

**28<sup>th</sup> ANNUAL**

**REPORT**

**2022-2023**



**SMART FINSEC LIMITED**



## CORPORATE INFORMATION

### Board of Directors

Mr. Arun Khera	Managing Director
Mr. Sachit Khera	Non-Executive Director
Mrs. Vimmi Sachdev	Non-Executive Director
Mr. Vishesh Chaturvedi	Non-Executive Independent Director
Ms. Parul Pathak	Non-Executive Independent Director

### Key Managerial Personnel

Mr. Arun Khera	Managing Director
Ms. Rajvinder Kaur	Company Secretary & Compliance Officer
Mrs. Shashi Sharma	Chief Financial Officer

### Statutory Auditor

A. Mohan & Co.  
Chartered Accountants  
B-32, Kirti Nagar, New Delhi-110015.

### Secretarial Auditor

P.K. Mishra & Associates.  
Company Secretaries  
13, Community Centre, 2nd Floor, East of Kailash, New Delhi-110065

### Registrar and Share Transfer Agent

M/s Alankit Assignments Limited  
Registered Office: 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi-110055  
Corporate Office: Alankit House 4E/2, Jhandewalan Extension, New Delhi-110055

### Registered Office

F-88, West District Centre, Shivaji Enclave, Rajouri Garden, Opp. TDI Paragon Mall, New Delhi 110027.  
Email Id:-smartfinsec@gmail.com  
Website: www.smartfinsec.com  
CIN:- L74899DL1995PLC063562

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**NOTICE OF 28<sup>th</sup> ANNUAL GENERAL MEETING****SMART FINSEC LIMITED**

**Registered Office:** F-88, West District Centre, Shivaji Enclave, Rajouri Garden,  
Opp. TDI Paragon Mall, New Delhi 110027

**Corporate Identity Number:** L74899DL1995PLC063562

**Website:** www.smartfinsec.com; **Email:** smartfinsec@gmail.com

**Tel:** +011 – 45004425

NOTICE is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of SMART FINSEC LIMITED (“the Company”) will be held on Tuesday, September 26, 2023 at 11:00 a.m. (IST) through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM). The venue of the meeting shall be deemed to be the registered office of the Company to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone Financial statements of the company for the financial year ended March 31, 2023, including the Audited Balance Sheet as at March 31, 2023, the statement of Profit and Loss and the Cash Flow Statement for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon.

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

**“RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Statutory Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”

2. To appoint a director in place of Mr. Sachit Khara (DIN: 03536957), who retires by rotation and being eligible, offers himself for re-appointment.

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, Mr. Sachit Khara (DIN: 03536957), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as the Director of the Company.”

**SPECIAL BUSINESS:**

3. **To make loan(s) and to give guarantee(s), provide security (ies) or make investment(s) in terms of Section 186 and Section 185 of the Companies Act, 2013**

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

**“RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 (the “Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any statutory modification, amendment or re-enactment thereof



for the time being in force), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to (a) give any loan to any person or other body corporate; (b) give any guarantee or provide any security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as the Board may in their absolute discretion deem beneficial and in the interest of the Company, up to an aggregate amount not exceeding Rs. 200,00,00,000 (Rupees Two Hundred Crores only) outstanding at any time, over and above the limit of sixty per cent of the paid-up share capital, free reserves and securities premium account of the Company or one hundred per cent of free reserves and securities premium account of the Company, whichever is more.

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 185 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Companies Act, 2013 (including any statutory modification, amendment or re-enactment thereof for the time being in force) the consent of the Members of the Company be and is hereby accorded for advancing loan and / or giving of guarantee(s), and / or providing of security(ies) in connection with any loan taken / to be taken from financial institutions / banks / insurance companies / other investing agencies or any other person(s) / bodies corporate by any entity(ies) covered under the category of ‘a person in whom any of the director of the company is interested’ as specified in the explanation to Sub-section (b) of Section 2 of the said section, of an aggregate outstanding amount up to a sum not exceeding Rs. 200,00,00,000/- (Rupees Two Hundred Crores only) and the said loan/ guarantee/security given / to be given by the Company shall be utilised for the principal business activities of the recipient entity(ies).

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of the Company be and is hereby authorized to take from time to time all decisions and such steps as may be necessary for giving loans, guarantees or providing securities or for making such investments and to execute such documents, deeds, writings and papers as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate for giving effect to this Resolution.”

**4. Alteration in Object clause of the Memorandum of Associations of the Company and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, as well as any other applicable laws for the time being in force & such other approvals, permissions and sanctions, as may be necessary, the consent of the members of the Company be and is hereby accorded, for the alteration of the object clause of the Memorandum of Association of Company as under:

**(A) The Main Objects to be Pursued by the Company on its Incorporation are:**

**1. Clause III A (5) to be added as following:**

To carry on the business of a loan and finance company and to lend and advance money or give credit on mortgage of immovable property or on hypothecation or pledge of movable property to such persons, companies and body corporates on such terms as may seem expedient and in particular to the present



and / or prospective customers and / or others dealing with the Company and to guarantee the performance of any contract or obligation and the payment of money to any such person, companies and body corporates and generally to give guarantee and indemnities provided that the Company shall not carry on the business of banking as defined by the Banking Regulation Act, 1949.

**(B) Objects Incidental or Ancillary to The Attainment of the Main Objects:**

1. The following clause be inserted as new clause III B (51):

To guarantee the payment of money unsecured or secured or to guarantee or become sureties for the performance of any contracts or obligations by creating mortgages or charges upon all or any part of the undertaking, property and rights of the company either present or future or both.

**“RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company, be and are hereby authorised severally to do and perform all such acts, deeds, matters and things as may be necessary, proper or expedient and to settle any questions, difficulty or doubts that may arise in regard thereto, without requiring to seek any such further consent or approval of the Members of the Company or otherwise, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, acceptance of any changes as may be suggested by the Registrar of Companies and/or any other competent authority, for the purpose of giving effect to this Resolution.”

**By the Order of the Board,  
For Smart Finsec Limited**

**Date: August 28, 2023  
Place: New Delhi**

**Sd/-  
Rajvinder Kaur  
Company Secretary**

**Notes:**

1. In compliance with the provisions of Companies Act, 2013 read with the Ministry of Corporate Affairs (“MCA”) General Circular No. 10/2022 dated 28th December, 2022, read with General Circular Nos. 02/2022 dated 05th May, 2022, 21/2021 dated 14th December, 2021, 19/2021 dated 08th December, 2021, 02/2021 dated 13th January, 2021 and 20/2020 dated 05th May, 2020 (“the MCA Circulars”) and Securities Exchange Board of India (“SEBI”) Circulars dated 05th January, 2023 read with circulars dated 13th May, 2022, 15th January, 2021 and 12th May, 2020 (“SEBI Circulars”) (MCA Circular and SEBI Circular collectively referred as Circulars) the 28th Annual General Meeting of the Company is being conducted through VC/OAVM. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
2. The relevant explanatory statement pursuant to the provisions of Section 102 of the Act setting out the material facts and reasons, concerning each item of special business is annexed herewith.
3. A statement giving relevant details of the directors seeking appointment/ reappointment under Item No. 2 of the accompanying notice, as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed herewith as Annexure-I.
4. Since the AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC or OAVM in terms of the Circulars, the physical attendance of Members has been dispensed with, there is no requirement for appointment of proxies. 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 this Notice.



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. Corporate/Institutional members (i.e. other than individuals, HUF, NRI, etc) are required to send scanned copy of its Board or governing body resolution/authorization etc., authorizing its representative to attend AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization be sent to the Scrutinizer by email through its registered email address to [pkmishra59@yahoo.com](mailto:pkmishra59@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Since the AGM will be held through VC / OAVM Facility, the Route Map is not annexed to this Notice.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the aforesaid MCA and SEBI Circulars the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
9. In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report 2022- 23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice calling AGM along with the explanatory statement and Annual Report 2022-23 are available on the website of the Company at [smartfinsec.com](http://smartfinsec.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
10. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with the RTA in case the shares are held by them in physical form.
11. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Tuesday, September 19, 2023 shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of AGM.
12. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.



13. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
14. Securities and Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participant(s).
15. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 20, 2023 to Tuesday, September 26, 2023 (both days inclusive).

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:**

**The remote e-voting period begins on Saturday, September 23, 2023 at 9:00 A.M. and ends on Monday, September 25, 2023 at 5:00 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. Tuesday, September 19, 2023, 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, being Tuesday, September 19, 2023.**

**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.	1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the " <b>Beneficial Owner</b> " icon under " <b>Login</b> " which is available under ' <b>IDeAS</b> ' 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 " <b>Access to e-Voting</b> " under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-





	<p>directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <ol style="list-style-type: none"> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></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> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> </ol>





	<p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 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.

**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
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for 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.nsd.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:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your 'initial password'?
  - 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'.
  - 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:

- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- 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 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](mailto:pkmishra59@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to (Pallavi Mhatre – Senior Manager) at [evoting@nsdl.co.in](mailto: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](mailto: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](mailto:smartfinsec@gmail.com). 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.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE 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 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" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join 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](mailto: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](mailto:smartfinsec@gmail.com). The same will be replied by the Company suitably. 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:**

1. 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.
2. 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.

**For and on Behalf of the Company  
Smart Finsec Limited**

**Sd/-**

**Rajvinder Kaur  
Company Secretary**

**Date: August 28, 2023**

**Place: New Delhi**



## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 3**

Pursuant to the provisions of Section 186(2) read with sub-section(3) of section 186 of the Companies Act, 2013 (the "Act"), the Company shall not directly or indirectly(a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is higher unless previously authorised by a special resolution passed in general meeting of the Company.

Further, Pursuant to Section 185 of the Companies Act, 2013, a Company may advance any loan including any loan represented by book debt, or give any guarantee or provide any security in connection with any loan taken to any person in whom any of the Directors of the Company is interested after passing a special resolution in the general meeting.

M/s Smart Equity Brokers Private Limited, a private company in which directors of the Company are interested (as defined in section 185 of the Act) availed financial assistance by way of Credit Facilities from Axis Bank Limited for which they have sought corporate guarantee from your Company to secure the repayment of the Guaranteed Obligations in accordance with sanctioned terms. The Credit Facility shall be utilized for their business activities only. The respective facilities, in addition to proposed guarantee from your Company, shall also be secured by way of lien on FDR and personal guarantees of the promoters of the said company.

However, Pursuant to Section 185(3) and Section 186(11) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014 the finance facilities granted by NBFC companies are considered as an ordinary course of business and does not attract the provisions of Section 185 and other applicable provisions of Section 186 of the Companies Act, 2013. Though, as an abundant caution and in order meet the legal requirements of Axis Bank Limited the Board decided to seek approval of the shareholders pursuant to the provisions of Section 186 & 185 of the Act.

Further, The Board has considered that in the ordinary course of business, the Company is required to give loans provide guarantee and security to any person or other body corporate and may have to render support for the business requirements of its group companies, in which the directors of the Company are interested in terms of Section 185 of the Companies Act, 2013, which may be backed by corporate guarantee of the Company, as and when required. Therefore, pursuant to Section 186 & 185 of the Act consent of the members by way of a special resolution is obtained for giving loan(s) or providing financial assistance or providing guarantee or securities in connection with the loans taken or to be taken by any person or other body corporate or the said group companies.

Accordingly, the Board of Directors recommends the resolution set out under Item No. 3 for the approval of members by passing a Special Resolution.

Except Mr. Arun Khera, Managing Director and Mr. Sachit Khera, Non-Executive Director and their relatives, none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

### **Item No. 4**



Over the years, there have been significant developments/changes in technology, business practices, economic and commercial environment, both at the international and domestic level, which have led to emergence of various new business opportunities to NBFCs. In order to enable the Company to explore various suitable business opportunities and carry on such other businesses to expand its area of operations, it was considered expedient to insert new clauses in the existing MOA.

Brief highlights of alterations proposed in the MOA are as follows:

Sr. No.	Proposed text of the Clause	Reason for changes
1	To carry on the business of a loan and finance company and to lend and advance money or give credit on mortgage of immovable property or on hypothecation or pledge of movable property to such persons, companies and body corporates on such terms as may seem expedient and in particular to the present and / or prospective customers and / or others dealing with the Company and to guarantee the performance of any contract or obligation and the payment of money to any such person, companies and body corporates and generally to give guarantee and indemnities provided that the Company shall not carry on the business of banking as defined by the Banking Regulation Act, 1949.	In order to widen the scope of Main Object.
2	To guarantee the payment of money unsecured or secured or to guarantee or become sureties for the performance of any contracts or obligations by creating mortgages or charges upon all or any part of the undertaking, property and rights of the company either present or future or both.	To widen the scope of Object Clause.

Copy of the proposed MOA is available on the website of the Company at [www.smartfinsec.com](http://www.smartfinsec.com) and is also available for inspection by the Members at the Registered Office of the Company on any working day between 3.00 P.M. to 5.00 P.M. upto the last date of exercising the remote e-voting by Members i.e. 25th September 2023.

As per the provisions of Section 13 and other applicable provisions, if any, of the Act read with the Companies (Incorporation) Rules, 2014, approval of the Members of the Company by way of Special Resolution is required for adoption of altered MOA.

Accordingly, the Board recommends the Resolution set out under Item No. 4 for approval by the Members as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives, except to the extent of their shareholding in the Company, if any, is concerned or interested, financially or otherwise, in the aforesaid Special Resolution.



Annexure-IANNEXURE TO ITEM NO. 2 OF THE NOTICEDetails of Directors Seeking Appointment/Re-Appointment at The Annual General Meeting

**[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings]**

Name of the Director	Mr. Sachit Khera
DIN	03536957
Date of Birth	28-06-1990
Age	33
Date of first Appointment on the Board	11-01-2022
Brief Resume	He is having more than 10 years of Experience in the Field of Finance, He has expertise in his field.
Qualifications	ACA, B.Com
Expertise in specific functional areas	Corporate Laws, Capital Markets & Financial Services
No. of Board Meetings attended during the FY 2022-23	5
Directorships of other Board	1.Smart Equity Brokers Private Limited 2.Smartgain Capital Management Private Limited 3. Saheli Trading Private Limited 4. Khushal Investments Private Limited
Membership/Chairmanship of Committees of other Board	NIL
Number of Shares held in the Company	9,00,000
Inter-se relationship with other Directors, Manager and Key Managerial Personnel	He is the 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.
Terms and Conditions of appointment or re-appointment	Proposed to be liable to retire by rotation
Remuneration last drawn	Nil
Remuneration sought to be paid	Nil



## DIRECTORS' REPORT

To,  
The Members,  
Smart Finsec Limited

Your Directors are pleased to presents the 28<sup>th</sup> Annual Report along with the Audited Financial Statement of the company for the year ended March 31, 2023 (FY 2022-23).

### 1. FINANCIAL PFORMANCE

The highlights of the financial performance of the Company are summarized herein below:

Particulars	(Rs. In Lakhs)	
	F.Y. ended 31.03.2023	F.Y. ended 31.03.2022
Revenue from Operation	3,075.48	5081.99
Other Income	Nil	Nil
Depreciation	5.45	5.45
Profit/ (Loss) before Tax	191.91	454.96
Profit/ (Loss) after Tax	141.25	345.84

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.

### 2. TRANSFER TO RESERVE

As per Section 45 IC of Reserve Bank of India Act, 1934, the Company has transferred Rs. 29,00,000 in Statutory Reserve.

### 3. DIVIDEND

During the period under review, Partial Dividend of Rs. 24,000 paid to Mr. Arun Khera @ 0.1% Non-Convertible Redeemable Preference Shares 2,60,000 @ Rs. 100 (During the year, the Board of Directors Redeemed 1,20,000 Preference shares out of 2,60,000 Cumulative Non-Convertible Redeemable Preference shares, face value of Rs. 100 each, so dividend paid partially).

### 4. SHARE CAPITAL

The paid-up Equity Share Capital as on 31<sup>st</sup> March, 2023 stood at Rs. 3, 00, 00,000 /- (Rs. Three Crore) and 1,40,000 Non-Convertible Cumulative Preference shares of Rs. 100 Each.

During the year under review, the Board of Directors on February 07, 2023 decided to Redeem 1,20,000 Cumulative Non-Convertible Redeemable Preference shares, out of 2,60,000 Cumulative Non-Convertible Redeemable Preference shares of face value Rs. 100 each. Redemption of Preference shares has been done out of Profit of the Company.

### 5. CHANGE IN THE NATURE OF BUSINESS

During the period under review, there was no such changes in the nature of business of the Company.

### 6. DEPOSIT

Being a non-deposit taking Company, your Company has not accepted any deposits from the public during the year under review.



## 7. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, the Company was not required to transfer any funds or shares to the Investor Education and Protection Fund established by Central Government

## 8. LISTING ON STOCK EXCHANGE

The shares of the Company are listed on main platform of BSE Limited. The International Securities Identification Number (ISIN) of company is INE766D01020 and the Scrip code is 539494.

## 9. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

As on March 31, 2023, the Board comprises of 5 Directors, four of whom are Non-Executive (of which two are Independent Directors) and one Executive Director. During the year under review following changes were taken place in the composition of Board of Directors of the Company:

- Mr. Sachit Khara, who was appointed as an Additional Director w.e.f. 11<sup>th</sup> January, 2022 was regularised by the members of the Company at the AGM held on September 30, 2023 as a Director of the Company.
- Mr. Vishesh Chaturvedi and Ms. Parul Pathak was appointed as an Additional Independent Directors of the Company w.e.f. 31<sup>st</sup> March 2022. Later on, members of the Company approved the appointment of Mr. Vishesh Chaturvedi and Ms. Parul Pathak as an Independent Directors for a term of 5 consecutive years commencing from March, 31, 2022 at the Annual General Meeting held on 30<sup>th</sup> September, 2022.
- Ms. Vimmi Sachdev who was liable to retire by rotation was reappointed by the members vide ordinary resolution at the AGM held on September 30, 2022.
- Ms. Sangita Jain and Mr. Arjun Pahwa has resigned from the post of Independent Director w.e.f. 10<sup>th</sup> April, 2022.

Pursuant to the provisions of Section 152 of the Companies Act 2013, Mr. Sachit Khara is liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The resolution seeking Members approval for his re-appointment forms part of the AGM Notice. The Board of Directors of your Company has recommended his re-appointment.

### Key Managerial Personnel

The following persons are the Key Managerial Personnel ('KMP') of the Company as on March 31, 2022 in terms of the provisions of Section 203 of the Companies Act;

Mr. Arun Khara (Managing Director),  
Mrs. Priyanka Sharma (Company Secretary & Compliance Officer)  
Mrs. Shashi Sharma (Chief Financial Officer)

Mrs. Priyanka Sharma has resigned w.e.f. from 30<sup>th</sup> June, 2023 (close of business hours) and the The Board of Directors in their Board Meeting held on 30<sup>th</sup> June, 2023 has appointed Ms. Rajvinder Kaur as a Company Secretary & Compliance Officer w.e.f. 3<sup>rd</sup> July 2023.

## 10. INDEPENDENT DIRECTORS

The Independent Directors of the Company have been appointed by the members for a fixed term of 5 (five) consecutive years from their respective dates of appointment / regularization in the AGM and they are not liable to retire by rotation as per the requirements of the Act and Listing Regulations, 2015.



The Company has received necessary declaration from all the independent directors that they meet the criteria of Independence throughout the year as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

### Meeting of Independent Director

The Independent Directors met once during the year as on 20<sup>th</sup> March, 2023 without the attendance of Non-Independent Directors and the members of the Management.

The Independent Directors, inter alia, reviewed the performance of Non- Independent Directors and the Board as a whole; the performance of the Chairman of the Company and assessed 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.

## 11. MEETINGS OF BOARD OF DIRECTORS

All the board meetings were held in compliance with section 173 of the Companies Act, 2013 as the intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2015.

Four (5) meetings of the Board were held during FY 2022-2023 held on May 27, 2022, August 10, 2022, September 03, 2022, November 14, 2022 and February 07, 2023. The maximum gap between any two meetings did not exceed one hundred and twenty (120) days.

The Company has complied with the requirements prescribed under the Secretarial Standards issued by the Institute of Company Secretaries of India on meetings of the board of directors (SS-1) and general meetings (SS-2).

## 12. COMMITTEES OF BOARD

The Board has constituted necessary Committees pursuant to the provisions of the Companies Act, 2013, rules framed there under and SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015. The Committees of the Board comprises of Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee.

The details about Composition of Committees and their Meetings are given below:

### Audit Committee

The Company has constituted Audit Committee as per requirement of Section 177 of the Companies Act 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The terms of reference of Audit Committee are broadly in accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. During the year the committee met on four occasions on following dates viz., 02nd June, 2022, 22nd August, 2022, 11th November, 2022 and 9th February, 2023.

Composition and Attendance of Members at the meetings of the Audit Committee held during the financial year 2022-23 are mentioned below:

Name of the Member	Category	No. of meetings held	No. of meetings attended
Mr. Vishesh Chaturvedi	Chairman, Independent Director	4	4
Ms. Parul Pathak	Member, Independent Director	4	4
Mr. Arun Khara	Member, Managing Director	4	4



Ms. Sangita Jain and Mr. Arjun Pahwa resigned from the Directorship of the Company w.e.f.10<sup>th</sup> April, 2022. Accordingly, they also ceased from membership of the committee and Mr. Vishesh Chaturvedi (DIN: 09370037) and Ms. Parul Pathak was appointed as an Additional Independent Director of the Company w.e.f. 31<sup>st</sup> March, 2022.

The Board of Directors in their Board Meeting held on 31<sup>st</sup> March, 2022 has re-constituted Committee consisting of Mr. Vishesh Chaturvedi (Chairman), Ms. Parul Pathak and Mr. Arun Khera as Members of the Committee.

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

### Nomination and Remuneration Committee

The Company has constituted Nomination & Remuneration Committee as per requirement of Section 178(1) of the Companies Act 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The terms of reference of Nomination & Remuneration Committee are broadly in accordance with the provisions of Companies Act, 2013. During the year the committee met once on 18<sup>th</sup> August, 2022.

Composition and Attendance of Members at the meetings of the Nomination & Remuneration Committee held during the financial year 2022-23 are mentioned below:

Name of the Member	Category	No. of meetings held	No. of meetings attended
Mr. Vishesh Chaturvedi	Chairman, Independent Director	1	1
Ms. Parul Pathak	Member, Independent Director	1	1
Ms. Vimmi Sachdev	Member, Non-Executive Director	1	1

Ms. Sangita Jain and Mr. Arjun Pahwa resigned from the Directorship of the Company w.e.f.10<sup>th</sup> April, 2022. Accordingly, they also ceased from membership of the committee and Mr. Vishesh Chaturvedi (DIN: 09370037) and Ms. Parul Pathak was appointed as an Additional Independent Director of the Company w.e.f. 31<sup>st</sup> March, 2022.

The Board of Directors in their Board Meeting held on 31<sup>st</sup> March, 2022 has re-constituted Committee consisting of Mr. Vishesh Chaturvedi (Chairman), Ms. Parul Pathak and Ms. Vimmi Sachdev as Members of the Committee.

### Stakeholder's Relationship Committee

As required under Section 178(5) of the Companies Act, 2013, the Board has in place Stakeholders Relationship Committee to specifically looks into the mechanism of redressal of grievances of shareholders. During the year the committee met once on 18<sup>th</sup> March, 2023.

Composition and Attendance of Members at the meetings of the Stakeholders Relationship Committee held during the financial year 2022-23 are mentioned below:

Name of the Member	Category	No. of meetings held	No. of meetings attended
Ms. Sachit Khera	Chairman, Non-Executive Director	1	1
Mr. Vishesh Chaturvedi	Member, Independent Director	1	1
Mr. Arun Khera	Member, Managing Director	1	1

The Board of Directors in their Board Meeting held on 07<sup>th</sup> February, 2023 has constituted Committee consisting of Ms. Sachit Khera (Chairman), Mr. Vishesh Chaturvedi, and Mr. Arun Khera as Members of the Committee.



### 13. ANNUAL EVALUATION OF DIRECTORS, COMMITTEES AND THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The performance of the Board as a whole was evaluated by the Board after seeking inputs from all the Directors based on criteria such as structure of the Board, meetings of the Board, functions of the Board, effectiveness of the board processes, professional development etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members based on criteria such as composition of committees, effectiveness, Committee meetings, independence of committee from the Board, etc.

The performance of the individual Directors was evaluated by Nomination and Remuneration Committee as well as the Board after seeking inputs from all the Directors except the Director being evaluated based on criteria such as qualifications, experience, knowledge & competency, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of the Executive Directors and Non-Executive Directors.

### 14. VIGIL MECHANISM

In accordance with the provisions of Section 177(9) of the Companies Act, 2013, read with Rule 7 of the Companies (Meeting of the Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a "Whistle Blower Policy" which provides a mechanism to ensure adequate safeguards against victimization of Directors and Employees and ensures that the activities of the Company and its employees are conducted in a fair and transparent manner. The Employees of the Company have the right/option to report their concerns/grievances to the Chairperson of the Audit Committee.

During the year under review, the Company had not received any complaint under Whistle Blower Policy and no complaint was pending as on March 31, 2023.

### 15. DIRECTOR RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Act:

- i. that in preparation of the annual financial statements for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. that appropriate accounting policies have been selected & applied consistently & judgments and estimates made are reasonable & prudent so as to give a true & fair view of the state of affairs of the Company at the end for the financial year and of the profits of the Company for the financial year ended March 31, 2023;



- iii. that proper & sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company & for preventing & detecting fraud & other irregularities;
- iv. that the annual accounts have been prepared on a going concern basis;
- v. that the Company had laid down internal financial controls to be followed and that such internal financial controls are adequate and were operating effectively; and
- vi. that systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively

## **16. AUDITORS AND AUDITOR'S REPORTS**

### **A. Statutory Auditor**

In terms of Section 139 of the Act, the members of the company at 27<sup>th</sup> AGM appointed M/s A. Mohan & Co., Chartered Accountants (FRN. 017403N) as statutory auditors of the company for a period of five years commencing from the financial year 2022-23 until the financial year 2026-27. The statutory auditors have confirmed they are not disqualified from continuing as auditors of the Company.

The report of the auditors is self-explanatory and there are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their audit report on the financial statement for the year ended 31<sup>st</sup> March, 2023.

### **B. Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Act and rules made there under, the Board has appointed M/s P.K. Mishra & Associates, Practising Company Secretary, to conduct Secretarial Audit of company for the financial year 2022-23.

The Secretarial Audit Report for the financial year ended March 31, 2023, is annexed to this report as Annexure III. The Secretarial Audit Report is self-explanatory and there are no qualifications, reservations or adverse remarks made by the Secretarial Auditor.

## **17. REPORTING OF FRAUDS**

During the year under review, the Statutory Auditor or Secretarial Auditor have not reported any instances of fraud in the Company committed by officers or employees of the Company under Section 143(12) of the Companies Act, 2013.

## **18. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES COMPANIES**

The Company has no subsidiary Company or Associate Company. The Company has not entered into any joint venture during the year under review.

## **19. RELATED PARTY TRANSACTIONS**

During the year under review, all contracts/arrangements/transactions entered into by the Company with related parties were in ordinary course of business and on an arm's length basis in compliance with the applicable provisions of the Act and SEBI Listing Regulations. There was no material related party transactions by the Company during the year under review. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable. Attention of the members is drawn to Note No. 29 to the Financial Statements which sets out related party disclosure.





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

In view of the nature of the activities carried out by the Company, disclosure in terms of Section 134 (3) (m) of the Companies Act 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 pertaining to the Conservation of Energy and Technology Absorption is not applicable to the Company. There was no foreign exchange inflow or outflow during the year under review.

## **21. BUSINESS RESPONSIBILITY REPORT**

The Business Responsibility Report as required by Regulation 34(2) of the SEBI Listing Regulations, 2015, is applicable to the Top 1000 companies based on the market capitalisation of the company. Therefore, the requirement of preparing Business Responsibility Report is not applicable to the company.

## **22. ANNUAL RETURN**

In pursuance to the provisions of Section 92(3), read with Section 134(3) (a) of the Companies Act, 2013 the copy of Annual Return for the Financial year ended 31<sup>st</sup> March, 2023 is available on the website of the Company at [www.smartfinsec.com](http://www.smartfinsec.com).

## **23. CORPORATE SOCIAL RESPONSIBILITY**

During the financial year under review, your Company has not met criteria laid down under the provisions of Section 135(1) of the Companies Act, 2013 read with companies (Corporate Social Responsibility Policy) Rules, 2014 and accordingly the provisions Corporate Social Responsibility are not applicable to the Company.

## **24. COST AUDIT**

The provisions of Section 148 read with the Companies (Cost records and Audit) Rules, 2014, pertaining to maintaining of Cost records and cost audit, is not applicable to the Company.

## **25. MANAGEMENT DISCUSSION AND ANALYSIS.**

The Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34 of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed as "Annexure IV" to this Report.

## **26. CORPORATE GOVERNANCE**

Since, the paid- up capital of the Company is less than 10 Crores and Net worth is less than 25 Crores, the provisions of the Corporate Governance as stipulated under Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

Provided that where the provision of the Act becomes applicable to the Company at a later date, the Company shall comply with the requirements within six months from the date on which the provisions become applicable to the Company.

## **27. PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES.**

Since the Company is Non-Banking Financial Company registered with the RBI, the disclosures pertaining to Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are not applicable.

However, the brief particulars can be found in the Financial Statement of the Company for financial year 2022-23.



## **28. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL**

There are no significant material orders passed by the regulators or courts or tribunals which would impact the going concern status and company's operations in future.

## **29. COMPLIANCE WITH RBI GUIDELINES**

Your Company is compliant with all the applicable RBI regulatory norms. Since the company is Non-systematically important Non deposit taking NBFC, the company is complying with all the provisions of the master directions and other applicable circulars, issued in this regard from time to time.

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

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.

## **31. PARTICULARS OF EMPLOYEES**

The information required under section on 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are mentioned as per Annexure – II

## **32. DISCLOSURE OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has zero tolerance towards sexual harassment at workplace and has adopted a policy on prevention, prohibition & redressal of sexual harassment at work place in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has also constituted an Internal Committee under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

There was no complaint on sexual harassment during the year under review.

## **33. IBC CODE & ONE TIME SETTLEMENT**

During the year under review, there were no applications made or proceedings pending in the name of the Company under Insolvency and Bankruptcy Code, 2016. There has not been any instance of one time settlement of the company with any bank or financial institution.

## **34. CAUTIONARY STATEMENT:**

Statements in this Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include changes in Government regulations, Tax regimes, economic developments within India and other ancillary factor.

## **35. APPRECIATION**

We are grateful to the Government of India, Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions and the Company's bankers for their valuable guidance and



support and wish to express our sincere appreciation for their continued co-operation and assistance. We look forward to their continued support in future.

We wish to thank our bankers, investors, customers, Shareholders, Stakeholders and all other business associates for their support and trust reposed in us.

Your Directors express their profound feeling of appreciation for every one of the employees whose responsibility, co-activity, dynamic interest, commitment and polished skill has made the organization's growth possible.

Finally, the Directors thank you for your continued trust and support.

**By Order of the board  
For Smart Finsec Limited**

**Place: New Delhi  
Date: August 28, 2023**

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

**Sd/-  
Sachit Khera  
Director  
DIN:03536957**



## Annexure-II

**DETAILS RELATED TO MANAGERIAL REMUNERATION**

Pursuant to Section 197 and Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY 2022- 23 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company during for Financial Year under review are given below:

(in lakhs)

Sr. No.	Name	Designation	Remuneration paid in F.Y 2022-23	Remuneration paid in F.Y 2021-22	% increase in Remuneration in F.Y. 2022-23	Ratio of remuneration of Director to median remuneration of employees
1	Mr. Arun Khera	Managing Director	-	-	-	-
2	Mr. Sachit Khera	Non-Executive Director	-	-	-	-
3	Ms. Vimmi Sachdev	Non-Executive Director	-	-	-	-
4	Ms. Parul Pathak	Independent Director	-	-	-	-
5	Mr. Vishesh Chaturvedi	Independent Director	-	-	-	-
6	Ms. Priyanka Sharma	Company Secretary	3.84	3.84	Not Increased	1
7	Ms. Shashi Sharma	Chief Financial Officer	3.12	2.88	8.33%	0.81

- The median remuneration of employees during the Financial Year was Rs 3.84 Lakhs.
- The number of permanent employees on the rolls of the Company as on March 31, 2023 was 3.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year was NIL. Average percentage increase made in the salary of the managerial personnel in the last Financial Year- 4%.
- There is no increase in the Managerial Remuneration during the Financial Year 2022-23.
- It is hereby affirmed that the remuneration is paid as per the Remuneration Policy of the Company.

**On Behalf of the Board of Directors  
For Smart Finsec Limited**

Sd/-

**Arun Khera  
Managing Director  
DIN: 00055694**

**Place: New Delhi  
Dated: August 28,2023**



**Form MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

(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)  
F-88, WEST DISTRICT CENTRE, SHIVAJI ENCLAVE, OPP. TDI PARAGON MALL,  
RAJOUR 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**, having CIN: L74899DL1995PLC063562 (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 Company 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, 2023:



- complied with the statutory provisions listed hereunder and
- proper Board-processes and compliance-mechanism in place;

to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the **Smart Finsec Limited** ("the Company) for the Financial Year ended on March 31, 2023 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;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (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;
- (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;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 (**Not Applicable during the review period**);
  - (e) 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 during the period review period**).
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not Applicable during the review period**);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not Applicable during the review period**);
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;



(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars/guidelines issued thereunder;

vi) and other laws applicable to the Company;

The Management has identified and confirmed that no other law specifically is applicable to the Company though there are some internal policies on Sexual Harassment at the work place and other Employee-benefit related issue.

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

- Secretarial Standards issued by the Institute of Company Secretaries of India.
- The Listing Agreement entered into by the Company with BSE Limited (“BSE”).

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 Company has complied with the requirements of Structural Digital Data Base in terms of the Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including various Circulars issued by SEBI, BSE thereunder.
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There have been no changes in the composition of the Board of Directors during the review period.
- 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  
Firm's Registration No.  
S2016DE382600  
Peer Review Certificate No.:  
2656/2022**

**Pawan Kumar Mishra  
Proprietor  
Membership No. FCS-4305  
CP No. 16222**

**Date: 26-05-2023  
Place: New Delhi  
UDIN: F004305E000390372**



## 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**

F-88, West District Centre, Shivaji Enclave,  
Rajouri Garden, Opp. TDI Paragon Mall,  
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 F-88, West District Centre, Shivaji Enclave, Rajouri Garden, Opp. TDI Paragon Mall, 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](http://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 31<sup>st</sup> March, 2023 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: 11<sup>th</sup> August, 2023**

**UDIN: F004305F004305E000787758**

**Peer Review Certificate No. 2656/2022**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Forward – Looking Statements**

This Report contains Forward – Looking Statements. Any explanation that tends to form assumptions or forecasts about the future, including however not restricted to articulations about the Company's strategy and growth, product development, market position, expenditures and financial results, are forward looking Statements. Forward looking Statements are based on specific presumptions and assumptions for future development. The Company can't ensure that these presumptions are precise and will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking Statements.

**Industry Structure and Current Scenario**

Over the past few years, Non-Banking Financial Companies (NBFCs) have played a prominent role in the Indian financial system. They provide financial inclusion to the underserved section of the society that does not have easy access to credit. NBFCs have revolutionized the Indian lending system and have efficiently leveraged digitization to drive efficiency and provide customers with a quick and convenient financing experience. The Government has consistently worked on the governance measures to strengthen the systemic importance of the NBFCs.

NBFCs have come a long way in terms of their scale and diversity of operations. They now play a critical role in financial intermediation and promoting inclusive growth by providing last-mile access of financial services to meet the diversified financial needs of less-banked customers. Over the years, the segment has grown rapidly, with a few of the large NBFCs becoming comparable in size to some of the private sector banks.

**Opportunities and Threats**

The government is taking several measures to ease the challenging situations prevailing in the sector by way of providing liquidity support to NBFCs. Growth of the Company's asset book, quality of assets and ability to raise funds depend significantly on the economy. The performance of capital market in India has a direct correlation with the prospect of economic growth and political stability.

Despite great opportunities, there are significant factors presenting threats to the businesses: -

- Slowing economy and continued high inflation leading to decelerating investment demand;
- Regulatory changes across the world impacting the landscape of business;
- Competition from local and multinational players
- Attrition of employees caused by strong demand from ever increasing number of competitors

**Area /Product Wise Performance**

The Company is a Non-Banking Finance Company (NBFC). It is engaged in the business of investment, lending and real estate segment in the Company. Hence, the results for the year under review pertain to only financing activity and real estate.

**Outlook**

The NBFCs are being recognised as being vital for the growth of Indian economy. NBFCs are here to stay and play an important role in economic growth and financial inclusion. As India's economy grows, the requirement for credit will rise more than proportionately. We need both Banks and NBFCs to rise to the occasion and power the economy with free flowing credit lines. NBFCs with robust business models,



strong liquidity mechanisms and governance & risk management standards are poised to reap the benefit of the market opportunity.

The Company is mainly engaged in the business of financing and investment in order to yield greater revenue for its stakeholders. The Company is planning to expand and diversify the operational activities in the coming years ahead in order to tap higher revenues.

### Risk and Areas of Concern

Company is exposed to specific risks that are particular to its business and the environment within which it operates including economic cycle, market risk, interest rate risk, liquidity risk, regulatory & compliance risk and credit risks. Managing risk effectively also helps in achieving the desired outcome, while fixing responsibility and accountability. The level and degree of risk varies depending upon the nature of activity undertaken.

The Company is especially focused on improving sensitivity to assessment of risks and improving methods of computation of risk weights.

### Internal Control Systems and their Adequacy

The Company has proper and adequate system of internal controls commensurate with its size and nature of operations to ensure accuracy of accounting records, compliance with applicable laws, rules & regulations, and ensure that all its assets are safeguarded and protected against loss from unauthorized use and disposal. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

### Financial Performance

The paid up equity share capital of the Company as on March 31, 2023 stands at Rs. 3,00,000,00 divided into 30,00,000,00 equity shares of Rs. 1/- each fully paid up and 1,40,000 Non-Convertible Cumulative Redeemable Preference Shares of Rs. 100/- each.

The Company's financial performance, for the year ended 31st March, 2023 is summarized as below:

(in lakhs)

Particulars	F.Y. ended 31.03.2023	F.Y. ended 31.03.2022
Revenue from Operation	3,075.48	5081.99
Other Income	Nil	Nil
Depreciation	5.45	5.45
Profit/ (Loss) before Tax	191.91	454.96
Profit/ (Loss) after Tax	141.25	345.84

### Human Resource Development

Human Resource is valued as an extremely important and strategic resource and Your Company is focussed on building a high-performance culture with a growth mindset where employees are engaged and empowered to be the best they can be in order to achieve organizational effectiveness. Developing and strengthening capabilities of all employees in your Company has remained an ongoing priority.

**CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

To,  
The Board of Directors  
Smart Finsec Limited

**Sub: Certificate under Regulation 17 (8) and Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

I, Shashi Sharma, certify to the Board that:

- A. I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. 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 listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. I have indicated to the auditors and the Audit committee, wherever applicable,
- significant changes in the internal control over financial reporting during this year;
  - significant changes in the accounting policies during the year; and
  - Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**Yours Faithfully**

**Sd/-**

**Shashi Sharma**  
**Chief Financial Officer**

**Place: New Delhi**

**Date: May 26, 2023**



**Annexure VI**

**MANAGING DIRECTOR DECLARATION**

I, Arun Khera, hereby confirm, that all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for Directors & Senior Management of the Company for the year ended March 31, 2023.

**Place: New Delhi**

**Date: 28.08.2023**

**For on behalf of the Board**

**Sd/-**

**Arun Khera**

**Managing Director**

**(DIN.: 00055694)**



## Independent Auditors' Report on the Standalone Financial Statements

### To the members of Smart Finsec Limited

#### Opinion

We have audited the accompanying Financial Statements of **Smart Finsec Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by The Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit, total comprehensive income, the changes in equity and its cash flows 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 specified under section 143(10) of the Act (SAs). 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone 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 Standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Standalone 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 Standalone Financial Statements**

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

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

- 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.

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

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

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

From the matters communicated 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- F. With respect to the adequacy of the internal financial controls 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, 2023 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.  
  
(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

(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.

- v) 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.
- vi) Proviso to Rule 3(1) the Companies (Accounts) Rule 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 1 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

**For A. Mohan & Co.**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 017403N**

**(Ashwani Mohan)**  
**Partner**  
**Membership Number: 082632**  
**UDIN: 23082632BGWCIA3705**

**Place: New Delhi**  
**Date: May 26, 2023**



### 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 31.03.2023**

**(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 loans 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, 2023 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 no statutory dues as referred in sub- clause (a) which have not been deposited on account of any dispute. Therefore, reporting under Clause (vii)(b) of paragraph 3 of the order is 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) According to the information and explanations given to us, no term loans were obtained by the Company during the year.
- (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) 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 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, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) 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 A. Mohan & Co.  
Chartered Accountants  
ICAI Firm Registration Number: 017403N**

**per CA Ashwani Mohan  
Partner  
Membership Number 082632  
Place: New Delhi  
Date: May 26, 2023  
UDIN: 23082632BGWCIA3705**



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**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 2023 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 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For A. Mohan & Co.**

**Chartered Accountants**

**ICAI Firm Registration Number: 017403N**

**per CA Ashwani Mohan**

**Partner**

**Membership Number 082632**

**Place: New Delhi**

**Date: May 26, 2023**

**UDIN: 23082632BGWCIA3705**

**SMART FINSEC LIMITED**  
**BALANCE SHEET AS AT 31.03.2023**

<u>Particulars</u>	<u>Note</u>	(Rs. In '000') <u>As At</u> <u>31.03.2023</u>	(Rs. In '000') <u>As At</u> <u>31.03.2022</u>
<b>ASSETS</b>			
<b>1. Financial Assets</b>			
a) Cash and Cash Equivalents	2	942.83	1799.69
b) Receivable			
Trade Receivable	3	57503.16	6994.95
c) Loans	4	11504.34	2572.83
d) Investments	5	10632.31	27072.61
e) Inventory- Shares & Securities	6	41066.79	79912.04
f) Margin With Broker			
<b>2. Non Financial Assets</b>			
a) Current Tax Assets (Net)	7	20.00	618.91
b) Defered Tax Assets (Net)	8	306.66	245.02
c) Property Plant & Equipment	9	14018.89	14564.07
<b>TOTAL ASSETS</b>		<b>135994.98</b>	<b>133780.12</b>
<b>LIABILITIES AND EQUITY</b>			
<b>1. Financial Liabilities</b>			
a) Payables			
I. Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		0.00	0.00
(ii) Total outstanding dues of creditors other than micro and small enterprises		0.00	0.00
II. Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		0.00	0.00
(ii) Total outstanding dues of creditors other than micro and small enterprises	10	228.58	350.23
b) Subordinated Liabilities	11	14000.00	26000.00
c) Unsecured Loans from Directors		0.00	0.00
<b>2. Non-Financial Liabilities</b>			
a) Current Tax Liabilities (Net)	12	211.86	
b) Provisions- on Standard Assets	13	107.44	107.44
<b>3. Equity</b>			
a) Equity Share Capital	14	30000.00	30000.00
b) Other Equity	15	91447.10	77322.45
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>135994.98</b>	<b>133780.12</b>

Corporate Information, notes & Summary of accounting policies 1  
The accompanying notes are an intgral 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 A. Mohan & Co.  
Chartered Accountants  
Firm's Registration No.: 017403N

(Arun Kherra)  
Managing Director  
DIN:00055694

(Sachit Kherra)  
Director  
DIN:03536957

(Ashwani Mohan)  
Partner  
Membership No. : 082632  
Place:New Delhi  
Dated: 26 May, 2023

(Priyanka Sharma)  
Company Secretary

(Shashi Sharma)  
CFO

# SMART FINSEC LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.2023

<u>Particulars</u>	<u>Note</u>	(Rs. In '000')	(Rs. In '000')
		<u>Year ended</u> <u>31.03.2023</u>	<u>Year Ended</u> <u>31.03.2022</u>
<b>Revenue from Operations</b>			
i) Interest Income	16	1819.16	3044.56
ii) Dividend Income		1.74	43.59
iii) Profit from F&O/ Jobbing	17	13071.83	-20025.28
iv) Sale of Shares	18	290399.93	522560.08
v) Rental Income	19	2500.00	2480.00
vi) Net gain on fair value change		0.00	0.00
vii) Other Income	20	-245.15	95.59
<b>I Total Income From Operations</b>		<b>307547.51</b>	<b>508198.53</b>
II Other Income		0.00	0.00
<b>III Total Income</b>		<b>307547.51</b>	<b>508198.53</b>
<b>Expenses</b>			
i) Purchase of shares	21	246760.14	472683.79
ii) (Increase)/Decrease in closing stock	22	38845.24	-13174.04
iii) Employee benefit expenses	23	1125.90	1070.10
iv) Demat Expense			22.19
v) Net Loss on fair value change	24	6.60	146.63
vi) Depreciation	9	545.19	545.19
vii) Other Expenses	25	1048.78	1367.54
viii) Finance Cost	26	24.65	41.70
<b>IV Total Expenses</b>		<b>288356.52</b>	<b>462703.10</b>
<b>V Profit before tax</b>		<b>19191.00</b>	<b>45495.43</b>
<b>VI. Tax Expense:</b>			
Current Tax		4787.00	10815.00
Deferred Tax		-61.64	-53.02
Short Provision of earlier years		341.00	149.77
<b>VII Profit for the year (V-VI)</b>		<b>14124.65</b>	<b>34583.68</b>
VIII Other Comprehensive Income		0.00	0.00
<b>IX Total Comprehensive Income for the year</b>		<b>14124.65</b>	<b>34583.68</b>
<b>Earnings per Equity Share</b>	27		
(Nominal value pershare Rs. 1)			
Basic (Rs.)		0.47	1.15
Diluted (Rs.)		0.47	1.15

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 A. Mohan & Co.  
Chartered Accountants  
Firm's Registration No.: 017403N

(Arun Khera)  
Managing Director  
DIN:00055694

(Sachit Khera)  
Director  
DIN:03536957

(Ashwani Mohan)  
Partner  
Membership No. : 082632  
Place:New Delhi  
Dated: 26 May, 2023

(Priyanka Sharma)  
Company Secretary

(Shashi Sharma)  
CFO

**SMART FINSEC LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2023**

Particulars	(Rs. In '000')	(Rs. In '000')
	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit / (loss) before taxes	19191.00	45495.43
<b>Adjustment to reconcile profit before tax to Net Cash Flows:</b>		
<u>Add non cash expenses</u>		
Depreciation	545.19	545.19
Less: income considered separately		
Dividend earned	-1.74	-43.59
Net(Gain)/loss on fair value changes	6.60	146.63
Income Tax Paid	-4347.22	-10588.02
Profit/loss on sale of assets/investment	245.15	-95.59
Operating profit before working capital changes	15638.97	35460.06
<b>Change in Assets &amp; Liabilities</b>		
(increase)/decrease in trade receivable	-50508.21	8486.71
(increase)/decrease in Loans and Other Assets	-8931.51	16985.87
(increase)/decrease in liabilities and provisions	-121.65	-956.78
(increase)/decrease in non financial assets	30.00	-50.00
(increase)/decrease in inventory	38845.24	-13174.04
<b>Cash generated from Operations</b>	<b>-5047.15</b>	<b>46751.83</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	0.00	0.00
Sale of Fixed Assets	0.00	0.00
Dividend earned	1.74	43.59
Purchase of Investments		-7600.01
Sale of Investments	16188.54	25874.25
<b>Net Cash from (used) in Investing Activities</b>	<b>16190.29</b>	<b>18317.83</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Unsecured loan	0.00	-42500.00
Preference Share Capital	-12000.00	-22000.00
Share Capital		
<b>Net Cash Flow from Financing Activities</b>	<b>-12000.00</b>	<b>-64500.00</b>
Net Increase in cash and cash equivalents (A) + (B) + (C)	-856.86	569.66
Cash and cash equivalents - Opening	1799.69	1230.03
Cash and cash equivalents - Closing	942.83	1799.69

Signed in terms of our report of even date

For A. Mohan & Co.  
Chartered Accountants  
Firm's Registration No.: 017403N

(Ashwani Mohan)  
Partner  
Membership No. : 082632  
Place:New Delhi  
Dated: 26 May, 2023

For and on behalf of the Board of Directors

(Arun Khara)  
Managing Director  
DIN:00055694

(Sachit Khara)  
Director  
DIN:03536957

(Priyanka Sharma)  
Company Secretary

(Shashi Sharma)  
CFO

**SMART FINSEC LIMITED**

The accompanying notes are an integral part of these financial statements

<u>Particulars</u>	(Rs. In '000')	(Rs. In '000')
	As At	As At
	<u>31.03.2023</u>	<u>31.03.2022</u>
<b>Note-2: CASH AND CASH EQUIVALENT</b>		
Cash in hand	42.63	54.63
Cash at Banks	900.20	1745.06
	<u>942.83</u>	<u>1799.69</u>

**Note-3: TRADE RECEIVABLES**

Considered Good- Unsecured	57503.16	6994.95
Less: Impairment loss	0.00	0.00
	<u>57503.16</u>	<u>6994.95</u>

Trade receivables due from a Company in which directors are interested and is in the normal course of business of share trading business

	26778.22	6994.95
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**Note 3 TRADE RECEIVABLES AGING AS AT 31 MARCH 2023**  
**Figures For the Current Reporting Period**

Particulars As at 31 March 2023	Not Due	Unbilled Due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 Months -1Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables- Considered Goods	-	-	57503.16	-	-	-	-	57503.16
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-	-	-
Disputed Trade Receivables- Considered Goods	-	-	-	-	-	-	-	-
Disputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	57503.16	-	-	-	-	57503.16

**Figures For Previous Reporting Period**

Particulars As at 31 March 2022	Not Due	Unbilled Due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 Months -1Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables- Considered Goods	-	-	69,94,953.00	-	-	-	-	69,94,953
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-	-	-
Disputed Trade Receivables- Considered Goods	-	-	-	-	-	-	-	-
Disputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	69,94,953.00	-	-	-	-	69,94,953

**Note-4: LOANS**

At FVTPL	11504.34	2572.83
Less: Impairment loss allowance	0.00	0.00
	<u>11504.34</u>	<u>2572.83</u>
Unsecured and in India	11504.34	2572.83
Unsecured and Outside India	0.00	0.00

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person.

**Note-5: INVESTMENTS**

At fair value through Profit or Loss (FVTPL)		
Investments in Tax Free Bonds in India	2538.48	18625.65
Investments in other Bonds	7600.01	7600.01
Add: Fair Value Gains (Losses)	493.82	846.95
	<u>10632.31</u>	<u>27072.61</u>
Out of above:		
In India	10632.31	27072.61
Outside India	0.00	0.00

**Note-6: INVENTORIES**

Shares- Valued at lower of cost or market price	41066.79	79912.04
	<u>41066.79</u>	<u>79912.04</u>

**Note-7: CURRENT TAX ASSET**

Advance Tax/TDS/MAT (Net of Provision)	0.00	568.91
Staff Advance	20.00	50.00
	<b>20.00</b>	<b>618.91</b>

**Note-8: DEFERRED TAX ASSET**

On account of timing difference	306.66	245.02
	<b>306.66</b>	<b>245.02</b>

**Note-10: OTHER PAYABLES**

Total outstanding dues of micro and small enterprises # Other than Micro and MSME Enterprises	0.00	0.00
Expenses Payable	204.58	313.23
Dividend Payable	24.00	37.00
	<b>228.58</b>	<b>350.23</b>

# Based on and to the extent of information received by the Company from the Suppliers regarding their status under the micro, small and Medium Enterprises Development Act, 2006 (MSME Act) and relied upon by the auditors, the relevant particulars as at the year -end are furnished below:

**OTHER PAYABLES AGING AS AT 31 MARCH 2023****Figures For the Current Reporting Period**

Particulars As at 31 March 2023	Not Due	Unbilled Due	Outstanding for following periods from due date of payment				
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	-	-	-	-	-	-
Others	-	-	228.58	-	-	-	228.58
Dispute dues-MSME	-	-	-	-	-	-	-
Dispute dues-Others	-	-	-	-	-	-	-
<b>Total</b>							228.58

**Figures For Previous Reporting Period**

Particulars As at 31 March 2022	Not Due	Unbilled Due	Outstanding for following periods from due date of payment				
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	-	-	-	-	-	-
Others	-	-	350.23	-	-	-	350.23
Dispute dues-MSME	-	-	-	-	-	-	-
Dispute dues-Others	-	-	-	-	-	-	-
<b>Total</b>							350.23

**Note-11: SUBORDINATED LIABILITIES**

At Amortised Cost

1,40,000, 0.1% (Prev. Year 2,60,000 2%) Non Convertible  
Cumulative Redeemable Preference Shares (CRPS) of Rs.  
100/- each, fully paid up

14000.00      26000.00

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 and subsequent modifications made from time to time.

**Note-12: CURRENT TAX LIABILITIES**

Provision for Current Tax (Net)	211.86	0.00
	<b>211.86</b>	<b>0.00</b>

**Note-13: PROVISIONS**

Provision against Standard Assets	107.44	107.44
	<b>107.44</b>	<b>107.44</b>



**Note-14: EQUITY SHARE CAPITAL**

	As At 31.03.2023		As At 31.03.2022	
	No. of Shares in '000'	Amount ('000')	No. of Shares in '000'	Amount ('000')
<b>i) Authorised, Issued, Subscribed and Paid up</b>				
<b>Authorised</b>				
Equity Shares of Rs. 1/- (P.Y.Rs. 1/-) each.	32000.00	32000.00	3200.00	32000.00
0.1% (P.Y.0.1%) Non Convertible Cumulative Redeemable Preference shares of Rs.100 each	480.00	48000.00	480.00	48000.00
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Rs. 1/- (P.Y.Rs. 1/-) each fully paidup.	30000.00	30000.00	3000.00	30000.00
0.1% (P.Y.0.1%) Non Convertible Cumulative Redeemable Preference shares of Rs.100 each	140.00	14000.00	260.00	26000.00

**ii) Terms, rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs. 1/- per share. Members of the company holding equity share capital therein have a right to vote on every resolution placed before the company and the right to receive dividend. The voting rights on a poll is in proportion to the share of the paid up equity capital of the company held by the shareholders. In the event of liquidation of the company, the holders of equity shares would be entitled to receive remaining assets of the company after distribution of all preferential amounts.

**iii) Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars	As At 31.03.2023		As At 31.03.2022	
	No. of Shares in '000'	Amount	No. of Shares in '000'	Amount
At the beginning of the year	30000.00	30000.00	3000.00	30000.00
Issued during the year	0.00	0.00	0.00	0.00
<i>Increase in number of shares due to split of nominal value from Rs.10 to Rs. 1</i>	0.00	0.00	27000.00	0.00
Outstanding at the end of the year	30000.00	30000.00	30000.00	30000.00

**iv) Detail of Shareholders holding more than 5% shares in the Company:**

	No. of Shares		No. of Shares	
	in '000'	%	in '000'	%
SACHIT KHERA	5647.54	18.83	5647.54	18.83
SUNAINA KHERA	3276.02	10.92	3276.02	10.92
ARUN KHERA	3725.00	12.42	3725.00	12.42
RAMAN KHERA	3938.00	13.13	3938.00	13.13
ARUN KHERA	3770.00	12.57	3770.00	12.57

**v) Shareholding Pattern of Promoters:**

	No. of Shares		No. of Shares	
	in '000'	% of change	in '000'	% of change
SACHIT KHERA	5647.54	-	5647.54	-
SUNAINA KHERA	3276.02	-	3276.02	-
ARUN KHERA	3725.00	-	3725.00	-
RAMAN KHERA	3938.00	-	3938.00	-
ARUN KHERA	3770.00	-	3770.00	-
UPASANA KHERA	1283.00	-	1283.00	-

**Note-15: OTHER EQUITY**

Particulars	Nature & Purpose	As at 31 March 2023	As at 31 March 2022
Retained earnings	Retained earnings represents the surplus in Profit & Loss Account and net amount of appropriations made to/from retained earnings	39251.74	40027.09
Statutory Reserve u/s. 45IC of RBI Act, 1934	Reserve is created as per the terms of Section 45IC(1) of the Reserve Bank of India Act, 1934 as a Statutory Reserve	18195.36	15295.36
Capital Redemption Reserve	Capital redemption reserve has been created on account of redemption of preference share capital.	34000.00	22000.00

**SMART FINSEC LIMITED**

The accompanying notes are an integral part of these financial statements

Particulars	(Rs. In '000')	(Rs. In '000')
	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Note-16: INTEREST INCOME</b>		
Interest from Income Tax Refund	0.70	0.00
Interest from Loans	746.18	1058.16
Interest from Tax Free Bonds	221.71	1932.13
Interest from FDR	850.56	54.27
	<b>1819.16</b>	<b>3044.56</b>
<b>Note-17: PROFIT FROM F&amp;O/JOBING</b>		
Profit in F&O	13071.83	-19104.49
Profit in Jobbing	0.00	-920.80
	<b>13071.83</b>	<b>-20025.28</b>
<b>Note-18: SALE</b>		
Sale of shares & securities	290399.93	522560.08
	<b>290399.93</b>	<b>522560.08</b>
<b>Note-19: RENTAL INCOME</b>		
Rent of Properties	2500.00	2480.00
	<b>2500.00</b>	<b>2480.00</b>
<b>Note-20: OTHER INCOME</b>		
Gain (Loss) on sale of Investments	-245.15	95.59
<b>Note-21: PURCHASES</b>		
Purchase of Shares	246346.88	471816.31
Expenses related to Purchase	413.27	867.48
	<b>246760.14</b>	<b>472683.79</b>
<b>Note-22: (INCREASE)/ DECREASE IN CLOSING STOCK</b>		
Opening Stock	79912.04	66738.00
Less: Closing Stock	41066.79	79912.04
	<b>38845.24</b>	<b>-13174.04</b>
<b>Note-23: EMPLOYEE BENEFIT EXPENSES</b>		
Salaries	1093.00	1037.00
Bonus	32.90	33.10
	<b>1125.90</b>	<b>1070.10</b>
<b>Note-24: NET LOSS ON FAIR VALUE CHANGE</b>		
Unrealised loss on Fair Market Value change of Tax Free Bonds	6.60	146.63
	<b>6.60</b>	<b>146.63</b>
<b>Note-25: OTHER EXPENSES</b>		
Software Charges	8.50	20.30
Advertisement	56.35	67.96
Compliance Charges	101.89	85.48
Donation	0.00	400.00
House Tax	26.24	22.48
Listing Fee	354.00	354.00
Printing & Stationery	17.70	15.13
Professional Charges	100.00	100.00
Postage & Courier	4.88	16.15
Rent Paid	76.70	70.80
Stock split fee	0.00	107.38
Telephone Expenses	5.15	3.41
Vehicle Maintenance	62.00	44.50
Website Expenses	7.08	3.66
Misc. Expenses	46.00	3.68
<b>Auditors Remuneration:</b>		
Audit Fee	159.30	29.50
Tax Audit Fee	17.70	17.70
Insurance	5.29	5.42
Provision against Standard Assets	0.00	0.00
	<b>1048.78</b>	<b>1367.54</b>

	(Rs. In '000')	(Rs. In '000')
	<b>For the year ended 31st March 2023</b>	<b>For the year ended 31st March 2022</b>
<b>Note-26: FINANCE COST</b>		
Dividend on Preference Shares	24.00	37.00
Bank Charges	0.65	0.04
Penal Charges		4.66
	<b>24.65</b>	<b>41.70</b>

**Note-27: 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:

	(Rs. In '000')	(Rs. In '000')
	<b>For the year ended 31st March</b>	
<b>Particulars</b>	<b>2023</b>	<b>2022</b>
(A) Net Profit attributable to equity shareholders	14124.65	34583.68
(B) Weighted average number of equity shares for basic earning per share	30000.00	30000.00
Effect of dilution	0.00	0.00
( c ) Weighted average number of equity shares for Diluted earning per share	30000.00	30000.00
Earning per share (Basic) A/B	0.47	1.15
Earning per share (diluted) A/C	0.47	1.15

**Note-28: 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

	Real Estate		NBFC	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Gross Revenue	2500.00	2480.00	305048.00	505719.00
Net Income (before tax)	1955.00	2457.00	17236.00	43039.00
Capital Employment	13555.00	14103.00	121892.00	119219.00

**Note-29: DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES AS REQUIRED BY IND AS 24**

<b>Name of related party &amp; nature of relationship</b>	<b>Nature of Transaction</b>	<b>Outstanding amount carried in</b>			
		<b>Transaction value</b>		<b>Balance Sheet</b>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
(A) Key management personnel (KMP) and their relatives					
Arun Khera, Director					
Raman Khera, Director					
Sachit Khera Director					
Vimmi Sachdev, Director					
Vishesh Chaturvedi, Director					
Parul Pathak, Director					
Shashi Sharma, CFO					
1. Directors	Dividend on Preference sh	24.00	37.00	24.00	37.00
	Rent paid	76.70	70.80	0.00	0.00
	Rental Income earned	1800.00	1800.00	0.00	0.00
	Loan taken (paid back)	0.00	-42500.00	0.00	0.00
(B) Entities in which KMP and their relations have significant Influence:					
Smart Equity Brokers Pvt. Ltd.					
1. Smart Equity Brokers Pvt Ltd.	Brokerage paid business transaction	69.24	109.77	0.00	0.00
		0.00	0.00	26778.22	6894.95

**Note-30: 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 esclation clause.

<b>PARTICULARS</b>	(Rs. In '000')	(Rs. In '000')
	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>
I) Properties & Fixtures		
Gross Carrying Amount	18400.00	18400.00
Depreciation for the year	545.19	545.19
Accumulated Depreciation	4408.64	3863.45
II) The estimated total future minimum lease receivable at the Balance Sheet date are as under:		
<b>Receivable</b>		
With in one year	2400.00	2400.00
After one year but not more than three years	4800.00	4800.00

**Note-31: 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-32: DICLOSURE OF RATIOS**

<b>Ratio</b>	<b>Numerator</b>	<b>Denominator</b>	<b>Current Period</b>	<b>Previous Period</b>	<b>% Variance</b>	<b>Reasons for Variance ( if above 25%)</b>
(a) CRAR- Capital to risk weighted assets ratio	Equity Capital + other Equity + pref. shares- intangible assets C.Y. 13,51,40,441 P.Y. 13,30,77,438	Risk Weight attached as follow: Loan: 20% Investments: 20% Inventories: 20% C.Y. 1,26,40,688 P.Y. 2,19,11,494	10.69	6.07	4.62	High risk carrying assets have come down
(b) CRAR - Tier I Capital (%)	Equity Capital + other Equity C.Y. 12,14,47,101 P.Y. 10,73,22,453	Risk Weight attached as follow: Loan: 20% Investments: 20% Inventories: 20% C.Y. 1,26,40,688 P.Y. 2,19,11,494	9.61	4.90	4.71	High risk carrying assets have come down
(c) CRAR - Tier II Capital (%)	Preference Shares C.Y. 1,40,00,000 P.Y. 2,60,00,000	Risk Weight attached as follow: Loan: 20% Investments: 20% Inventories: 20% C.Y. 1,26,40,688 P.Y. 2,19,11,694	1.11	1.19	-0.08	

(d) liquidity covergae Ratio

The company does not have any outside liability & hence no cash outflow is needed. Hence this ratio is not applicable.

**NOTE-9: SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT**

The accompanying notes are an integral part of these financial statements

Sr. No	Particulars	Gross Block				Depreciaton				Net Block	
		Value at the beginning	Addition during the year	Deductio n during the year	Value at the end	Value at the beginning	Addition during the year	Deductio n during the year	Value at the end	WDV as on 31.03.2023	WDV as on 31.03.2022
	<b><u>Tangible Assets</u></b>										
1	Car	434.10	0.00	0.00	434.10	413.03	0.00	0.00	413.03	21.08	21.08
2	Furniture & Fixture	5787.44	0.00	0.00	5787.44	3863.45	545.19	0.00	4408.64	1378.79	1923.98
3	Office Equipments	86.68		0.00	86.68	82.35	0.00	0.00	82.35	4.33	4.33
4	Property At Gurgaon	10412.33	0.00	0.00	10412.33	0.00	0.00	0.00	0.00	10412.33	10412.33
5	Property At Sainik Farms	2200.00	0.00	0.00	2200.00	0.00	0.00	0.00	0.00	2200.00	2200.00
6	Computer	47.00	0.00	0.00	47.00	44.65	0.00	0.00	44.65	2.35	2.35
	<b>Total Figures for the Current Year</b>	18967.55	0.00	0.00	18967.55	4403.47	545.19	0.00	4948.66	14018.89	14564.07

**Previous year**

Sr. No	Particulars	Gross Block				Depreciaton				Net Block	
		Value at the beginning	Addition during the year	Deductio n during the year	Value at the end	Value at the beginning	Addition during the year	Deductio n during the year	Value at the end	WDV as on 31.03.2022	WDV as on 31.03.2021
	<b><u>Tangible Assets</u></b>										
1	Car	434.10	0.00	0.00	434.10	413.03	0.00	0.00	413.03	21.08	21.08
2	Furniture & Fixture	5787.44	0.00	0.00	5787.44	3318.26	545.19	0.00	3863.45	1923.98	2469.17
3	Office Equipments	86.68		0.00	86.68	82.35	0.00	0.00	82.35	4.33	4.33
4	Land & Building	10412.33	0.00	0.00	10412.33	0.00	0.00	0.00	0.00	10412.33	10412.33
5	Property At Sainik Farms	2200.00	0.00	0.00	2200.00	0.00	0.00	0.00	0.00	2200.00	2200.00
6	Computer	47.00	0.00	0.00	47.00	44.65	0.00	0.00	44.65	2.35	2.35
	<b>Total Figures for the Previous Year</b>	18967.55	0.00	0.00	18967.55	3858.29	545.19	0.00	4403.47	14564.07	15109.26

**SMART FINSEC LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2023**

**A. EQUITY SHARE CAPITAL**

(Rs. In '000')

<u>Particulars</u>	<u>Note</u>	<u>Year ended</u> <u>31.03.2023</u>
(1) Current Reporting Period	14	
Balance at the beginning of the current reporting period		30000.00
Changes in Equity Share Capital due to prior period error		0.00
Restated balance at the beginning of the current reporting period		30000.00
Changes in equity share capital during the current year		0.00
<b>Balance at the end of the current reporting period</b>		<b>30000.00</b>
(2) Previous Reporting Period		<u>Year Ended</u> <u>31.03.2022</u>
Balance at the beginning of the previous reporting period		30000.00
Changes in Equity Share Capital due to prior period error		0.00
Restated balance at the beginning of the previous reporting period		30000.00
Changes in equity share capital during the previous year		0.00
<b>Balance at the end of the previous reporting period</b>		<b>30000.00</b>

(Rs. In '000')

<u>B. OTHER EQUITY</u>	<u>15</u>	<u>Statutory Reserve u/s.</u> <u>45IC of RBI Act, 1934</u>	<u>Retained Earnings</u>	<u>Capital</u> <u>Redemption</u> <u>Reserve</u>	<u>Other</u> <u>Comprehensive</u> <u>Income</u>	<u>Total Other</u> <u>Equity</u>
<u>For the year ended 31.03.2023</u>						
Balance as at 31 March 2022		15295.36	40027.09	22000.00	0.00	77322.45
Profit after tax		0.00	14124.65	0.00	0.00	14124.65
Transfer to Reserve Fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		2900.00	-2900.00	0.00	0.00	0.00
Transferred to Capital Redemption Reserve			-12000.00	12000.00		0.00
						0.00
<b>Balance as at 31 March 2023</b>		<b>18195.36</b>	<b>39251.74</b>	<b>34000.00</b>	<b>0.00</b>	<b>91447.10</b>
<u>For the year ended 31.03.2022</u>						0.00
Balance as at 31 March 2021		8530.86	34207.91	0.00	0.00	42738.77
Profit after tax		0.00	34583.68	0.00	0.00	34583.68
Transfer to Reserve Fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		6764.50	-6764.50	0.00	0.00	0.00
Transfer to Capital Redemption Reserve		0.00	-22000.00	22000.00	0.00	0.00
						0.00
<b>Balance as at 31 March 2022</b>		<b>15295.36</b>	<b>40027.09</b>	<b>22000.00</b>	<b>0.00</b>	<b>77322.45</b>

Signed in terms of our report of even date

For and on behalf of the Board of Directors

For A. Mohan & Co.  
Chartered Accountants  
Firm's Registration No.: 017403N

(Arun Khara)  
Managing Director  
DIN:00055694

(Sachit Khara)  
Director  
DIN:03536957

(Ashwani Mohan)  
Partner  
Membership No. : 082632  
Place:New Delhi  
Dated: 26 May, 2023

(Priyanka Sharma)  
Company Secretary

(Shashi Sharma)  
CFO