) Receivable			
Trade Receivable	3	6,994.95	15,481.66
c) Loans	4	2,572.83	19,558.70
d) Investments	5	27,072.61	45,397.89
e) Inventory- Shares & Securities	6	79,912.04	66,738.00
2. Non Financial Assets			
a) Current Tax Assets (Net)	7	618.91	573.41
b) Deferred Tax Assets (Net)	8	245.02	192.00
c) Property Plant & Equipment	9	14,564.07	15,109.26
TOTAL ASSETS		133,780.12	164,280.95
LIABILITIES AND EQUITY			
1. Financial Liabilities			
a) Payables			
I. Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		-	-
II. Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	10	350.23	1,307.00
b) Subordinated Liabilities	11	26,000.00	48,000.00
c) Unsecured Loans from Directors		-	42,500.00
2. Non-Financial Liabilities			
a) Current Tax Liabilities (Net)		-	-
b) Provisions- on Standard Assets		107.44	107.44
3. Equity			
a) Equity Share Capital	12	30,000.00	30,000.00
b) Other Equity	13	77,322.45	42,366.51
TOTAL LIABILITIES AND EQUITY		133,780.12	164,280.95
Corporate Information notes & Summary of accounting policies	1		
The accompanying notes are an integral part of the standalone financial statements.			

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

 (Arun Kherra)
Managing Director
DIN:00055694

 (Sachit Kherra)
Director
DIN:03536957

 (Harsh Kumar Dua)
Partner
Membership No. : 080727
Place:New Delhi
Dated: 27 May, 2022

 (Priyanka Sharma)
Company Secretary

 (Shashi Sharma)
CFO

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2022

Particulars	Note	(Rs. In '000)	(Rs. In '000)
		Year ended 31.03.2022	Year Ended 31.03.2021
Revenue from Operations			
i) Interest Income	14	3,044.56	5,183.68
ii) Dividend Income		43.59	31.59
iii) Profit from F&O/ Jobbing	15	(20,025.28)	(87,438.21)
iv) Sale of Shares		522,560.08	309,639.54
v) Rental Income		2,480.00	2,360.00
vi) Net gain on fair value change	16	-	2,423.18
vii) Others	17	95.59	-
I Total Income From Operations		508,198.53	232,199.78
II Other Income		-	-
III Total Income		508,198.53	232,199.78
Expenses			
i) Purchase of shares	18	472,683.79	262,553.67
ii) (Increase)/Decrease in closing stock	19	(13,174.04)	(37,972.49)
iii) Employee benefit expenses	20	1,070.10	920.20
iv) Demat Expense		22.19	2.99
v) Net Loss on fair value change	16	146.63	-
vi) Depreciation	9	545.19	545.19
vii) Other Expenses	21	1,367.54	747.40
viii) Finance Cost	22	41.70	965.51
IV Total Expenses		462,703.10	227,762.96
V Profit before tax		45,495.43	4,436.81
VI. Tax Expense:			-
Current Tax		10,815.00	-
Deferred Tax		(53.02)	(37.82)
Short Provision of earlier years		149.77	-
VII Profit for the year (V-VI)		34,583.68	4,474.63
VIII Other Comprehensive Income		-	-
IX Total Comprehensive Income for the year		34,583.68	4,474.63
Earnings per Equity Share	23		
(Nominal value pershare Rs. 1)			
Basic (Rs.)		1.15	0.15
Diluted (Rs.)		1.15	0.15
Corporate Information notes & Summary of accounting policies	1		
The accompanying notes are an intigral part of the standalone financial statements.			

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

(Arun Kherra)
Managing Director
DIN:00055694

(Sachit Kherra)
Director
DIN:03536957

(Harsh Kumar Dua)
Partner
Membership No. : 080727
Place:New Delhi
Dated: 27 May, 2022

(Priyanka Sharma)
Company Secretary

(Shashi Sharma)
CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2022		
Particulars	(Rs. In '000)	(Rs. In '000)
	For the year ended 31st March 2022	For the year ended 31st March 2021
A	CASH FLOW FROM OPERATING ACTIVITIES:	
Net profit / (loss) before taxes	45,495.43	4,436.81
Adjustment to reconcile profit before tax to Net Cash Flows:		
Add non cash expenses		
Depreciation	545.19	545.19
Less: income considered separately	-	-
Dividend earned	(43.59)	(31.59)
Net(Gain)/loss on fair value changes	146.63	(2,423.18)
Income Tax Paid	(10,588.02)	-
Profit/loss on sale of assets/investment	(95.59)	(3,254.40)
Operating profit before working capital changes	35,460.06	(727.17)
Change in Assets & Liabilities		
(increase)/decrease in trade receivable	8,486.71	(3,687.29)
(increase)/decrease in Loans and Other Assets	16,985.87	(7,816.22)
(increase)/decrease in liabilities and provisions	(956.78)	1,627.16
(increase)/decrease in non financial assets	(50.00)	(88.22)
(increase)/decrease in inventory	(13,174.04)	(37,972.49)
Cash generated from Operations	46,751.83	(48,664.22)
B.	CASH FLOW FROM INVESTING ACTIVITIES:	
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	-
Dividend earned	43.59	31.59
Purchase of Investments	(7,600.01)	-
Sale of Investments	25,874.25	-
Net Cash from (used) in Investing Activities	18,317.83	31.59
C.	CASH FLOW FROM FINANCING ACTIVITIES:	
Unsecured loan	(42,500.00)	42,500.00
Preference Share Capital	(22,000.00)	-
Share Capital	-	-
Net Cash Flow from Financing Activities	(64,500.00)	42,500.00
Net Increase in cash and cash equivalents (A) + (B) + (C)	569.66	(6,132.62)
Cash and cash equivalents - Opening	1,230.03	7,362.65
Cash and cash equivalents - Closing	1,799.69	1,230.03

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

(Arun Kherra)
Managing Director
DIN:00055694

(Sachit Kherra)
Director
DIN:03536957

(Harsh Kumar Dua)
Partner
Membership No. : 080727
Place: New Delhi
Dated: 27 May, 2022

(Priyanka Sharma)
Company Secretary

(Shashi Sharma)
CFO

Notes to the standalone financial statements for the year ended March 31, 2022

1. Basis of accounting and preparation of Financial Statements

A. Corporate Overview

Smart Finsec Limited (The "Company") (Corporate ID No. L74899DL1995PLC063562), is a Company limited by shares, was incorporated on 2nd May 1995 and domiciled in India. The shares of the Company are listed on Bombay Stock Exchange (BSE). The Company is mainly engaged in the business of lending small loans and investments in stocks, securities and bonds. The Company is a non-deposit taking Non Banking Finance Company (NBFC) and registered with Reserve Bank of India.

B. Basis of preparation of accounts

The Company has prepared its financial statements in accordance with the Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time and notified under the Section 133 of the Companies Act, 2013, (Act) along with other relevant provisions of the Act, the Master Direction- Non Banking Financial Company- non-deposit taking (Reserve Bank) directions 2016.

The standalone financial statements are presented in Indian Rupee which is also the functional currency of the Company, in denomination of thousand with rounding off to two decimals as permitted by Schedule III to the Act. The financial statements have been prepared on accrual basis on historical cost convention, except for certain financial instruments that are measured at fair value or as stated otherwise.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use with those of the previous year.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources. The outbreak of COVID-19 has not affected the going concern assumption of the Company.

The Company presents its Balance Sheet in order of liquidity. The Company prepares and present its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows' The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature

C. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principle requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the Management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods

a. Property, plant and equipment

Useful lives of the tangible assets are based on the life prescribed in Schedule II of the Companies Act 2013. Assumptions are also made, when company assesses, whether an assets may be capitalised and which components of the cost of the assets may capitalised.

b. Provision for contingencies

Provision for expense related liabilities is made on the basis of Management judgement and estimation for possible outflow of resources, if any, in respect of:

Contingencies/claim/litigations against the Company.

2. Significant accounting policies

A. Property, plant and equipment

Property, plant and equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses, when significant part of the property, plant and equipment are required to replace at intervals, the company derecognized the replaced part and recognized the new parts with its own associated useful life and it depreciated accordingly. Likewise when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance cost are

recognized in the statement of the profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are derecognised from the financial statement, either on disposal or when no economic benefits are expected from its use or disposed. Losses arising in the case of retirement of property, plant and equipment and gain or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

B. Inventories

Inventory includes shares, securities and stock in trade.

- a) Inventories are valued at lower of cost or net realisable value. Cost includes purchase price, taxes (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), and other expenditure incurred in bringing such inventories to their present location and condition.
- b) Net realisable value is the estimated selling price in the ordinary course of business.
- c) The comparison of cost or net realisable value is made on every type of security.

C. Investments

Investments are classified into long term investments and current investments. Investments that are intended to be held for one year or more are classified as long-term investments and investments that are intended to be held for less than one year are classified as current investments. Long term investments are valued at fair market value through profit or loss (FVTPL) and difference in market value and cost is recognised in Profit & Loss account as "Net gain or Net loss on fair value changes".

Current investments are valued at cost or market/fair value, whichever is lower. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of Profit and loss.

Intangible assets

Capital expenditure on purchase and development of identifiable assets without physical substance is recognized as intangible assets in accordance with principles given under AS-26 – Intangible Assets.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Based on technical evaluation carried out by management, depreciation on fixed assets has been provided for all tangible assets on the straight line method as per the useful life and residual value prescribed under Schedule II, Part-C to the Companies Act, 2013. Residual value has been assessed at 5% of cost of the assets.

Depreciation and amortisation on addition to fixed assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation and amortisation on sale/ discard from fixed assets is provided for up to the date of sale, deduction or discard of fixed assets as the case may be. Individual assets costing Rs.5,000 or below are depreciated/ amortised in full in the year of purchase. Depreciation/ Amortisation method and useful lives are reviewed at the each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the depreciation/ amortisation period is changed accordingly

D. Impairment of Non-financial assets

Property, plant and equipment, intangible assets and assets classified as investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the market value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment losses on continuing operations, including impairment on inventories are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

E. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid

investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.

F. Leases

Operating Leases

Leases where the Lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating lease. Operating Lease payments are recognized as an expense in the Statement of Profit and Loss on accrual basis or SLM.

G. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

H. Provisions, contingent liabilities and contingent assets

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement. If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the notes in case of:

- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation
- A present obligation arises from the past event, when no reliable estimate is possible
- A present obligation arises from the past event, unless the probability of outflow are remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent assets

Contingent assets are not recognized in the financial statements.

I. Taxes

Tax expense comprises current income tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized

amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

J. Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefit will flow to the company & revenue is reliably measured.

- a) The Company recognises interest income using effective interest rate (EIR) on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI). Interest Income is recognized on the time proportionate basis starting from the date of disbursement of loan. In case of Non-Performing Assets, interest income is recognized on receipt basis, as per NBFC Prudential norms.
- b) Dividend income is recognized when the right to receive payment is established.
- c) Income from investment in Private Equity Funds ("the fund") is booked as and when the same is distributed by the Fund. Return of capital contribution is reduced from the original cost of investment.
- d) In respect of other heads of income the Company accounts the same on accrual basis.

K. Foreign currency translation/conversion

Financial statements have been presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

• Initial recognition

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

• Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

• Exchange differences

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other income or profit or loss are also recognized in Other income or profit or loss, respectively).

L. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized, in accordance with the principles laid down in AS-16, during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Borrowing costs that are directly attributable to the projects are charged to the respective project on the basis of expenditure incurred net of customer collections.

Other borrowing costs are expensed in the period in which they are incurred.

M. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS-19 - 'Employee Benefits'.

N. Segment accounting and reporting

On the basis of nature of activity carried out, The Company has identified two reportable primary segments, i.e. Real Estate segment and NBFC activity segment. The disclosure, as per Ind AS 108 for both the segments is made in the financial statements.

- O. Previous year figures have been regrouped/reclassified wherever considered necessary to conform to the presentation of current year financial statements.

P. Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

The accompanying notes are an integral part of these financial statements					
		(Rs. In '000)		(Rs. In '000)	
Particulars		As At 31.03.2022		As At 31.03.2021	
		-1.00		-1.00	
Note-2: CASH AND CASH EQUIVALENT					
Cash in hand		54.63		49.13	
Cash at Banks		1,745.06		1,180.90	
		1,799.69		1,230.03	
Note-3: TRADE RECEIVABLES					
Considered good - Secured		100.00		-	
Considered good - Unsecured		6,894.95		15,481.66	
		6,994.95		15,481.66	
Trade Receivable ageing as on 31.03.2022:					
Undisputed - Considered Good:					
Less than 6 Months		6,994.95		15,481.66	
6 Months - 12 Months		-		-	
1 Year - 2 Year		-		-	
2 Year - 3 Year		-		-	
More than 3 Years		-		-	
		6,994.95		15,481.66	
Note-4: LOANS					
At FVTPL					
Unsecured and in India:					
Gross carrying amount		2,572.83		19,558.70	
Less: Impairment Loss		-		-	
Net Carrying Amount		2,572.83		19,558.70	
Unsecured and Outside India:					
Gross carrying amount		-		-	
Less: Impairment Loss		-		-	
Net Carrying Amount		-		-	
TOTAL		2,572.83		19,558.70	
Note-5: INVESTMENTS					
At fair value through Profit or Loss (FVTPL)					
Investment in India:					
in Bonds		26,225.66		42,392.98	
Add: Fair value gain (losses)		846.95		3,004.91	

Investments outside India:			-		-
			27,072.61		45,397.89
Note-6: INVENTORIES					
Shares- Valued at lower of cost or market price			79,912.04		66,738.00
[Quoted Equity Shares on BSE & NSE for trading]					
			79,912.04		66,738.00
Note-7: CURRENT TAX ASSET					
Advance Tax/TDS/MAT (Net of Provision)			568.91		573.41
Staff Advance			50.00		-
			618.91		573.41
Note-8: DEFERRED TAX ASSET					
On account of timing difference			245.02		192.00

NOTE-9: SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

The accompanying notes are an integral part of these financial statements

For the FY 2021-22												
Sr. No	Particulars	Gross Block				Depreciation				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 31.03.2022	WDV as on 31.03.2021	
	Tangible Assets											
1	Car	434.10	-	-	434.10	413.03	-	-	413.03	21.07	21.08	
2	Furniture & Fixture	5,787.44	-	-	5,787.44	3,318.26	545.19	-	3,863.45	1,923.98	2,469.17	
3	Office Equipments	86.68	-	-	86.68	82.35	-	-	82.35	4.33	4.33	
4	Property At Gurgaon	10,412.33	-	-	10,412.33	-	-	-	-	10,412.33	10,412.33	
5	Property At Sainik Farms	2,200.00	-	-	2,200.00	-	-	-	-	2,200.00	2,200.00	
6	Computer	47.00	-	-	47.00	44.65	-	-	44.65	2.35	2.35	
	Total Figures for the Current Year	18,968	-	-	18,968	3,858	545	-	4,403	14,564	15,109	
For the FY 2020-21												
Sr. No	Particulars	Gross Block				Depreciation				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 31.03.2020	WDV as on 31.03.2019	
	Tangible Assets											
1	Car	850.69	-	-	850.69	776.30	-	-	776.30	25.08	74.39	
2	Furniture & Fixture	5,787.44	-	-	5,787.44	1,682.70	545.19	-	2.23	3,559.55	4,104.74	
3	Office Equipments	86.68	-	-	86.68	82.35	-	-	82.35	4.33	4.33	
4	Land & Building	10,412.33	-	-	10,412.33	-	-	-	-	10,412.33	10,412.33	
5	Property At Sainik Farms	2,200.00	-	-	2,200.00	-	-	-	-	2,200.00	2,200.00	
6	Computer	47.00	-	-	47.00	44.65	-	-	44.65	2.35	2.35	
	Total Figures for the Current Year	19,384.14	-	-	19,384.14	2.59	0.55	-	2,585.99	16,203.64	16,798.15	
	Total Figures for the Previous Year	19,337.14	-	-	19,384.14	808.63	588.11	-	1,396.74	17,383.40	17,987.40	

Note-10: OTHER PAYABLES					
Other than Micro and MSME Enterprises			-		-
Expenses Payable			313.23		347.00
Dividend Payable			37.00		960.00
			350.23		1,307.00
Others payabel ageing as on 31.03.2022					
MSME			-		-
Other than Micro and MSME Enterprises:			-		-
Less than 6 Months					
			350.23		1,307.00
6 Months - 12 Months					
			-		-
1 Year - 2 Year					
			-		-
2 Year - 3 Year					
			-		-
More than 3 Years					
			-		-
Note-11: SUBORDINATED LIABILITIES					
At Amortised Cost					
2,60,000, 0.1% (Prev. Year 4,80,000 2%) Non Convertible Cumulative Redeemable Preference Shares (CRPS) of Rs. 100/- each, fully paid up			26,000.00		48,000.00
Terms/rights attached to CRPS:					
The CRPS do not have voting rights other than in respect of matters directly affecting it. The payment of dividend is in accordance with the terms agreed at the time of issuance.					
Note-12: EQUITY SHARE CAPITAL					
	As At 31.03.2022		As At 31.03.2021		
	No. of Shares (in'000')	Amount (in '000)	No. of Shares (in'000')	Amount (in '000)	
i) Authorised, Issued, Subscribed and Paid up					
Authorised					
Equity Shares of Rs. 1/- (P.Y.Rs. 10/-) each.	32,000.00	32,000.00	3,200.00	32,000.00	
0.1% (P.Y.2%) Non Convertible Cumulative Redeemable Preference of Rs.100 each	480.00	48,000.00	480.00	48,000.00	
	-	-	-	-	
Issued Subscribed and Paid up					
Equity Shares of Rs. 1/- (P.Y.Rs. 10/-) each fully paidup.	30,000.00	30,000.00	3,000.00	30,000.00	
0.1% (P.Y.2%) Non Convertible Cumulative Redeemable Preference of Rs.100 each	260.00	26,000.00	480.00	48,000.00	
ii) Terms, rights attached to equity shares					

Particulars	(In '000)	(In '000)
	For the year ended 31st March 2022	For the year ended 31st March 2021
Note-14: INTEREST INCOME		
Interest from Liquid Funds	-	23.34
Interest from Loans	1058.16	2167.15
Interest from Tax Free Bonds	1932.13	2993.19
Interest from FDR	54.27	-
	3044.56	5183.68
Note-15: PROFIT FROM F&O/JOBING		
Profit in F&O	(19,104.49)	(87,109.35)
Profit in Jobbing	(920.80)	(328.86)
	(20,025.28)	(87,438.21)
Note-16: NET GAIN/(LOSS) ON FAIR VALUE CHANGE		
Gain/(Loss) on Fair Market Value of Tax Free Bonds	(146.63)	2,423.18
	-	-
Note-17: OTHER INCOME		
Gain on sale of Investments	95.59	-
Note-18: PURCHASES		
Purchase of Shares	471,816.31	261,931.37
Expenses related to Purchase	867.48	622.30
	472,683.79	262,553.67
Note-19: (INCREASE)/ DECREASE IN CLOSING STOCK		
Opening Stock	66738.00	28765.51
Less: Closing Stock	79912.04	66738.00
	(13,174.04)	(37,972.49)
Note-20: EMPLOYEE BENEFIT EXPENSES		
Salaries	1037.00	920.20
Bonus	33.10	-
	1070.10	920.20
Note-21: OTHER EXPENSES		
SLB Fee	-	-0.83
Software Charges	20.30	-
Advertisement	67.96	53.44
Electricity Expenses	-	-

Compliance Charges	85.48	60.29
Donation	400.00	-
House Tax	22.48	-
Listing Fee	354.00	354.00
Printing & Stationery	15.13	11.56
Professional Charges	100.00	100.00
Postage & Courier	16.15	-
Rent Paid	70.80	70.80
Stock split fee	107.38	-
Telephone Expenses	3.41	3.88
Vehicle Maintenance	44.50	31.17
Website Expenses	3.66	3.66
Misc. Expenses	3.68	23.05
Auditors Remuneration:		
Audit Fee	29.50	29.50
Tax Audit Fee	17.70	-
Insurance	5.42	6.89
Provision against Standard Assets	-	-
	1367.54	747.40
Note-22: FINANCE COST		
Dividend on Preference Shares	37.00	960.00
Bank Charges	0.04	-
Penal Charges	4.66	5.51
	41.70	965.51
Note-23: EARNINGS PER SHARE (EPS)		
Basic EPS is calculated in accordance with Ind AS 33, 'Earning Per Share' by dividing the profit for the year attributable to equity holders of the company by the weighted average number of equity holders outstanding during the year.		
Diluted EPS is calculated by dividing the profit attributable to equity shares of the company by the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into Equity share of the Company.		
The following reflects the income and share data used in basic & diluted EPS computations:		
	For the year ended 31st March	
Particulars	2022	2021
(A) Net Profit attributable to equity shareholders	34583.68	4474.63
(B) Weighted average number of equity shares for basic earning per share	30000.00	30000.00
Effect of dilution	-	-
(c) Weighted average number of equity shares for		
Diluted earning per share	30000.00	30000.00
Earning per share (Basic) A/B	1.15	0.15
Earning per share (diluted) A/C	1.15	0.15

(Note: Previous year figure of EPS has been restated on the basis of number of Equity Shares available after split of shares into Rs. 1 per share from Rs. 10 per share in this Year. This has been done to make both the figures comfortable.

Note-24: SEGMENT REPORTING

On the basis of nature of activity carried out, The Company has identified two reportable primary segments, i.e. Real Estate segment and NBFC activity segment. The disclosure, as per Ind AS 108 for both the segments is as under:

		Real Estate		NBFC	
		2022	2021	2022	2021
Gross Revenue		2480.00	2360.00	505719.00	229840.00
Net Income (before tax)		2457.00	1815.00	43039.00	2622.00
Capital Employment		14103.00	15082.00	119219.00	105657.00

Note-25: DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES AS REQUIRED BY IND AS 24

Name of related party & nature of relationship	Nature of Transaction	Transaction value		Outstanding amount carried in Balance Sheet	
		2022	2021	2022	2021
(A) Key management personnel (KMP) and their relatives					
1. Arun Khera (Director)	Dividend on Preference shares	37.00	960.00	37.00	960.00
	Rent paid	70.80	70.80	-	-
	Rental Income earned	1,800.00	1,800.00	-	-
	Loan taken (paid back)	(42,500)	42,500.00	-	42,500.00
(B) Entities in which KMP and their relations have significant Influence					
1. Smart Equity Brokers Pvt Ltd.	Brokerage paid	109.77	72.74	-	-
	Receivable against business transaction	-	-	6,894.95	17,589.06

Note-26: LEASES

As a Lessor:

The Company has given two premises on operating leases. These lease arrangements are for a period of eleven months and are cancellable lease. The lease arrangements are renewable for further period on mutually agreeable terms and also include escalation clause.

PARTICULARS		As at 31.03.2022		As at 31.03.2021	
I) Properties & Fixtures					
Gross Carrying Amount		18400.00		18400.00	
Depreciation for the year		545.00		545.00	
Accumulated Depreciation		3863.00		3318.00	

II) The estimated total future minimum lease receivable at the Balance Sheet date are as under:

Receivable					
------------	--	--	--	--	--

SMART FINSEC LIMITED

With in one year			2400.00		2640.00	
After one year but not more than three years			4800.00		5280.00	

Note-27: RELATIONSHIP WITH STRUCK OFF COMPANIES

The company has not transacted any business activity with any company, the name of which has been stuck off u/s. 248/560 of the companies Act, 2013.

Note-28: DICLOSURE OF RATIOS

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reasons for Variance (if above 25%)
(a) CRAR- Capital to risk weighted assets ratio	Equity Capital + other Equity + subordinator Liability C.Y. 13,33,22,453 P.Y. 16,28,66,514	Risk Weight attached as follow: Loan: 20 Investments: 20 Inventories: 20 C.Y. 2,19,11,494 P.Y. 2,63,38,918	6.08	6.18	1.62	NA

(b) CRAR - Tier I Capital (%)	Equity Capital + other Equity + subordinator Liability C.Y. 10,73,22,453 P.Y. 11,48,66,514	Risk Weight attached as follow: Loan: 20 Investments: 20 Inventories: 20 C.Y. 2,19,11,494 P.Y. 2,63,38,918	4.90	4.36	12.38	NA
(c) CRAR - Tier II Capital (%)	Equity Capital + other Equity + subordinator Liability C.Y. 2,60,00,000 P.Y. 4,80,00,000	Risk Weight attached as follow: Loan: 20 Investments: 20 Inventories: 20 C.Y. 2,19,11,494 P.Y. 2,63,38,918	1.18	1.82	35.16	Commulative Preference shares were partly redeemed during this year, hence some part of Tier- II Capital got converted to Tier- I.
(d) liquidity coverage Ratio						
The company does not have any outside liability & hence no cash outflow is needed. Hence this ratio is not applicable.						

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2022					
EQUITY SHARE CAPITAL					
					(In '000)
Particulars	Note no.				Year ended 31.03.2022
1. Current reporting period					
Balance at the beginning of the current reporting period					30,000.00
Changes in Equity Share Capital due to prior period errors					-
Restated balance at the beginning of the current reporting period					30,000.00
Changes in equity share capital during the year					-
Balance at the end of the current reporting period					30,000.00
2. Previous reporting period					
Balance at the beginning of the current reporting period					30,000.00
Changes in Equity Share Capital due to prior period errors					-
Restated balance at the beginning of the current reporting period					30,000.00
Changes in equity share capital during the year					-
Balance at the end of Previous reporting period					30,000.00
OTHER EQUITY					
(1) Current reporting period	13	Statutory Reserve u/s. 45IC of RBI Act, 1934	Retained Earnings	Capital Redemption Reserve	Other Comprehensive Income
Balance at the beginning of the current reporting period		8,530.86	34,207.91	-	-
Changes in accounting policy or prior period errors		-	-	-	-
Restated balance at the beginning of the current reporting period		8,530.86	34,207.91	-	-
Total comprehensive income for the current Year		-	33,822.38	-	-
Transfer to Reserve Fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		6,764.50	(6,764.50)	-	-
Transferred to Capital Redemption Reserve		-	(22,000.00)	22,000.00	-
Balance as at 31 March 2022		15,295.36	39,265.79	22,000.00	-
(2) Previous reporting period					
Balance at the beginning of the current reporting period		7,635.93	30,628.21	-	-
Changes in accounting policy or prior period errors		-	-	-	-
Restated balance at the beginning of the current reporting period		7,635.93	30,628.21	-	-
Total comprehensive income for the current Year		-	4,474.63	-	-
Transfer to Reserve Fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		894.93	(894.93)	-	-
Excess Provision of earlier years		-	-	-	-
Balance as at 31 March 2021		8,530.86	34,207.91	-	-

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

(Arun Kherra)
Managing Director
DIN:00055694

(Sachit Kherra)
Director
DIN:03536957

(Harsh Kumar Dua)
Partner
Membership No. : 080727
Place:New Delhi
Dated: 27 May, 2022

(Priyanka Sharma)
Company Secretary

(Shashi Sharma)
CFO

PARTICULARS OF DEPRECIATION ALLOWABLE AS PER THE INCOME TAX ACT, 1961						
						(In '000)
Description/	W.D.V as on	Additions	Sales	Total	Depreciation	W.D.V. as on
Block of Assets	01.04.2021					31.03.2022
10% BLOCK						
Furniture & Fixture	3,078.62	-	-	3.08	-	0.00
	-	-	-	-	-	-
	-	-	-	-	-	-
15% BLOCK	-	-	-	-	-	-
Cell Phone	0.24	-	-	0.00	-	0.00
Invertor	0.22	-	-	0.00	-	0.00
Electric Generator	0.25	-	-	0.00	-	0.00
Car	180.87	-	-	0.18	-	0.00
	-	-	-	-	-	-
60% BLOCK	-	-	-	-	-	-
Computer	0.19	-	-	0.00	-	0.00
TOTAL	4,053,294.15	-	-	3.26	-	0.00

SMART FINSEC LIMITED

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