Annual Report
2021–2022

SMIFS CAPITAL MARKETS LTD.

SMIFS CAPITAL MARKETS LIMITED

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SMIFS CAPITAL MARKETS LIMITED

(CIN NO.: L74300WB1983PLC036342)

Board of Directors

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

Registered office address

"Vaibhav" (4F), 4, Lee Road, Kolkata-700020
Phone: (033)2290-0544/22907400
Fax no. (033)22871042/6884
Email:smifcap@gmail.com, cs.smifs@gmail.com

Company Secretary

Mrs. Poonam Bhatia

Auditors

S.K. Agarwal and Co Chartered Accountants LLP

Bankers

HDFC Bank Ltd
State Bank of India
ICICI Bank

Registrar & Transfer Agents

M/s. Maheshwari Datamatics Private Ltd
23, R.N. Mukherjee Road, 5th Floor
Kolkata – 700 001
Phone: (033)2243-5029/2248-2248
Fax no. (033) 2248-4787
Email:mdpldc@yahoo.com

SMIFS CAPITAL MARKETS LIMITED

(CIN: L74300WB1983PLC036342)
Regd Office: 'Vaibhav' ,4F, 4, Lee Road, Kolkata – 700 020
Tel No. 033-2290-7400/ 7401/7402/0544, Fax No. 033-2287-4042, 2240-6884
E-mail: cs.smifs@gmail.com Website: www.smifscap.com

NOTICE

NOTICE is hereby given that the Thirty Ninth Annual General Meeting of the members of SMIFS CAPITAL MARKETS LIMITED will be held on Saturday, 17th September, 2022, at 11 am through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2022, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.

2. To appoint Director in place of Mr. Ajay Kumar Kayan (DIN No. 00239123), who retires by rotation and being eligible, offers himself for re-appointment.

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

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s S.K. Agarwal & Co. Chartered Accountants LLP, Kolkata (LLP Registration No.-AAV-2926) be and are hereby re-appointed as the Statutory Auditors of the Company for second term of 5 consecutive years to hold office from the conclusion of the Thirty Ninth Annual General Meeting until the conclusion of the Forty Fourth Annual General Meeting of the Company at such remuneration plus taxes as applicable and reimbursement of out-of pocket expenses in connection with the audit as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company."

SPECIAL BUSINESS:

4. **Continuation Of Directorship of Mr. Santosh Kumar Mukherjee as an Independent, Non-Executive Director of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable provisions if any, the consent of members of the Company be and is hereby accorded for continuation of Directorship of Mr. Santosh Kumar Mukherjee (DIN No. 00170646) who was appointed as an Independent Director of the Company for a period of 5 years till March 31, 2024 by Special Resolution passed by Postal Ballot on 16th January, 2019 and who has attained the age of 75 years, for the remaining period of his existing term of Directorship as an Independent Director of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized severally to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

5. Re-Appointment of Mrs. Pushpa Mishra as an Independent, Non- Executive Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Sections 149(10), 150 and 152 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 ('Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mrs. Pushpa Mishra (DIN: 07898390), Independent Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director on the Board of the Company, not liable to retire by rotation for a second term of five consecutive years commencing from September 25, 2022 till September 20, 2027;

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized severally to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

Regd. Office:
'Vaibhav' (4F), 4 Lee Road,
Kolkata - 700 020

The 11th day of May, 2022

By Order of the Board of Directors

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

NOTES:

1) In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021 and 5th May 2022 (collectively referred to as "MCA Circulars") along with SEBI Circular dated January 15, 2021 had permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio- Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice.

3) Additional information pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with Stock Exchanges on appointment of Directors at the Annual General Meeting is appearing in the Corporate Governance Report.

4) Pursuant to the Circular of Ministry of Corporate Affairs No. 17/2011 dated 21-4-2011, members are requested to provide their email ids to the Company at its Registered Office at 'Vaibhav' (4F), 4, Lee Road, Kolkata - 700 020 (email id: cs.smifs@gmail.com) or to Registrars, M/s. Maheshwari Datamatics Pvt. Ltd., 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700001 (e-mail id – mdpldc@ yahoo.com).

5) Members are requested to notify any change in their address / mandate / bank details immediately to the Company at its Registered Office at 'Vaibhav' (4F), 4, Lee Road, Kolkata - 700 020 (email id : cs.smifs@gmail.com) or to the Registrars, M/s. Maheshwari Datamatics Pvt. Ltd., 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700001(e-mail id: mdpldc@yahoo.com).

6) Members who have multiple accounts in identical names or joint accounts in the same order are requested to consolidate all such shareholdings into one account to facilitate better service.

7) Depository System – The Company, consequent to introduction of the Depository System, entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Members, therefore, now have the option of holding and dealing in shares of the Company in electronic form through NSDL or CDSL. With effect from 26-12-2000 trading in shares of the Company on any Stock Exchange is permitted only in dematerialized form.

8) Individual shareholders can avail the facility of nomination. The nominee shall be the person in whose name all rights of transfer and / or amount payable in respect of shares shall lie in the event of the death of the shareholder and the joint holder(s), if any. A minor can be a nominee provided the name of the guardian is given in the Nomination Form. Non-individual including Society, Trust, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. For further details in this regard shareholders may contact M/s Maheshwari Datamatics Pvt. Ltd., Registrars and Transfer Agents.

9) Members are requested to quote their account / folio number and in case their shares are held in dematerialized form, they must quote their Client ID Number and DP ID Number.

10) The Register of Members and Share Transfer Books of the Company shall remain closed from 10th September, 2022 to 17th September, 2022 (both days inclusive).

11) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report 2021-22 will also be available on the Company's website at www.smifscap.com, on the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and on the website of CDSL i.e.www.evotingindia.com

12) Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

13) Unclaimed Dividend: It is observed that some Members have still not encashed their Dividend Warrants in respect of earlier years i.e. for the years ended 2015, 2016, 2017, 2018, 2019 and 2020.Such Members are requested to write to the Company / Registrars and obtain payment thereof.

14) The Members/ claimants whose shares, unclaimed dividend, sale proceeds of fractional shares etc. have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF -5(available on www.iepf.gov.in) along with requisite fee as decided by it from time to time. The Member / claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

15) Investor Grievance Redressal: Company has an exclusive e-mail id, viz. cs.smifs@gmail.com for investors to register their grievances if any.

16) Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN detail to the Company/Registrars and Transfer Agents.

17) In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended to date and Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. The remote e-voting period commences at 10.00 A.M. on Tuesday, 13th September, 2022 and ends at 5.00 P.M. (IST) on Friday, 16th September, 2022. During this period, Members holding shares either in physical or de-materialized form as on the Cut-Off Date i.e., Saturday, 10th September, 2022, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

18) Members holding shares in physical form are informed that Securities and Exchange Board of India has amended SEBI (Listing Obligations and Disclosure Requirements) Regulation

2015 which has come into force wherein except in cases of transmission or transposition of securities requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. Hence, members holding securities in physical form are requested to convert their holdings to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company's RTA for assistance in this regard.

19) Members who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communications including Annual Report, Notices, and Circulars etc. from the Company electronically.

The instructions for shareholders voting electronically are as under:

CDSL e-Voting System – For e-voting and Joining Virtual meetings.

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.smifscap.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

8. In continuation of this Ministry's **General Circular No. 20/2020,** dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on 13th September, 2022 (10:00 a.m.) and ends on 16th September, 2022 (5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, 10th September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

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

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

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

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	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 URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting 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 & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be 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.

Individual Shareholders holding securities in demat mode with NSDL Depository	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical Shareholders and other than individual shares holding in Demat
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant SMIFS Capital Markets Limited on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs.smifs@gmail.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

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

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/ OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

Other Instructions:

(A) Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

(B) The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM, but shall not be entitled to cast their vote again.

(C) The remote e-voting period commences on 13th September, 2022 (10:00 a.m.) and ends on 16th September, 2022 (5:00 p.m.)During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 10th September, 2022 (Saturday) may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

(D) The voting rights of the members shall be in proportion to their shares in the paid-up equity share capital of the Company as on 10th September, 2022(Saturday)

(E) Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice of Annual General Meeting shall be deemed to be passed on the date of the AGM i.e Saturday, 17th September, 2022.

(F) Mr. Sudhansu Sekhar Panigrahi, Practicing Company Secretary (Membership No. 23187 and COP No.19649) has been appointed as the Scrutinizer to Scrutinize the e-voting process in fair and transparent manner, whose e-mail address is sudhansupanigrahi@yahoo.co.in/ panigrahis7@gmail.com.

(G) The Scrutinizer shall after the conclusion of voting at the Annual General Meeting will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

(H) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.smifscap.com and the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and The Calcutta Stock Exchange Ltd.

(I) The Scrutinizer shall within a period not exceeding 3 (Three) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast 2 witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

20) Detail of dividends declared by the Company for last 5(Five)years:

Financial year related to	Dividend per Share	Date of Payment of the Dividend
2016-2017	₹ 1.00/-	28th September, 2017
2017-2018	₹ 1.00/-	24th September, 2018
2018-2019	NIL	NIL
2019-2020	NIL	NIL
2020-2021	NIL	NIL

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

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

Regd. Office:
'Vaibhav' (4F), 4 Lee Road,
Kolkata - 700 020

The 11th day of May, 2022

By Order of the Board of Directors

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

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

Item No. 4.

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on June 7, 2018 prescribes that no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of 75 years (Seventy Five years) unless a Special Resolution is passed to that effect.

Mr. Santosh Kumar Mukherjee (DIN No. 00170646) who was appointed as an Independent Director of the Company by Special Resolution passed by Postal Ballot on 16th January, 2019 for a period of 5 years (five years) by way of Ordinary Resolution has attained the age of 75 years (Seventy Five years).

In view of the said provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Nomination & Remuneration Committee in their meeting held on 11th May, 2022 discussed the matter and recommended the continuation of Directorship of the above Independent Director for the remaining period of his term.

Mr. Santosh Kumar Mukherjee is a Practising Chartered Accountant of repute earlier employed in the Banking Industry. He has profound depth in activities related to the Securities Market. Sri Mukherjee served as lecturer of a reputed commerce college at Kolkata for considerable period of time.

The above mentioned Independent Director is an expert in his field and his valuable experience and guidance is beneficial to the Company. Further the Number of Board Meetings attended by him during the Financial Year 2021-22 and his directorship in other Companies and Membership/ Chairmanship of Committee of other boards is provided in the Corporate Governance Report.

The Board of Directors based on the recommendation of Nomination & Remuneration Committee and considering benefits of the expertise of the aforesaid Independent Director, has recommended the resolution for approval of shareholders by way of Special Resolution.

Mr. Santosh Kumar Mukherjee and his wife, Mrs. Shila Mukherjee may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to his own appointment. He holds 750 shares and his wife Mrs. Shila Mukherjee holds 1500 shares of the Company. None of the other Directors and Key Managerial Personnel of your Company or their relatives are, in any way, concerned or interested in the said Resolution.

Item No. 5.

Mrs. Pushpa Mishra (DIN No. 07898390) was appointed as an Independent, Non-Executive Director of the Company by the members at the 35th Annual General Meeting of the Company held on September 22, 2018 for a period of 5 (five) consecutive years commencing from 25th September , 2017 upto 24th September, 2022.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a Special Resolution by the Company for another term of upto 5 (five) consecutive years on the Board of a Company.

Mrs. Pushpa Mishra is a B. Com and B.A.LLB with 17 years of experience as a Lawyer. Mrs. Mishra has vast experience in the field of Commercial Law, Company Law, Arbitration Laws, Constitution provisions and other allied Laws.

Based on recommendation of Nomination and Remuneration Committee at its meeting held on 11th May, 2022 and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Pushpa Mishra, being eligible for re-appointment as an Independent Director and offering herself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of 5 (five) consecutive years from 25th September, 2022 till 20th September, 2027.

The Company has received declaration from her stating that she meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has also given her consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mrs. Pushpa Mishra fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her re-appointment as an Independent, Non-Executive Director of the Company and is Independent of the management. Copy of the draft letter for re-appointment of Mrs. Pushpa Mishra as an Independent, Non-Executive Directors setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (10.00 am to 6:00 pm) on any working day, except Saturday till 16th September, 2022.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Pushpa Mishra as an Independent Director. Further the Number of Board Meetings attended by her during the Financial Year 2021-22 and her directorship in other Companies and Membership/ Chairmanship of Committee of other boards is provided in the Corporate Governance Report.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mrs. Pushpa Mishra as an Independent Director for another term of 5(five) consecutive years with effect from 25th September, 2022 till 20th September, 2027, for the approval by the shareholders of the Company.

Mrs. Pushpa Mishra may be deemed to be concerned or interested in the proposed Resolution in so far as it relates to her own appointment. She holds 150 shares of the Company. None of the other Directors and Key Managerial Personnel of your Company or their relatives are, in any way, concerned or interested in the said Resolution.

Regd. Office:
'Vaibhav' (4F), 4 Lee Road,
Kolkata - 700 020

The 11th day of May, 2022

By Order of the Board of Directors

Sd/-

(Poonam Bhatia)

Company Secretary-cum-Senior Manager Legal

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the Thirty Ninth Annual Report of the Company together with the audited financial statements for the year ended March 31, 2022.

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

(₹ in million)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Profit before Interest, Depreciation & Tax	24.15	35.77
Less: Finance Charge	0.10	0.23
Profit before Depreciation & Tax	24.05	35.54
Less: Depreciation / Amortization	3.55	4.38
Profit before Tax	**20.50**	**31.17**
Less: Tax Expenses – Current / Earlier years	1.57	2.99
Less : Deferred Tax for the year	(0.96)	26.02
Profit after Tax	**19.89**	**2.16**
Profit brought forward from earlier year :	98.98	107.70
Profit transfer from OCI Reserve:	(1.25)	(10.88)
Profit available for Appropriation	**117.62**	**98.98**
APPROPRIATIONS		
Dividend including Dividend Tax	–	–
Profit carried to Balance Sheet	**117.62**	**98.98**

(b) FINANCIAL AND OPERATIONAL PERFORMANCE

Profit Before Tax of the Company for the year was ₹ 20.50 million (previous year ₹ 31.17 million) a decrease of 34.23 % over previous year. Profit after tax for the year was ₹ 19.89 million (₹ 2.16 million in the previous year) an increase of 820.83 % over previous year.

Net worth of the Company as on March 31, 2022 was ₹ 1163.95 million (previous year ₹ 1048.77 million).

(c) CAPITAL

The paid up Equity Share Capital as on March 31, 2022 stood at ₹ 55,850,000/- divided into 5,585,000 equity shares of` ₹10/- each.

(d) DIVIDEND

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

(e) TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

Attention is also being drawn that the unclaimed/unpaid dividend for the Financial year 2014-15 is due for transfer to Investor Education and Protection Fund during October/ November 2022. In view of this, Members of the Company, who have not yet encashed their dividend warrant(s) or those who have not claimed their dividend amounts, may write to the Company/ Company's Registrar and Transfer Agents, M/s Maheshwari Datamatics Private Limited.

2. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis of financial condition and of operations of the Company for the year under review as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is given in the part on Corporate Governance elsewhere in the Annual Report marked as "Annexure A".

3. FINANCE

The Company continues to focus on judicious management of its working capital. The Company's long term debt as on 31st March, 2022 was Rs. 0.42 million (Previous Year Rs. 1.76 million)

3.1 DEPOSITS

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

3.2 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

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

5. SUBSIDARY COMPANY

As on March 31, 2022, there is one wholly-owned subsidiary Company namely, SMIFS Capital Services Limited. Statement required under Section 129(3) of the Companies Act, 2013 in respect of the Subsidiary Company is attached herewith.

FINANCIAL SUMMARY OR HIGHLIGHTS/ PERFORMANCE OF THE SUBSIDIARY COMPANY

(₹ in million)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Profit/(Loss) before Interest, Depreciation & Tax	0.37	0.71
Less: Finance Charge	—	—
Profit/(Loss) before Depreciation & Tax	0.37	0.71
Less: Depreciation / Amortization	0.03	0.05
Profit/ (Loss) before Tax	0.34	0.66
Less : Tax Expenses	0.01	0.01
Profit/ (Loss) after Tax	0.33	0.65
Profit/(Loss) brought forward from earlier years :	(5.39)	(6.04)
Profit/(Loss) carried to Balance Sheet	(5.06)	(5.39)

6. YEAR IN RETROSPECT AND FUTURE OUTLOOK

The pandemic has held the global economy hostage once again. Despite signs of moderation, record numbers of daily infections in several countries and consequent containment measures are denting the pace of economic activity, especially in contact-intensive sectors, even as supply disruptions persist and restrained workforce participation tightens the labour markets. Moreover also due to geopolitical tensions, prices of many commodities are at highly elevated levels and inflation is at a multi-decadal highs in a number of countries and the macroeconomic environment highly uncertain.

Notwithstanding a highly transmissible third wave driven by the Omicron variant of COVID-19, India is charting a different course of recovery from the rest of the world. India is poised to grow at the fastest pace year-on-year among major economies, according to projections of the International Monetary Fund (IMF). This recovery is supported by large-scale vaccination and sustained fiscal and monetary support.

Goods and services tax (GST) collections hit an all-time high of Rs. 1.68 lakh crore in April 2022, indicating strong economic activity despite multiple headwinds and better tax compliance. The April 2022 number is up 20% from the year earlier and ₹ 26,000 crores more than the previous highest of Rs. 1.42 lakh crore in March 2022 this year.

The hardening of crude oil prices, however, presents a major upside risk to the inflation outlook. Core inflation remains elevated, although the continuing pass through of tax cuts on petrol and diesel has helped to moderate input cost pressures to some extent. The increase in selling prices due to input costs inflation remains muted in view of the continuing slackness in demand. As risks

from Omicron wane and supply chain pressures moderate, there could be some softening of core inflation. CPI inflation for March 2022 was 6.95 percent and is estimated to reach 7.5 percent for April 2022.

Based on this assessment of the macroeconomic situation and the outlook, the policy repo rate was increased by 40 basis points to 4.40 percent. Consequently, the standing deposit facility (SDF) rate stands adjusted to 4.15 percent. It is expected that further increases in repo rate are on the anvil in the coming month.

The sharp acceleration in headline CPI inflation in March 2022 to 6.95 percent was propelled, in particular, by food inflation due to the impact of adverse spillovers from unprecedented high global food prices.

In keeping with the stance of withdrawal of accommodation and in line with the earlier announcement of gradual withdrawal of liquidity over a multi-year time frame, RBI has increased cash reserve ratio (CRR) by 50 basis points to 4.5 percent of net demand and time liabilities (NDTL). The withdrawal of liquidity through this increase in the CRR would be to the order of Rs. 87,000 crore.

Largely in response to the war in Ukraine and supply chain bottlenecks due to Covid induced lockdowns in various parts of China, IMF has sharply reduced world economic growth to 3.6 percent in calendar year 2022. The downswift in the global growth cycle is accompanied by a major upswing in the global inflation and interest-rate cycles. Federal reserve has also started hiking interest rates and withdrawing liquidity in U.S.A.

At the current juncture, the conduct of domestic monetary policy is primarily attuned to contain the evolving inflation while continuing with accommodative policy for fostering growth in the background of uncertain global developments and divergent monetary policy responses. Our monetary policy continues to be guided by its primary mandate of price stability over the medium term, while also encouraging a sustained economic recovery.

Our stock markets performed exceedingly well in the year 2021-22. However Foreign Institutional Investors sold equity shares from October 2021 to March 2022 to the tune of Rs. 2,31,315 Crores. Further in April 2022 the net FII's outflow was Rs. 40,652 Crores. However, such large selling has been largely absorbed by retail flow of savings into equities. The flow of household savings in equities has jumped in the year under review.

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

7. LISTING OF THE SECURITIES OF THE COMPANY

Equity Shares of your Company continue to be listed on BSE Limited and The Calcutta Stock Exchange Limited and the listing fees for the year 2021-22 have been paid and 99.14 percent of the equity shares of your Company are held in dematerialized form.

8. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(a) in the preparation of the Annual Accounts the applicable accounting standards have been followed along with proper explanation relating to material departures.

(b) the directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the profit and loss of the company for that period.

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

(d) the directors have prepared the annual accounts on a going concern basis.

(e) the directors, have laid down internal financial control to be followed by the company and that such internal financial control are adequate and were operating effectively, and

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

9. RELATED PARTY TRANSACTIONS

All related party transactions that were entered, into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are foreseen and are of repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are of audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a yearly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors have any pecuniary relationship or transactions vis-à-vis the Company.

10. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has a Vigil Mechanism to deal with instance of fraud and mismanagement, if any. The details of the Vigil Mechanism is explained in the Corporate Governance Report and also posted on the website of the Company.

11. DISCLOSURE OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, REDRESSAL) ACT, 2013

In accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to provide for the effective enforcement of the basic human right of gender equality and guarantee against sexual harassment and abuse, more particularly against sexual harassment at work place, your Company has a Policy on Prevention of Sexual Harassment at the Workplace duly approved by the Board of Directors.

During the year, no complaint was reported under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

Particulars required under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, under the heads (a) conservation of energy; and (b) technology absorption, are not applicable to the Company.

During the year there was no foreign exchange earnings (previous year nil). Foreign Exchange outgo during the year aggregated to Nil. (previous year Nil).

13. DIRECTORS

Composition of the Board of Directors of your Company fulfills the criteria fixed by Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with fifty per cent of the Directors being Independent Directors. Your Board comprises of 6 (six) directors out of which 3 (three) are independent directors.

Mr. Utsav Parekh is the Non- Executive Chairman. The three-year term of Mr. Kishor Shah as Managing Director ended on March 31, 2021 and on recommendation of the Nomination and Remuneration Committee and on approval of the Board of Directors in its meeting held on February 12, 2021 subject to ratification by the members at the ensuing Annual General Meeting by passing a Special Resolution, Mr. Kishor Shah has been re-appointed Managing Director of the Company with effect from April 1, 2021 for a further period of 3 (three) years. The same was ratified in the Annual General Meeting. Terms of appointment include payment of managerial remuneration as per the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read with Schedule V, Part II, Section II (A) to the Companies Act, 2013.

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

Brief resume of Mr. Ajay Kumar Kayan, nature of his expertise in specific functional areas, names of companies in which he holds directorships and/or memberships/chairmanships of committees of Board, his shareholdings are furnished in section on Corporate Governance elsewhere in the Annual Report.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13.1 ANNUAL PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually, Key Managerial Personnel (KMP), Senior Management as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

13.2 NOMINATION & REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration the contents of which are placed on the website of the Company at www.smifscap.com

13.3 MEETINGS

During the year four Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

14. AUDITORS

14.1 STATUTORY AUDITORS

In terms of the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, an audit firm can hold office as statutory auditor for two terms of five consecutive years i.e. for a maximum period of ten years. They can be re-appointed after a cooling period of five years.

M/s S K Agarwal and Co Chartered Accountants LLP were appointed as the Statutory Auditors of the Company for a term of 4 years from the conclusion of the Thirty Fifth Annual General Meeting until the conclusion of the Thirty Ninth Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors. Since the appointment of M/s SK Agarwal and Co. Chartered Accountants LLP expires as on 31-03-2022 and in compliance with the provisions of the Act, your Company can re-appoint M/s S.K Agarwal and Co Chartered Accountants LLP for second term of 5 consecutive years. The Board of Directors has, at its meeting held on 11th May, 2022, recommended the re-appointment of M/s. S K Agarwal and Co Chartered Accountants LLP, as the Statutory Auditors of your Company for second term of 5 consecutive years to hold office from the Thirty Ninth AGM until the conclusion of the Forty Fourth AGM of the Company.

Resolutions seeking your approval on these items are included in the Notice convening the AGM.

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

14.2 SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Sudhansu Sekhar Panigrahi, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure B".

15. AUDITORS' QUALIFICATION

(i) STATUTORY AUDITORS' QUALIFICATIONS

Qualifications contained in the Auditors' Report if any have been dealt with in the Notes to financial statements and are self-explanatory.

(ii) SECRETARIAL AUDITORS' QUALIFICATIONS

Qualifications contained in the Secretarial Auditors' Report if any have been dealt with in the Notes to Form MR-3 and are self-explanatory.

16. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is given in "Annexure C".

17. EXTRACT OF ANNUAL RETURN

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

18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operation.

19. ACKNOWLEDGEMENTS

Your Directors express their sincere appreciation of the co-operation and assistance received from the shareholders, bankers, regulatory bodies and other business constituents during the year under review.

For and on behalf of the Board of Directors

Sd/-

(UTSAV PAREKH)

Chairman

(DIN No. 00027642)

Regd. Office:
'Vaibhav' (4F), 4 Lee Road,
Kolkata - 700 020

The 11th day of May, 2022

ANNEXURE TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

1. FINANCIAL STATEMENTS

Financial Statements are in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards issued by ICAI. Readers are cautioned that this discussion may include "forward-looking statements" that are not historical in nature. Forward looking statements may include statements relating to future results, financial condition, business prospects, plans and objectives. Statements are based on current beliefs, assumptions, expectations, estimates and projections on the business segment in which your company operates. The statements do not guarantee positive performance, exposed to known and unknown uncertainties, many of which are beyond the control of your Company. Uncertainty could cause results to differ from forward-looking statements, which should not be construed as representation of future performance.

2. MACRO-ECONOMIC OVERVIEW

Our GDP growth of 9.2 percent in 2021-22 is modestly above the level of GDP in 2019-20. Private consumption, the mainstay of domestic demand, continues to trail pre-pandemic levels. The persistent increase in international commodity prices, surge in volatility in global financial markets and global supply bottlenecks can exacerbate risks to the outlook.

Going forward, government's thrust on capital expenditure and exports are expected to enhance productive capacity and strengthen aggregate demand. This would also crowd in private investment. The conducive financial conditions engendered by the RBI's policy actions will provide impetus to investment activity. Capacity utilisation is rising, and the outlook on business and consumer confidence remain in optimistic territory, which should support investment as well as consumption demand. The prospects for agriculture has brightened due to the likelihood of normal monsoon and on good progress of winter crop sowing.

Overall, there is some loss of the momentum in near-term growth with global factors turning adverse. Looking ahead, domestic growth drivers are gradually improving. Considering all these factors, real GDP growth is projected at 7.2 percent for 2022-23.

Goods and services tax (GST) collections hit an all-time high of ₹ 1.68 lakh crore in April 2022, indicating strong economic activity despite multiple headwinds and better tax compliance. The April 2022 number is up around 20 percent from the year earlier and ₹ 26,000 crore more than the previous highest of ₹ 1.42 lakh crore in March 2022 this year.

The hardening of crude oil prices, however, presents a major upside risk to the inflation outlook. Core inflation remains elevated, although the continuing pass through of tax cuts relating to petrol and diesel help to moderate input cost pressures to some extent. The transmission of input cost pressures to selling prices remains muted in view of the continuing slackness in demand. Further, as risks from Omicron wane and supply chain pressures moderate, there could be some softening of core inflation. CPI inflation in March 2022 was 6.95 percent and is estimated at 7.5 percent for April 2022.

Based on this assessment of the macroeconomic situation and the outlook, the policy repo rate was increased by 40 basis points to 4.40 percent. Consequently, the standing deposit facility

(SDF) rate stands adjusted to 4.15 percent. It is expected that further increase in repo rate is on the anvil in the coming months.

The sharp acceleration in headline CPI inflation in March 2022 to 6.95 percent was propelled, in particular, by food inflation due to the impact of adverse spillovers from unprecedented high global food prices.

Our Stock markets performed exceedingly well in the year 2021-22. However Foreign Institutional Investors sold equity shares from October 2021 to March 2022 to the tune of Rs. 2,31,315 Crores. Further in April 2022 the net FII's outflow was Rs. 40,652 Crores. However, such large selling has been largely absorbed by retail flow of savings into equities. The flow of household savings in equities has jumped in the year under review. Increase in number of demat accounts jumped 63 percent in last 12 months to 89.7 million in financial year 2021-22 and many new investors have started investing in stock markets.

In keeping with the stance of withdrawal of accommodation and in line with the earlier announcement of gradual withdrawal of liquidity over a multi-year time frame, RBI has increased cash reserve ratio (CRR) by 50 basis points to 4.5 percent of net demand and time liabilities (NDTL). The withdrawal of liquidity through this increase in the CRR would be to the order of Rs. 87,000 crore.

At the current juncture, the conduct of domestic monetary policy is primarily attuned to contain the evolving inflation while fostering growth through accommodative policy.

3. OPPORTUNITIES

A strong and well-functioning financial sector fortifies the foundations of growth and development. The Reserve Bank has accorded the highest priority to preserving financial stability by taking quick and decisive steps to ease liquidity constraints, restore market confidence and prevent contagion to other segments of the financial market.

Thus, despite the pandemic induced bouts of volatility, the Indian financial system has remained resilient and is now in a better position to meet the credit demands as recovery takes hold and investment activity picks up.

4. THREATS

Foreign Institutional Investors sold equity shares from October 2021 to March 2022 to the tune of Rs. 2,31,315 Crores. Further in April 2022 the net FII's outflow was Rs. 40,652 Crores. However, such large selling has been largely absorbed so far by retail flow of savings into equities. The demand and supply chains have been very adversely affected due to the ongoing pandemic Covid -19 and due to the war in Ukraine.

The risks are emerging from the domestic and external side, namely 1) a faster-than expected rise in inflation, which could create pressure for preemptive tightening; 2) increase in credit stress domestically and wider credit spreads, leading to tighter financial conditions, stalling growth recovery; 3) slowdown in global growth; 4) risk aversion in global capital markets, faster-than-anticipated tightening in global financial conditions; and 5) swings in global commodity prices.

Over last two years, global GDP growth averaged just 1.5 percent, well below the official global recession threshold, widely thought to be around 2.5 percent. Needless to say, if world

economic growth slows more toward that underlying trend instead of soft-landing glide path, then another global recession is possible.

5. FUTURE OUTLOOK

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

The second and third wave of pandemic COVID-19 had adversely affected our operations and also our clients. There is a possibility of fourth wave also coming in the second half of the current year. Again it is expected that RBI will increase interest rates and tighten liquidity to contain elevated inflation. Therefore, the outlook for the current year is uncertain.

6. GREEN INITIATIVE

Your Company has endeavored to popularize the initiative announced by the Central Government vide its Circular No. 17/2011 dated April 21, 2011 and Circular no. 18/2011 dated April 24, 2011. Your company took measures to send all documents in electronic mode to the members who have registered their email ID's with the Company / Registrar & Share Transfer Agent, a step towards achieving paperless statutory compliances.

7. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Internal control system adopted aimed at promoting operational efficiencies and emphasizing adherence to the policies adopted by the Board of Directors.

8. CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing your Company's position and expectations may be "forward looking statements" within the meaning of the applicable securities laws and regulations. Results could differ materially from the statements expressed or implied.

For and on behalf of the Board of Directors

Sd/-

(UTSAV PAREKH)

Chairman

(DIN No. 00027642)

Regd. Office:

'Vaibhav' (4F), 4 Lee Road,

Kolkata - 700 020

The 11th day of May, 2022

ANNEXURE – B

FORM NO. MR-3

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to me and representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company and records made available to me for the financial year ended on 31st March 2022 according to the applicable provision of:

(i) The Companies Act , 2013 (the act) and the rules made there under;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the regulation and Bye-laws framed there under ;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') ;-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 **(The Company has neither issued nor listed any securities during the audit period);**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 **(Not applicable to the Company during the audit period);**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008 **(The Company has neither issued nor listed any debt securities during the audit period);**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, **(No Equity Shares have been delisted by the Company during the audit period) and**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(No Securities have been bought back by the Company during the audit period)**

(vi) Some of other laws as informed and certified by the management of the Company, which are specifically applicable to the Company based on its sector/industry, are;-

(a) E-Waste (Management and Handling) Rules, 2011 and E-Waste (Management) Rules 2016;

(b) The Payment of Wages Act, 1936 and The Payment of Wages Rules, 1937;

(c) The Maternity Benefit Act, 1961;

(d) The Equal Remuneration Act 1976;

(e) Payment of Gratuity Act 1972 & Rules;

(f) Protection of Women against Sexual Harassment at Workplace Act & Rules

(g) The Payment of Bonus Act, 1965 and The Payment of Bonus Rules, 1975;

(h) The Minimum Wages Act, 1948 and The Minimum Wages (Central) Rules 1950;

(i) Employee's State Insurance Act 1948 and The Employee's State Insurance (Central) Rules 1950;

(j) Employee's Provident Fund and Miscellaneous Provisions Act 1952 and Employees' Provident Fund Scheme 1952;

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

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

(i) The Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015

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

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

I further report that

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

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

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

I further report that as represented by the Company and relied upon by me, there are systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, However, the Company may adopt better system in the above connection.

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

Sudhansu Sekhar Panigrahi
Practicing Company Secretaries
Membership No. : 23187
C.P No. : 19649
UDIN: A023187D000288826

Place: Kolkata
Date : 09.05.2022

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

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

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

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

Place: Kolkata
Date : 09.05.2022

ANNEXURE – C

PARTICULARS OF EMPLOYEES

Statement of Particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Sl. No.	Name of the Director / Officer	Ratio of the remuneration to the median remuneration of the employees
1	Mr. Kishor Shah	25.17
2	Mr. Shreemanta Banerjee	5.27
3	Mrs. Poonam Bhatia	2.58

The Median Remuneration of all employees for 2021-22 is ₹ 3,50,000/-.

(ii) The percentage increase / decrease in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year

Sl. No.	Name of the Director / Officer	Percentage increase in remuneration
1	Mr. Kishor Shah	27.56
2	Mr. Shreemanta Banerjee	25.65
3	Mrs. Poonam Bhatia	23.53

(iii) The percentage increase in the median remuneration of employees in the financial year: 10%

(iv) The number of permanent employees on the rolls of Company.

– There are 21 permanent employees on the rolls of the Company as on March 31, 2022.

(v) The explanation on the relationship between average increase in remuneration and Company performance:

– The Profit Before Tax for the financial year ended March 31, 2022 decreased by 34.23 % whereas the increase in median remuneration was 10%. The average increase in median remuneration was in line with the performance of the Company.

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

– The total remuneration of Key Managerial Personnel increased by 26.92% from ₹91,05,511 in 2020-21 to ₹1,15,57,156 in 2021-22 whereas the Profit Before Tax decreased by 34.23% to ₹ 20.50 million in 2021-22 (₹ 31.17 million in 2020-21).

(vii) a) Variations in the market capitalisation of the Company : The market capitalisation as on March 31, 2022 was ₹ 228.706/- Million (₹ 245.740/- Million as on March 31, 2021)

b) Price Earnings Ratio of the Company was 11.50 as at March 31, 2022 and was 110.83 at March 31, 2021.

c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year-

The Company had come out with initial public offer (IPO) in 1983. An amount of ₹ 1,000 invested in the said IPO would be worth ₹ 40950/- as on March 31, 2022.This is excluding the dividend accrued thereon and effect of shares applied in Rights Issue.

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

– Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year i.e. 2021-22 was 23.81 whereas the increase in the managerial remuneration for the same financial year was 26.92.

(ix) The key parameters for any variable component of remuneration availed by the directors.

– There is no variable component of remuneration availed by the directors.

(x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.

– Not Applicable.

(xi) It is hereby affirmed that the Remuneration paid to Key Managerial Personnel is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Sd/-

(UTSAV PAREKH)
Chairman
(DIN No. 00027642)

Regd. Office:
'Vaibhav' (4F), 4 Lee Road,
Kolkata - 700 020

The 11th day of May, 2022

ANNEXURE – D

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2021-22

[As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges]

Transparency and accountability are the two basic tenets of Corporate Governance. Corporate Governance consists of laws, policies, procedures, and most importantly, practices that ensure the well-being of the assets of the Company, enhance shareholders' value and discharge social responsibilities.

Board of Directors of your Company is responsible for and committed to sound principles of Corporate Governance in the Company. Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and Independent Board. Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company.

Board of Directors' of your Company is committed in doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with the applicable legislation. A Code of Conduct is framed and adopted by the Board of Directors to ensure strict management compliance.

Your Company acknowledges its responsibilities towards its stakeholders and ensures compliance with the requirements of the guidelines on Corporate Governance stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company respects the rights of its shareholders and its endeavor has always been to maximize the long term value to the shareholders of the Company.

I. Company's philosophy on Corporate Governance

Your Company has implemented and is continuously improving the Corporate Governance procedures with the objective of fulfilling expectation of the shareholders and Company's social commitment through transparency, disclosure, accountability, compliance, ethical code, stakeholders' interest. Corporate Governance practices go beyond statutory and regulatory requirements. Your Company is committed to follow the spirit of good governance than mere compliance with the conditions specified by regulatory authorities.

Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Company is fully compliant with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Board presents the report on compliance of governance stipulations specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

II. Board of Directors

As on March 31, 2022 your Company had 6 directors with a Non- Executive Chairman and a Managing Director. Board of Directors of your Company is comprised of 5 (Five) Non-

Executive Directors. Among the Non-Executive Directors, 3 (Three) are Independent Directors. Composition of the Board of your Company fulfills the requirement under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is as under:

Category		Particulars of Directors	
(a)	Non-Executive-Independent Directors	(i) (ii) (iii)	Mr. Ramesh Maheshwari Mr. Santosh Kumar Mukherjee Mrs. Pushpa Mishra
(b)	Non-Executive –Non-Independent Directors	(i) (ii)	Mr. Ajay Kumar Kayan Mr.Utsav Parekh, Non-Executive Chairman
(c)	Executive-Non-Independent Director	(i)	Mr. Kishor Shah, Managing Director

None of your Directors on the Board are members of more than 10 (Ten) Committees and Chairman of more than 5 (Five) Committees across all Companies in which they are Directors. Necessary disclosures regarding Committee position in other Public Companies as on March 31, 2022 have been made by the Directors.

Board Members are responsible for the management of the business. Role, functions, responsibility and accountability of the Board are clearly defined. In addition to its primary role of monitoring corporate performance, functions of the Board include (i) approving corporate philosophy and vision; (ii) formulation of strategic and business plans; (iii) reviewing and approving financial plans and budgets; (iv) monitoring corporate performance against strategic and business plans, including overseeing operations; (v) ensuring ethical behavior and compliance of laws and regulations; (vi) reviewing and approving borrowing limits; (vii) formulating exposure limits; and (viii) keeping shareholders informed regarding plans, strategies and performance.

Name and nature of appointment of Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/ Memberships held by them in other Companies is given below. Other Directorships do not include Alternate Directorships, Directorships of Private Limited Companies, Section 8 Companies and Companies Incorporated outside India. Chairmanships / Memberships of Board Committees include only Audit and Stakeholders Relationship Committees.

Name of the Directors	Category	Year 2021 - 2022 Attendance at Board Meetings	Year 2020 - 2021 Attendance at the last AGM	No. of outside Director-ships	No of other Board / Committees of which he/she is a member	No of other Board / Committees of which he/she is a Chairman
Mr. Utsav Parekh–Non Executive Chairman	Promoter Non-Independent	4	Yes	12	3	4
Mr. Ramesh Maheshwari	Independent	4	Yes	4	0	0
Mr. Santosh Kumar Mukherjee	Independent	4	Yes	4	0	2
Mr. Ajay Kumar Kayan	Promoter Non-Independent	4	No	4	0	0
Mr. Kishor Shah	Managing Director	4	Yes	2	1	0
Mrs. Pushpa Mishra	Independent	4	Yes	1	2	0

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

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

Skills/Expertise/Competence of the Board of Directors

1. Mr. Utsav Parekh- Mr. Utsav Parekh is a Graduate in Commerce and has over 37 Years of experience in Investment Banking. He is one of the most reputed Investment Bankers in Kolkata. He serves on the Board of several leading company in the country like Texmaco Infrastructure & Holdings Limited, Texmaco Rail & Engineering Limited, Spencer's Retail Limited etc. He is also a Member of Indian Chamber of Commerce, Calcutta.

2. Mr. Ramesh Maheshwari - Mr. Ramesh Maheshwari is a Bachelor of Law and Post Graduate in Commerce. He was on the board of many prestigious companies and he was on the Board of Birla Institute of Management Technology (IMT), New Delhi and Indian Institute of Management (IIM), Bangalore. He was also the Chairman of Engineering Export Promotion Council (EEPC), National President of Confederation of Indian Industry (CII), member of the Tandon Committee of Reserve Bank of India to frame guidelines for bank credit.

3. Mr. Ajay Kumar Kayan- Mr. Ajay Kumar Kayan is a Graduate in Commerce and has profound knowledge of the Securities Market of the country. He is on the Board of several companies.

4. Mr. Santosh Kumar Mukherjee- Mr. Santosh Kumar Mukherjee is a Graduate in Commerce and Arts. He is also a Fellow Member of The Institute of Chartered Accountants of India. He has a profound knowledge of Securities Market of the country.

5. Mr. Kishor Shah- Mr. Kishor Shah is a Graduate in Commerce , Associate Member of The Institute of Chartered Accountants of India, Associate Member of The Institute of Company Secretaries of India .He was previously the Managing Director of C.D.Capital Markets Ltd., (for over eight years) who are Category I Merchant Banker. He heads activities related to mergers & acquisitions, demergers, public & rights issues, private placements, loan syndication and distribution of various financial products.

6. Mrs. Pushpa Mishra- Mrs. Pushpa Mishra is a Bachelor of Law. She has over 19 years of experience in legal profession. Mrs. Mishra has vast experience in the fields of Commercial Law, Company Law, Arbitration Laws, Constitutional provisions and other allied law.

III. Board Meetings

Four Board Meetings were held during the year and the gap between two meetings did not exceed 120 days (One Hundred and Twenty days). Dates on which Board Meetings were held in each quarter are as follows:

Quarter	Date of Meetings
First	June 29, 2021
Second	August 12, 2021
Third	November 2, 2021
Fourth	February 08, 2022

IV. Audit Committee

(i) Audit Committee of the Company is constituted as per the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

(ii) Audit Committee has been vested with the following powers:

a. To investigate any activity within its terms of reference.

b. To seek information from any employee.

c. To obtain outside legal or other professional advice.

d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

(iii) The terms of reference of the Audit Committee are broadly as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

4. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of sub-section 3 of section 134 of the Companies Act, 2013

b. Changes, if any, in accounting policies and practices and reasons for the same

c. Major accounting entries involving estimates based on the exercise of judgement by management

d. Significant adjustments made in the financial statements arising out of audit findings

e. Compliance with listing and other legal requirements relating to financial statements

f. Disclosure of any related party transactions

g. Qualifications in the draft audit report

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the Company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluation of Internal Financial Controls and Risk Management Systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with Internal Auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee. The Company Secretary of the Company acts as Secretary of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

(iv) The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee is given below:

Name	Category	No. of Meetings during the year 2021-22	
		Held	Attended
Mr. Santosh Kumar Mukherjee – Chairman	Independent, Non-Executive	4	4
Mr. Utsav Parekh	Non-Independent, Non-Executive	4	4
Mr. Kishor Shah	Non-Independent, Executive	4	4
Mrs. Pushpa Mishra	Independent, Non-Executive	4	4

(v) Four Audit Committee meetings were held during the year. The dates on which the said meetings were held in each quarter are as follows:

Quarter	Date of Meetings
First	June 29, 2021
Second	August 12, 2021
Third	November 2, 2021
Fourth	February 8, 2022

V. Nomination and Remuneration Committee

(i) The Company has constituted a Nomination and Remuneration Committee of Directors.

(ii) The broad terms of reference of the Nomination and Remuneration Committee are as follows:

1. Formulate the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
2. The Committee while formulating the policy will ensure that—
   a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
   b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   c) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
3. Formulation of criteria for evaluation of Independent Directors and the Board.
4. Devising a policy on Board diversity.
5. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and the Company shall disclose the Remuneration Policy and the evaluation criteria in its Annual Report.
6. a) Recommend & Review succession plan for Managing Director
   b) Review and approve succession plan for Senior Management
7. Such other matters as Board may from time to time request the Nomination and Remuneration Committee to examine and recommend / approve.

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

Name	Category	No. of Meetings during the year 2021-22	
		Held	Attended
Mr. Ramesh Maheshwari – Chairman	Independent, Non-Executive	1	1
Mr. Santosh Kumar Mukherjee	Independent, Non-Executive	1	1
Mrs. Pushpa Mishra	Independent, Non-Executive	1	1

The Company Secretary is the Secretary of the Committee.

(iv) Details of Remuneration received by the Directors for the year ended March 31, 2022:

(a) Non-Executive Directors

Name	No. of Board Meetings Attended	Total Sitting Fees for Board Meetings Attended (₹)	No. of Audit Committee Meetings Attended	Total Sitting Fees for Audit Committee Meetings Attended (₹)	No. of Nomination & Remuneration Committee Meetings Attended	Total Sitting Fees for Nomination & Remuneration Committee Meetings Attended (₹)	No. of Stakeholders Relationship Committee Meetings Attended	Total Sitting Fees for Stakeholders Relationship Committee Meetings Attended (₹)	Commission (₹)	Total (₹)
Mr. Utsav Parekh	4	80,000	4	40,000	-	-	-	-	-	120,000
Mr. Ramesh Maheshwari	4	80,000	-	-	1	10,000	-	-	-	90,000
Mr. Santosh Kumar Mukherjee	4	80,000	4	40,000	1	10,000	1	10,000	-	140,000
Mr. Ajay Kumar Kayan	4	80,000	-	-	-	-	-	-	-	80,000
Mrs. Pushpa Mishra	4	80,000	4	40,000	1	10,000	1	10,000	-	140,000

Pursuant to Section 197(5) of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, sitting fees payable to Non-Executive Directors per Board Meeting is ₹ 20,000/- which is within the limits fixed by the Central Government. Fee of ₹ 10,000/- is paid for each Committee Meeting (i.e., Nomination and Remuneration Committee, Audit Committee and Stakeholder's Relationship Committee)

Details of shares held by Non-Executive Directors as on March 31, 2022 is as follows:

Name	Category	No. of shares held	Percentage of holding
Mr. Utsav Parekh	Non-Executive –Non -Independent Director	96200	1.72
Mr. Ajay Kumar Kayan	Non-Executive –Non -Independent Director	400550	7.17
Mr. Santosh Kumar Mukherjee	Non-Executive– Independent Director	750	0.01
Mrs. Pushpa Mishra	Non-Executive -Independent Director	150	0.00

b) Managing Director

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

Name	Salary & Other Allowances	Bonus/Ex-Gratia	Provident Fund
Mr. Kishor Shah	₹ 74,60,180	₹ 13,48,299	₹ 6,49,440

NOMINATION AND REMUNERATION POLICY

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on August 6, 2014. The Policy is made available on the Company's website at www.smifscap.com

- **Remuneration to Non- Executive / Independent Director:**

1. Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 1,00,000/- (Rupees One Lakh Only) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Commission:

Subject to the provisions of the section 197 of the Companies Act, 2013, any director who is in receipt of any commission from the company and who is a managing or whole-time director of the company shall not be disqualified from receiving any remuneration or commission from any holding company or subsidiary company of such company subject to its disclosure by the company in the Board's Report.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

(a) Annual Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees and Stakeholders Relationship Committee. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board's culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the

interest of the Company and its minority shareholders etc. The entire Board carried out the performance evaluation of the Independent Directors. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Key Managerial Personnel (KMP) and the Senior Management. The Directors expressed their satisfaction with the evaluation process.

VI. Stakeholders Relationship Committee

(i) The Company has constituted a Stakeholders Relationship Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of dividend / notices / annual reports, etc.

(ii) The Stakeholders Relationship Committee consist of 3(Three) Directors namely Mr. Santosh Kumar Mukherjee, Mrs. Pushpa Mishra and Mr. Kishor Shah of which 2 (Two) are Non-Executive Independent Directors. Mr. Santosh Kumar Mukherjee, Non-Executive Independent Director is the Chairman of the Committee.

(iii) One Meeting of Stakeholders Relationship Committee was held during the year.

(iv) The Company Secretary is the Secretary of the Committee.

VII. Share Transfer Committee

(i) The Company has constituted a Share Transfer Committee to look into requests received for transfers, split, consolidation as well as issue of duplicate share certificates and complete the process well within the stipulated time.

(ii) Share Transfer Committee comprises of Mr. Utsav Parekh, Mr. Santosh Kumar Mukherjee and Mr. Kishor Shah.

(iii) Share Transfer Committee is prompt in dealing with all the requests received relating to transfer of shares and other related matters.

(iv) The Company Secretary is the Secretary of the Committee.

VIII. Independent Directors Meeting

During the year under review, the Independent Directors met on February 8, 2022, inter alia, to discuss:

(i) Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;

(ii) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

(iii) Evaluation of the quality content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

IX. Committee of Directors

In addition to the above committees, the Board has constituted the Committee of Directors, which considers matters urgent in nature. The Committee comprises of Mr. Utsav Parekh, Mr. Santosh Kumar Mukherjee, Mr. Ajay Kumar Kayan and Mr. Kishor Shah.

The Company Secretary is the Secretary of the Committee.

X. General Body Meetings

Location and time where last three Annual General Meetings were held:

	2018-2019	2019-2020	2020-2021
Date	September 14, 2019	September 5, 2020	September 25, 2021
Time	10.00 A.M.	10.00A.M	11.00A.M
Venue	Rrangoli Banquet Hall, 'Vaibhav', 4, Lee Road, Ground Floor, Kolkata - 700 020	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") at the Registered Office of the Company at 4, Lee Road, Fourth Floor, Kolkata - 700 020	Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") at the Registered Office of the Company at 4, Lee Road, Fourth Floor, Kolkata - 700 020
Whether Special Resolution passed	No	No	Yes

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

At the Annual General Meeting held on September 25, 2021 two Special Resolution were passed to approve the re-appointment of Mr. Kishor Shah as Managing Director for a further period of 3 (Three) years w.e.f. April 1, 2021 and for increasing the limits applicable for making investments/ extending loans and giving guarantees or providing securities in connection with loans to persons / bodies corporate.

XI. Disclosure by the Management to the Board

The management discloses to the Board all material, financial and commercial transactions where they have personal interest and which may have potential conflict of interest with the Company at large:

(a) Related party transactions for the year being transactions with Promoters, Directors or Key Managerial Personnel or their Relatives has been stated in Note 39 of Notes on Financial Statements. Further, the Board has approved a policy for related party transactions which has been uploaded on the Company's website at www.smifscap.com.

(b) There was no significant instance of non-compliance on any matter related to the capital market, during the last three years.

(c) Vigil Mechanism - Your Company has established a mechanism called "Vigil Mechanism" for employees to report to the management instances of unethical behavior actual or suspected, fraud or violation of Company's code of conduct or ethics policy. The policy is available on the website of the Company at www.smifscap.com.

(d) Familiarization Programme for Independent Directors- Company has formulated a Familiarization Programme for Independent Directors and the details of which are disclosed on the Company's website at www.smifscap.com.

XII. Subsidiary Company

The Company has one Wholly Owned Subsidiary Company, SMIFS Capital Services Limited. One Independent Director on the Board of the Company is the Director on the Board of the Subsidiary Company. Audit Committee of your Company reviews the financial statements of

the Subsidiary Company in each meeting. Minutes of the Board Meetings of the Subsidiary Company are considered at Board Meetings of your Company and at regular intervals, significant transactions, arrangements entered into by the Subsidiary Company are placed at the Board Meetings of your Company.

XIII. Compliance Certificate

Compliance Certificate on Corporate Governance from Auditors of the Company is annexed herewith.

XIV. Means of Communication

Financial results of the Company are published in the newspapers as follows:	
Quarterly and half-yearly results:	Published in the newspapers : i) First Quarter ended June 30, 2021, unaudited results published in Business Standard (English) and Ek Din (Bengali) on August 13, 2021. ii) Second Quarter and half-yearly results ended September 30, 2021 published in Business Standard (English) and Ek Din (Bengali) on November 3, 2021. iii) Third Quarter and nine months ended December 31, 2021 unaudited results published in Business Standard (English) and Ek Din (Bengali) on February 9, 2022. iv) Fourth Quarter and year ended March 31, 2022 audited results published in Business Standard (English) and Ek Din (Bengali) on 12th May, 2022.
Newspapers in which results are normally published:	Business Standard (English), Ek Din (Bengali).
Any website, where displayed:	The results are displayed on the Company's website at www.smifscap.com
Whether it also displays official news releases:	Yes
Management's Discussions& Analysis forms part of this Annual Report:	Yes

XV. General Shareholders' Information

(i) Annual General Meeting

Date:	September 17, 2022
Time :	11.00 a.m.

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

(iii) Financial Calendar : April1, 2021 to March 31, 2022

(iv) Date of Book Closure : September 10, 2022 (Saturday) to September 17, 2022 (Saturday) (both days inclusive)

(v) Listing on Stock Exchange: Equity shares of the Company are listed on BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).

(vi) Payment of Annual Listing Fees: The Annual Listing Fees for the Financial year 2022-23 has been paid to BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).

(vii) Stock Code : 508905 – BSE
29354 – CSE

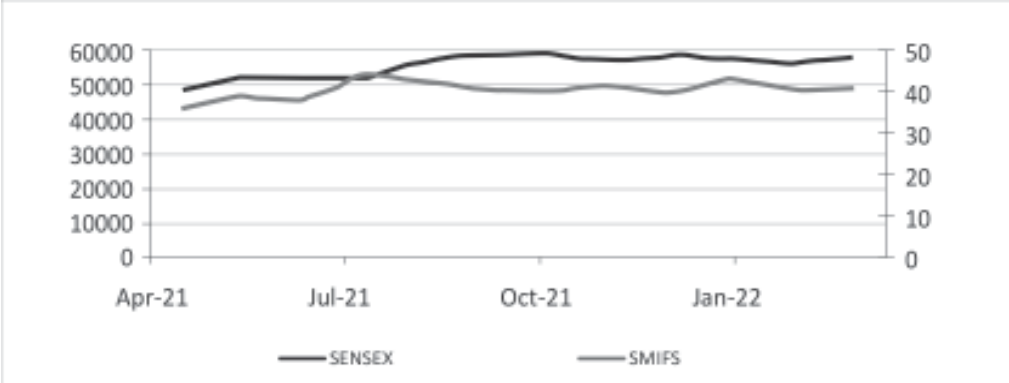
(viii) ISIN Number for NSDL / CDSL: INE641A01013

(ix) Market Price Information

The following table gives the monthly high and low prices of the Equity shares traded at BSE during the year 2021-2022

Month	Volume Traded	High Price	Low Price
Apr-21	54	42.80	33.25
May-21	89	39	30.10
Jun-21	98	42.70	36.10
Jul-21	160	45.15	36.25
Aug-21	60	42.20	35.05
Sep-21	110	49.15	37
Oct-21	109	43	36.25
Nov-21	68	44.30	35.15
Dec-21	199	45.15	36.90
Jan-22	355	45.75	39
Feb-22	371	47.30	39
Mar-22	351	44	35.60

SHARE PRICE COMPARISON CHART OF EQUITY SHARES OF THE COMPANY VIS-À-VIS BSE SENSEX



There was no trading of shares at CSE during the year.

(x) Registrar and Transfer Agents:

Name &Address	:	M/s Maheshwari Datamatics Pvt. Ltd. 23, R.N. Mukherjee Road, (5thFloor), Kolkata – 700 001
Telephone	:	(033) 2243-5029, 2243-5809, 2248-2248
Fax	:	(033) 2248-4787
E-mail	:	mdpldc@yahoo.com

(xi) Corporate Filing and Dissemination System (CFDS)

Companies are now required to upload the quarterly financial results under Corporate Filing and Dissemination System (CFDS). Your Company has been duly registered under the said system and all data relating to the quarterly financial results along with corporate governance report and shareholding pattern are filed under the said system.

(xii) Share Transfer System

Shares lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 15 days.

(xiii) Shareholding as on March 31, 2022:

(a) Category of Shareholding as on March 31, 2022

Category	No. of Shares held	% of Capital
RESIDENT INDIVIDUALS	15,58,186	27.90
FINANCIAL INSTITUTIONS / BANK	–	–
FOREIGN PORTFOLIO INVESTORS	5,50,000	9.85
CORPORATE BODIES-DOMESTIC	9,38,533	16.80
INDIAN PROMOTERS:		
a) Individuals	784,350	14.04
b) Corporate Bodies	17,49,701	31.33
NRIs / OVERSEAS CORP. BODIES (OCBs)	4,230	0.08
TOTAL	**55,85,000**	**100**

(b) Distribution of Shareholding as on March 31, 2022

No. of Shares held	No. of Shareholders	Total no. of Shares held
Upto 500	1044	101024
501-1,000	90	71418
1,001-2,000	65	95547
2,001-3,000	26	70401
3,001-4,000	13	45530
4,001-5,000	9	43712
5,001-10,000	25	181248
10,001 and Above	28	4976120
Total	1300	5585000

(xiv) Reconciliation of Share Capital Audit Report

Securities and Exchange Board of India vide circular no. CIR/MRD/DP/30/2010 dated September 6, 2010 directed all the issuer Companies to submit a Reconciliation of Share Capital Audit Report (Report) reconciling the total shares held in both the depositories viz., NSDL and CDSL and in Physical Form with the Total Issued /Paid Up Capital. The report replaced the earlier Secretarial Audit Report.

The said report, duly certified by a Company Secretary in Practice is submitted to the Stock Exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

(xv) Policy on Insider Trading:

The Company has formulated a Code of Conduct for Prevention of Insider Trading ('Code') in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.Further the same was amended vide SEBI Circular No. SEBI/LAD/NRO/GN/2018/59 dated December 31, 2018. Board of Directors has appointed Mrs. Poonam Bhatia, Company Secretary as the Compliance Officer under the Code, being responsible for complying with the procedures, monitoring adherence to the rules for preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board. The Code, inter alia, prohibits purchase and / or sale of shares of the Company by an insider or by any other Company, while in possession of unpublished price sensitive information in relation to the Company during certain prohibited periods. The Code is available on the Company's website.

(xvi) Details of use of Public Fund obtained in the last three years:

No fund has been raised from the public during the last three years.

(xvii) Plant location:

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

(xviii)Investor Correspondence

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

(xix) Other Information

a) Compliance

Compliance Certificate on Corporate Governance from Auditors of the Company is annexed herewith.

b) Code of Conduct

In order to make the employees of the Company knowledgeable and committed to follow highest level of integrity and to outline the Company's value and principles and to set out the standards of the professional and ethical behavior expected of the employees in the organization, Board of Directors of your Company have laid down Code of Business Conduct and Ethics.

Affirmation of Compliance to the Code has been made by the Board Members and Senior Management of the Company.

c) Annual declaration by CEO pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

As the Chief Executive Officer of SMIFS Capital Markets Limited and as required by Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Mr. Kishor Shah, Managing Director furnished declaration to the Company that all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct and ethics for the Financial Year 2021-22.

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

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

Mr. Ajay Kumar Kayan (DIN No. 00239123) born on April 26,1957 is a Commerce graduate from the University of Calcutta having profound knowledge of the Securities Market in the Indian Market. He was appointed as Additional Director on June 30, 2007. His directorship in other companies is given below:

Sl No.	Particulars	Nature Of Office
	Directorship	
i.	Andaman Plantations & Development Corporation Pvt. Ltd.	Director
ii.	Pee lie Investments Pvt. Ltd.	Director
iii.	Satellite Inter Continental Pvt. Ltd.	Director
iv.	Salveo Life Sciences Limited	Director

LIMITED LIABLITY PARTNERSHIP

i.	Chowringhee Planners LLP	Partner
ii.	C. Mackertich Enterprises LLP	Partner

(xxi) Details of total fees paid to Statutory Auditors

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

(Amount in ₹)

Type of Service	Financial Year 2021-22
Statutory Audit Fees	1,90,000
Certification and Other Fees	38,000
Total	228,000

(xxii) CEO/CFO Certification pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Certificate from Mr. Kishor Shah, Managing Director and Mr. Shreemanta Banerjee, CFO-cum- Vice President (Finance and Taxation), in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2022 was placed before the Board of Directors of the Company in its meeting held on 11th May, 2022.

For and on behalf of the Board of Directors

Sd/-

(UTSAV PAREKH)

Chairman

(DIN No. 00027642)

Regd. Office:

'Vaibhav' (4F), 4 Lee Road,

Kolkata - 700 020

The 11th day of May, 2022

ANNEXURE – E

STATEMENT PURSUANT TO SECTION 129 OF THE COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANIES

1.	Name of the Subsidiary	:	SMIFS Capital Services Limited
2.	Share Capital	:	₹ 75,000,700
3.	Reserves & Surplus	:	₹ (10,142,406)
4.	Total Assets	:	₹ 65,140,651
5.	Total Liabilities	:	₹ 282,359
6.	Investments	:	₹ 38,822,818
7.	Turnover	:	₹ 1,863,376
8.	Profit before taxation	:	₹ 337,243
9.	Tax Expense	:	₹ 4,194
10.	Profit after taxation	:	₹ 333,049
11.	% of shareholding	:	100%

For and on behalf of the Board of Directors

Sd/-

(UTSAV PAREKH)

Chairman

(DIN No. 00027642)

Regd. Office:
'Vaibhav' (4F), 4 Lee Road,
Kolkata - 700 020

The 11th day of May, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members of
SMIFS Capital Markets Ltd
Vaibhav, 4F, 4 Lee Road,
Kolkata – 700 020

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

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

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

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

Signature:
Name: Sudhansu Sekhar Panigrahi
Membership: 23187
CP No: 19649
UDIN: A023187D000289981

Place: Kolkata
Date : 19.05.2022

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

1. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

Managements' Responsibility

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

Auditor's Responsibility

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

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2022.

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

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

CA Vivek Agarwal
Partner
Membership No: 301571
UDIN:21301571AAAAIE2551

Place: Kolkata
Date : 11th day of May, 2022

SMIFS CAPITAL MARKETS LIMITED

10 Years' Highlights

(₹ in Million)

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Equity Capital	55.85	55.85	55.85	55.85	55.85	55.85	55.85	55.85	55.85	55.85
Reserves & Surplus	1,001.69	993.87	993.88	967.71	995.01	1,050.81	1,035.25	971.64	992.92	1108.10
Borrowings	3.28	1.83	0.68	0.75	2.10	5.18	3.93	3.43	1.76	0.42
Profit/loss before tax	13.67	4.62	10.04	10.99	9.65	9.36	7.45	2.10	31.17	20.50
Profit/loss after tax	10.19	2.09	9.55	8.49	8.55	26.39	5.69	1.33	2.16	19.89
Dividend per share (in ₹)	1.40	1.00	1.00	0.75	1.00	1.00	-	-	-	-
Net worth	1,057.54	1,049.72	1,049.73	1,023.56	1,050.86	1106.66	1091.10	1,027.49	1,048.77	1,163.95
Earnings per share (In ₹)	1.82	0.37	1.71	1.52	1.53	4.73	1.02	0.24	0.39	3.56
Book value per share (In ₹)	189.35	187.95	187.95	183.27	188.16	198.15	195.36	183.97	187.78	208.41

INDEPENDENT AUDITOR'S REPORT

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

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **SMIFS CAPITAL MARKETS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, 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.

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

Basis for Opinion

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

Emphasis of Matter

We draw your attention to Note 47 to the Standalone Financial Statements which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID - 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1.	**Direct Tax provision** Direct Tax provision Refer Note 13 and 32 to the standalone financial statements. In the normal course of business, "Income Taxes" is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Management makes judgements and estimates in connection with tax issues and tax exposures resulting in the recognition of deferred tax assets and liabilities as well as the tax provisions. As the provision of direct taxes is highly dependent on significant management judgements, Accordingly, Direct Tax Provisions was considered as one of the Key Audit Matters.	Our procedures included: - **Control testing:** – Testing the effectiveness of the controls around the recording and re-assessment of tax provisions. **Our tax expertise:** – Use of our own tax specialists to perform an assessment of the related correspondence, to consider the computation of tax provisions. – Challenging the assumptions using our own expectations based on our knowledge, considering relevant judgments passed by authorities, as well as assessing relevant opinions from third parties. **Assessing disclosures:** Considering the adequacy of the disclosures in respect of tax and uncertain tax positions, the results of our testing were satisfactory, and we found the level of tax provisioning and the adequacy of disclosures to be acceptable
	Valuation of investment in certain equity interests of listed and unlisted company Refer note 3 to the standalone financial statements. The investment in certain equity interests of a listed and unlisted company (the 'investment') are to be measured at fair value at each reporting date, and same has been measured at fair value through other comprehensive income. With reference to the valuation, management had estimated the fair value of the Investment at Rs. 8, 502.14 lacs at year end. In consideration of the Investment is operating in an emerging industry and its fair value is highly dependent on significant management judgements. Accordingly, the valuation of the Investment was considered as one of the key audit matters	Based on the audit procedures performed, we found the assumptions made by management in relation to the valuation were supported by available evidence.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information but does not include the standalone financial statements and our auditor's report thereon. The Board's report including annexures to the Board's report and Shareholder's Information is expected to be made available to us after to date of this auditor's report.

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance total comprehensive income, changes in equity and cash flow of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in **"Annexure A",** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, based on our audit we report that:

   i. 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.

   ii. 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.

   iii. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   iv. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   v. On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   vii. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended we report that:

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

3. 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:

   a. The Company does not have any pending litigation which would impact its financial position in its standalone financial statements.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

d. I) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

II) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

III) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under d(I) and d(II) above contain any material misstatement.

e. No dividend has been paid or declared by the company during the year.

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

Vivek Agarwal
Partner
Membership No: 301571
UDIN: 22301571AJTGXF4592

Place: Kolkata
Date : 11th day of May, 2022

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

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

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

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. 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 on the basis of our examination of the records of the company, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) As explained to us, the inventories of securities held as stock in trade has been verified by the management with demat accounts maintained with depositories at reasonable intervals and the company is maintaining the proper records of Inventories and as explained to us, no discrepancies were noticed on verification of stocks and book records.

(b) The Company has not been sanctioned working capital limits in excess of ₹5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has made investments in companies and granted secured and unsecured loans to companies and other parties, in respect of which the requisite information is as below.

a) ₹ In Lacs

Particulars	Loans
Aggregate amount during the year ended 31 March 2022	
Subsidiary	NIL
Others	2893.60
Balance outstanding as at balance sheet date – 31 March 2022	
Subsidiary	NIL
Others	2915.45

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year.

b) The investments made, and the terms and conditions of the grant of secured and unsecured loans are, prima facie, not prejudicial to the interest of the Company.

c) In the case of loans given, the schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts are regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

d) There is no overdue amount for more than ninety days in respect of secured and unsecured loans given.

e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f) The Company has granted loans of ₹ 2743.60 lacs (94.82%) repayable on demand during the year. No loans have been granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year. Accordingly, clause (v) of paragraph 3 of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. In respect of statutory and other dues:

a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, Goods and Services Tax, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2022 for a period of more than six months from the date of becoming payable.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2022 for a period of more than six months from the date of becoming payable.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised any money by way of initial public officer and further public offer (including debt instruments) during the year.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) To the best of our knowledge, No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.

xii. The company is not a Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.

xiii. Transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, and details of such transactions have been disclosed in the Standalone Financial Statements, as required by the applicable Indian Accounting Standards.

xiv. (a) The company has an internal audit system which is commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion that the Company has not entered into non-cash transactions with the directors or persons as per section 192 of the Companies Act, 2013. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) To the best of our knowledge, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The company has not incurred cash losses in current financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company 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 and our knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report 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. To the best of our knowledge, section 135 of the said Companies Act, 2013 is not applicable to the company and accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

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

Vivek Agarwal
Partner
Membership No: 301571
UDIN: 22301571AJTGXF4592

Place: Kolkata
Date : 11th day of May, 2022

ANNEXURE - B TO THE AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of **SMIFS CAPITAL MARKETS LIMITED** ('the Company') as of 31st March 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

Vivek Agarwal
Partner
Membership No: 301571
UDIN: 22301571AJTGXF4592

Place: Kolkata
Date : 11th day of May, 2022

STATEMENT OF ACCOUNT

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2022

₹ in Lakhs

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
ASSETS			
Non-current assets			
a) Property, plant and equipment	2	361.18	453.88
b) Financial assets			
i) Investments	3	8,502.14	7,638.59
ii) Loans	4	2,707.85	2,242.80
iii) Other financial assets	5	105.85	105.83
c) Deferred tax assets (Net)	6	–	91.81
		11,677.02	**10,532.91**
Current assets			
a) Inventories	7	2.53	2.53
b) Financial assets			
i) Trade receivables	8	5.83	5.25
ii) Cash and Cash equivalents	9	500.17	86.66
iii) Other Bank Balances	10	4.18	5.50
iv) Loans	11	150.00	–
v) Other financial assets	12	1.03	0.03
c) Current tax asset (Net)	13	6.09	23.48
d) Other current assets	14	26.15	19.82
		695.97	**143.27**
Total Assets		**12,373.00**	**10,676.18**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	15	558.50	558.50
b) Other equity	16	11,081.00	9,929.20
		11,639.50	**10,487.70**
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	17	0.49	4.20
b) Deferred tax liabilities (Net)	18	208.76	–
		209.25	**4.20**
Current liabilities			
a) Financial liabilities			
i) Borrowings	19	3.71	13.39
ii) Trade and other payables	20		
a) Dues of micro enterprises and small enterprises		–	–
b) Dues of creditors other than micro enterprises and small enterprises		443.30	42.16
iii) Other financial liabilities	21	4.18	5.50
b) Other current liabilities	22	42.07	92.43
c) Provisions	23	30.99	30.80
		524.25	184.28
Total Equity and liabilities		**12,373.00**	**10,676.18**

Significant Accounting Policies & Notes to Financial Statements 1 To 48

As Per Our Report Of Even Date attached

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

Vivek Agarwal
Partner
Membership No. : 301571

Place: Kolkata
Dated: 11th May, 2022

For and on Behalf of the Board of Directors

UTSAV PAREKH
Chairman
(DIN No. 00027642)

KISHOR SHAH
Managing Director
(DIN No. 00170502)

POONAM BHATIA
Company Secretary
-cum - Sr.Manager Legal

SHREEMANTA BANERJEE
CFO-cum Vice President
Finance & Taxation

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

₹ in Lakhs

Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st march, 2021
INCOME			
I Revenue from operations	24	6,704.98	6,846.47
II Other Income	25	468.01	487.22
Total income(I+II)		**7,172.99**	**7,333.69**
III EXPENDITURE			
Purchases of Stock-in-Trade	26	6,579.16	6,467.21
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	(0.01)	(0.01)
Employee benefits expense	28	231.01	205.88
Financial Costs	29	0.97	2.26
Depreciation and amortization expense	30	35.50	43.77
Other expenses	31	121.31	302.91
Total Expense(III)		**6,967.95**	**7,022.02**
IV Profit/(loss) before exceptional items and tax		205.04	311.67
V Exceptional items		–	–
VI Profit/(loss) before tax		**205.04**	**311.67**
VII Tax expense:	32		
(1) Current tax		28.13	29.85
(2) Tax adjustment for earlier years		(12.41)	-
(3) Deferred tax		(9.61)	260.23
VIII Profit/(loss) for the period from continuing operations		**198.93**	**21.58**
IX Profit/(loss) from discontinued operations		–	–
Tax expense from discontinued operations		–	–
X Profit/(loss) for the period from discontinued operations (after tax)		–	–
XI Profit/(loss) for the period		**198.93**	**21.58**
XII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeausurement of net defined benefit liability		0.21	0.79
Gains and losses from investments in equity instruments designated at fair value through other comprehensive income;		1,262.84	146.15
(ii) Income tax relating to items that will not be reclassified to profit or loss		(310.18)	44.30
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		–	–
Other comprehensive income/(loss) for the period		**952.87**	**191.25**
XIII Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**1,151.80**	**212.83**
XIVEarning per equity share:	33		
(1) Basic		3.56	0.39
(2) Diluted		3.56	0.39

Significant Accounting Policies & Notes to Financial Statements 1 To 48

As Per Our Report Of Even Date attached

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

Vivek Agarwal
Partner
Membership No. : 301571

Place: Kolkata
Dated: 11th May, 2022

For and on Behalf of the Board of Directors

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Company Secretary
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CFO-cum Vice President
Finance & Taxation

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

Equity Share Capital

₹ in Lakhs

	Balance at the beginning of the reporting year	Changes in equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes during the reporting year	Balance at the end of the reporting year
For the year ended 31st March 2021	558.50	-	558.50	-	558.50
For the year ended 31st March 2022	558.50	-	558.50	-	558.50

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

Other Equity ₹ in Lakhs

	Reserves and Surplus				Other Comprehensive Income		Total Other Equity
	Securities Premium	Capital Redemption reserve	General Reserve	Retained Earnings	Equity instruments through Other Comprehen-sive Income	Remeasure-ment of Defined Benefit Liability	
Balance at 1 April 2020	**4,337.25**	**400.00**	**3,909.51**	**1,077.02**	**6.09**	**(13.51)**	**9,716.36**
Profit for the year				21.58			21.58
Transferred from other comprehensive income				(108.80)			(108.80)
Dividend Paid				-			
Dividend Distribution tax paid				-			
Other Comprehensive Income					190.46	0.79	191.25
Transferred to retained earnings					(108.80)		(108.80)
Total Comprehensive Income for the year	-	-	-	(87.22)	299.26	0.79	104.03
Balance at 31 March 2021	**4,337.25**	**400.00**	**3,909.51**	**989.81**	**305.34**	**(12.71)**	**9,929.20**
Balance at 1 April 2021	**4,337.25**	**400.00**	**3,909.51**	**989.81**	**305.34**	**(12.71)**	**9,929.20**
Profit for the year				**198.93**			**198.93**
Transferred from other comprehensive income				(12.47)			(12.47)
Dividend Paid				-			
Dividend Distribution tax paid				-			
Other Comprehensive Income					952.66	0.21	952.87
Transferred to retained earnings					(12.47)		(12.47)
Total Comprehensive Income for the year	**-**	**-**	**-**	**186.46**	**965.13**	**0.21**	**1,151.80**
Balance at 31 March 2022	**4,337.25**	**400.00**	**3,909.51**	**1,176.27**	**1,270.47**	**(12.50)**	**11,081.00**

As Per Our Report Of Even Date attached

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

Vivek Agarwal
Partner
Membership No. : 301571

Place: Kolkata
Dated: 11th May, 2022

For and on Behalf of the Board of Directors

UTSAV PAREKH
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(DIN No. 00027642)

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CFO-cum Vice President
Finance & Taxation

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

₹ in Lakhs

	31st March, 2022		31st March, 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax		205.04		311.66
Adjustment for				
Depreciation	35.50		43.77	
(Profit) / Loss on sale of Investments	(26.06)		(0.40)	
Dividend on Investment	(0.89)		-	
(Profit) / Loss on sale of fixed assets	(174.24)		(233.65)	
Financial Cost	0.97		2.26	
Revaluation in Financial Assets	7.58		(8.28)	
Loss On Financial Asset carried at Amortised Cost	-		159.84	
Other Interest Income	(138.99)		(152.64)	
Amortised Interest Income	(127.15)		(91.32)	
		(423.28)		(280.41)
Operating profit before Working Capital change		(218.24)		31.25
Adjustment for				
Trade & Other Receivables	(495.61)		4,531.44	
Inventories	(0.01)		(0.01)	
Trade and Other Payables	349.66		(30.59)	
		(145.96)		4,500.84
Cash Generated from Operations		(364.20)		4,532.08
Direct Tax paid	1.66		16.61	
		1.66		16.61
Net Cash Flow from Operating activity		**(362.54)**		**4,548.70**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(1.56)		(1.36)	
Sale of Fixed Assets	233.00		374.34	
Purchase of Investments	(1,860.88)		(5,350.84)	
Sale of Investments	2,278.64		351.70	
Interest Income	138.99		152.64	
Dividend on Investment	0.89		0.00	
Net Cash flow from Investing Activities		**789.09**		**(4,473.52)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Dividend and Dividend Distribution Tax Paid	-		-	
Interest paid	(0.97)		(2.26)	
Proceeds from long-term borrowings	(13.39)		(16.68)	
Net cash used in Financing Activities		**(14.36)**		**(18.95)**
Net increase in Cash & Cash Equivalents		**412.19**		**56.22**
Opening Balance of Cash & Cash Equivalents		92.16		35.94
Closing Balance of Cash & Cash Equivalents		**504.35**		**92.16**
Components of cash and equivalents				
Cash on Hand (Refer Note – 9)		1.50		0.88
Balance with Banks (Refer Note – 9 & 10)		502.85		91.28
Total Cash and Cash Equivalents		**504.35**		**92.16**

As Per Our Report Of Even Date attached

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

Vivek Agarwal
Partner
Membership No. : 301571

Place: Kolkata
Dated:11th May, 2022

For and on Behalf of the Board of Directors

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Chairman
(DIN No. 00027642)

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Company Secretary
-cum - Sr.Manager Legal

SHREEMANTA BANERJEE
CFO-cum Vice President
Finance & Taxation

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

The Company Information

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

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on 11th May 2022.

Note: 1 Significant accounting policies

a) Statement of Compliance

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

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

b) Basis of Preparation

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

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

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

Adoption of new Indian Accounting Standards and interpretations

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

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

c) Use of estimates

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

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

d) Property, plant and equipment

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

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

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

Depreciation

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

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

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

e) Impairment of Non-financial assets

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

f) Inventories

Inventories consisting of shares and securities have been individually valued script wise at lower of cost and market rate, in case they are quoted. Other stock-in-trade are valued at cost/ net

asset value whichever is lower or where balance sheet of investee Company is not available for past two years, value of such unquoted Stock-in-trade have been taken at rupee one per share as per prudential norms issued by the Reserve Bank of India.

g) Borrowing costs

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

h) Provisions, Contingent liabilities and Contingent Assets

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

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

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

i) Revenue recognition

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

Interest Income

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

Dividend income

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

j) Income Tax

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

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

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

k) Cash flow statement

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

l) Financial instruments

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

Financial Assets

Initial Recognition

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

Classification and Subsequent Measurement: Financial Assets

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

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

Debt Instruments

Amortised Cost

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

Fair Value through Other Comprehensive Income

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

Fair Value through Profit or Loss

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

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

Equity Instruments

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

Financial Liabilities

Initial Recognition

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

Classification and Subsequent Measurement: Financial liabilities

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

Impairment of financial assets

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

Derecognition of financial instruments

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

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

Offsetting financial instruments

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

m) Fair value measurements

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

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

- In the principal market for the asset or liability.

Or

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

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

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

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

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

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

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

n) Employee benefits

Defined contributions plan

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

Defined benefit plans

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

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

(i) Short term Employee benefit

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

(ii) Long term Employee benefits

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

o) Segment reporting

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

p) Borrowings

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

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

q) Earnings per share

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

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

r) Investment in subsidiary

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

s) Business Combinations

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

t) Recent accounting pronouncements

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

SMIFS CAPITAL MARKETS LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

Note : 2 Property Plant and Equipments

₹ in Lakhs

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.2021	Additions	Deductions/ Adjustments	As on 31.03.2022	As on 01.04.2021	For the year	Adjustment	As on 31.03.2022	As on 31.03.2022	As on 31.03.2021
Buildings / Premises	571.41	-	129.87	441.54	150.12	23.01	71.11	102.02	339.52	421.29
Furniture and Fixtures	1.29	0.32	-	1.61	1.28	0.16	-	1.44	0.17	0.01
Office Equipment	0.16	-	-	0.16	0.16	–	-	0.16	–	–
Vehicles	81.62	-	-	81.62	49.75	10.81	-	60.56	21.06	31.87
Electrical Installations	0.06	-	-	0.06	0.06	–	-	0.06	–	–
Computers	4.86	0.81	-	5.67	4.15	1.39	-	5.54	0.13	0.71
Air Conditioners	1.81	0.42	-	2.24	1.81	0.12	-	1.93	0.30	–
Sub total	**661.20**	**1.56**	**129.87**	**532.89**	**207.32**	**35.50**	**71.11**	**171.71**	**361.18**	**453.88**
Previous Year	863.76	1.36	203.92	661.20	226.78	43.77	63.22	207.32	453.88	

Note : 3 Non Current Investment

₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022		As at 31 March 2021	
		No. /Units	Amount ₹	No. /Units	Amount ₹
1	**Investments measured at amortized cost**				
(a)	**Investment in Preference Shares (Non Cumulative ₹ 100/- Each) Unquoted, fully paid up**				
	12% Andaman Plantations & Development Corporation Pvt.Ltd	40,000	4.00	40,000	40.00
	7% Non Cumulative Redeemable Pref. Share Maya Tradelinks Ltd.	2,00,000	200.00	2,00,000	200.00
(b)	**Investment in Debentures (₹ 100/- Each) Unquoted, fully paid up**				
	Zero Coupon OP Convertible Debenture.	40,00,000	4,000.00	40,00,000	4,000.00
	Zero% Compulsory Convertible Debenture I Care Learning Pvt.Ltd.				
2	**Investment carried at cost**				
(a)	**Investment in Subsidiary Company (Wholly Owned) Unquoted**				
	Investment in Equity Shares of ₹ 10 each SMIFS Capital Services Limited	75,00,070	750.01	75,00,070	750.01
3	**Investments measured at fair value through Other comprehensive Income**				
	Investment in Equity Shares				
	Equity shares of ₹ 10 each (Unless otherwise stated)				
	Quoted, Fully paid up				
	Aravali Securities & Finance Limited	100	0.01	100	0.00
	Asian Vegpro Industries Limited	3,00,000	3.00	3,00,000	3.00
	Coventry Springs & Engg. Co. Ltd	52,323	0.05	52,323	0.05
	Melstar Information Technologies Limited	300	0.01	300	0.01
	Nicco UCO Alliance Credit Limited	114	0.00	114	0.00
	North Eastern Publishing & Advt Co Ltd	50,45,400	450.05	45,00,000	411.30
	Punsumi Foils & Components Limited	15,800	0.16	15,800	0.16
	Summit Securities Ltd.	1,56,500	931.72	1,56,500	837.98
	VCK Capital Markets Limited	200	0.00	200	0.00
	GE Power India Limited	7,000	10.64	-	-
	Unquoted, Fully paid up				
	Bhatpara Papers Limited	44	0.00	44	0.00
	Progressive Star Finance Ltd.	1,30,000	1,786.16	1,30,000	592.33
	Tejasri Energy Limited	5,000	0.50	5,000	0.50
	Gujarat Securities Limited	20	0.00	20	0.00
	Vaibhav Services Pvt Ltd	4,580	4.38	4,580	4.38
	Welquin Suppliers Pvt Ltd	5,440	25.11	5,440	21.43

Note : 3 Non Current Investment

₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022		As at 31 March 2021	
		No. /Units	Amount ₹	No. /Units	Amount ₹
4	**Investments measured through profit and loss**				
	Investment in Equity Shares				
	Quoted				
	Powergrid Infrastructure Investment Trust - 2021	1,06,000	141.93	-	-
	Investment in Mutual Funds				
	Quoted				
	Axis Arbitrage Fund Direct Growth	3,74,674	60.65	-	-
	BAGZ Aditya Birla Sunlife Equity Hybrid '95 Fund	2,146	25.53	2,015	19.90
	Unquoted				
	JM High Liquidity Fund	-	-	2,263	1.27
	Aditya Birla Sunlife Money Manager Fund	8,525	25.48	83,570	239.99
	Axis Money Market Fund	-	-	24,960	276.29
	Nippon India Money Market Fund	337	11.28	7,451	239.99
	HDFC Arbitrage Fund	3,50,868	56.43	-	-
	HDFC Liquid Fund	359	15.04	-	-
	Total		**8,502.14**		**7,638.59**
	Aggregate amount of unquoted Investments			6,878.40	6,366.20
	Aggregate amount of quoted Investments			1,623.74	1,272.39
	Aggregate market value of quoted Investments			1,623.74	1,272.39

Note : 4 Loans

₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022		As at 31 March 2021	
1	Other loans to Not Related Party - Loans Receivables considered good - Unsecured;	2,707.85		2,242.80	
			2,707.85		2,242.80
	Total		**2,707.85**		**2,242.80**

Note : 5 Other non current financial assets

1	Security Deposit	7.94		7.91	
		-	7.94	-	7.91
2	Receivable from Leased Assets	3.97		3.97	
	Less: Provision for doubtful	(3.97)	-	(3.97)	-
3	Other Receivable *		97.91		97.91
	Total		**105.85**		**105.83**

₹ in Lakhs

* Other receivable includes fixed deposit. The entire amount which is receivable from Central Bank of India, has been deposited by the Bank with the Prothonotary and Senior master pending disposal of our claim as per the direction of the Hon'ble High Court, Bombay.

Note : 6 Deferred tax Assets (Net)

₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022	As at 31 March 2021
1	**Deferred tax asset**		
	MAT Credit Entitlement	–	135.12
	Less: Deferred tax liability	–	–
	On Disallowances under the Income Tax Act, 1961	8.83	–
	On difference between wdv as per book and wdv as per	(93.74)	–
	Income Tax Act of fixed assets	–	–
	On Financial Instrument	41.59	–
		–	(43.32)
	Total	**–**	**91.81**

Note : 7 Inventories

₹ in Lakhs

Sl. No. Particulars	As at 31st March 2022 Quantity Nos	As at 31st March 2022 Amount ₹	As at 31 March 2021 Quantity Nos	As at 31 March 2021 Amount ₹
Quoted : Fully Paid Up				
AVON INDUSTRIES LTD.	9,800	0.10	9,800	0.10
GENERAL EXPORTS & CREDITS LIMITED	45,900	0.46	45,900	0.46
HB ESTATE DEVELOPERS LTD.	23	0.00	23	0.00
HB PORTFOLIO LTD.	15	0.00	15	0.00
K.H.S.L.INDUSTRIES LTD.	2,200	0.02	2,200	0.02
KILBURN OFFICE AUTOMATION LIMITED	16,400	0.18	16,400	0.18
LLOYDS FINANCE LTD.	50	0.00	50	0.00
MADRAS SPINNERS LTD.	4,000	0.04	4,000	0.04
STELLANT SECURITIES (I) LTD.	680	0.05	680	0.05
SIDHI VINAYAK LIMITED	400	0.00	400	0.00
SINCLAIRS HOTELS LTD.	23	0.01	23	0.01
ENSO SECUTRACK LTD.	2,500	0.16	2,500	0.16
VIPRAS CORPN.LTD.	500	0.01	500	0.01

Note : 7 Inventories ₹ in Lakhs

Sl. No. Particulars	As at 31st March 2022 Quantity Nos	As at 31st March 2022 Amount ₹	As at 31 March 2021 Quantity Nos	As at 31 March 2021 Amount ₹
EQUITY SHARES				
PARTLY PAID SHARES: QUOTED				
*METROPOLI OVERSEAS LIMITED(Rs.5/-)	29,800	0.30	29,800	0.30
EQUITY SHARES				
UNQUOTED SHARES(FULLY PAID)				
PROCAM INTERNATIONAL LTD.	19,977	0.20	19,977	0.20
TATA CERAMICS LIMITED	1,00,000	1.00	1,00,000	1.00
Total		**2.53**		**2.53**

Note : 8 Trade Receivables

Sl. No.	Particulars	As at 31st March 2022	As at 31 March 2021
1	Unsecured Considered Good	5.83	5.25
	Less : Impairment Allowance	–	–
	Total	**5.83**	**5.25**

Trade Receivables Ageing Schedule **As on 31/03/2022** ₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment #					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - consider good	5.80	-	0.03	-	-	5.83
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - consider good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Trade Receivables Ageing Schedule **As on 31/03/2021** ₹ in Lakhs

Particulars	Outstanding for following periods from due date of payment #					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - consider good	5.16	-	0.06	-	0.03	5.25
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - consider good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Note : 9 Cash & Cash Equivalents

₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022	As at 31 March 2021
1	Balance with banks	498.67	84.83
2	Cash on hand	1.50	0.88
3	Cheques in Hand	–	0.95
	Total	**500.17**	**86.66**

Note : 10 Other Bank Balances

1	Unclaimed Dividend account	4.18	5.50
	Total	**4.18**	**5.50**

Note : 11 Loans

1	Loans	150.00	–
	Total	**150.00**	**–**

Note No.12 Other Current Financial Assets

1	Other receivables	1.03	0.03
	Total	**1.03**	**0.03**

Note : 13 Current tax asset (Net)

1	Advance Income Tax (Net of Provision)	6.09	23.48
		6.09	**23.48**

Note : 14 Other Current Assets

1	Balance with Statutory Authorities	8.38	8.36
2	Prepaid expenses	17.15	11.46
3	Other Advance	0.61	–
	Total	**26.15**	**19.82**

Note : 15 Equity Share Capital ₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022	As at 31 March 2021
1	**AUTHORIZED**		
	3,00,00,000 (3,00,00,000) Equity Shares of ₹ 10/- each.	3,000.00	3,000.00
	20,00,000 (20,00,000) Preference Shares of ₹ 100/- each.	2,000.00	2,000.00
		5,000.00	**5,000.00**
2	**ISSUED , SUBSCRIBED & PAID UP**		
	55,85,000 (55,85,000) Equity Shares of ₹ 10/- each, Fully paid up	558.50	558.50
		558.50	**558.50**

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

Particulars	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At the beginning of the reporting period	55,85,000	558.50	55,85,000	558.50
Change during the year	–	–	–	–
At the closing of the reporting period	55,85,000	558.50	55,85,000	558.50

4 Terms and Rights attached to equity shares

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

5 Shareholders holding more than 5% shares in the Company

Particulars	No. of shares	% held	No. of shares	% held
Mackertich Consultancy Services Pvt Ltd	11,15,700	19.98	11,15,700	19.98
The Indiaman Fund (Mauritius) Limited	5,50,000	9.85	5,50,000	9.85
Progressive Star Finance Pvt Ltd	3,57,251	6.40	3,57,251	6.40
Ajay Kumar Kayan	4,00,550	7.17	4,01,550	7.19
Minal Bharat Patel	3,23,339	5.79	3,23,339	5.79
S N Rajan	–	–	2,81,700	5.04

6 Detail of Promoter Shareholding

Sr No.	Promoter name	As at 31st March 2022			As at 31 March 2021		
		No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
1	Mackertich Consultancy Services Pvt Ltd	11,15,700.00	19.98	-	11,15,700.00	19.98	-
2	Ajay Kumar Kayan	4,00,550.00	7.17	-0.02	4,01,550.00	7.19	-0.01
3	Progressive Star Finance Pvt Ltd	3,57,251.00	6.40	-	3,57,251.00	6.40	-
4	Stewart Investment and Financial Private Limited	2,76,750.00	4.96	-	2,76,750.00	4.96	-
5	Lalita Kayan	1,54,300.00	2.76	-	1,54,300.00	2.76	-
6	Nilangi Parekh	1,23,000.00	2.20	-	1,23,000.00	2.20	-
7	Utsav Parekh	96,200.00	1.72	-	96,200.00	1.72	-
8	Rahul Kayan	7,000.00	0.13	-	7,000.00	0.13	-
9	Suman Bhartia	1,500.00	0.03	-	1,500.00	0.03	-
10	Gauri Shankar Ajay Kumar (HUF)	1,000.00	0.02	0.02	-	-	-
11	Ajay Kumar Kayan (HUF)	700.00	0.01	-	700.00	0.01	0.01
12	Payal Saraf	100.00	0.00	-	100.00	0.00	-

Note : 16 Other Equity

₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022		As at 31 March 2021	
1	Securities Premium		4,337.25		4,337.25
2	Capital Redemption Reserve		400.00		400.00
3	General Reserve	3,909.51		3,909.51	
			3,909.51		3,909.51
4	Retained Earnings :				
	Balance brought forward from previous year	989.81		1,077.02	
	Transferred from Other Comprehensive Income	(12.47)		(108.80)	
	Profit for the Year	198.93		21.58	
			1,176.27		989.81
5	Other Comprehensive Income				
	Opening OCI	292.63		(7.42)	
	Add: During the year OCI	952.87		191.25	
	Less: Transferred to Retained Earning	12.47		108.80	
			1,257.97		292.63
	Total		**11,081.00**		**9,929.20**

₹ in Lakhs

Note : 17 Borrowings	As at 31st March 2022	As at 31 March 2021
1 Secured Loans		
From banks	4.20	17.59
Current Maturity of Long term Debt.	(3.71)	(13.39)
Total	**0.49**	**4.20**

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

17.2 Repayment Schedule:-

Term Loan (Secured):		
a) HDFC Bank Ltd Repayable in 60 monthly installments of ₹41,865/- from April 2016.	-	0.42
b) HDFC Bank Ltd Repayable in 60 monthly installments of ₹ 91,270/- from May 2017.	2.80	10.42
c) Yes Bank Ltd. Repayable in 48 monthly installments of ₹ 24,930/- from June 2019	0.91	2.55
Total	**3.71**	**13.39**

Note : 18 Deferred tax Liabilities (Net)

Sl. No.	Particulars	As at 31st March 2022		As at 31 March 2021	
1	Deferred tax asset				
	MAT Credit Entitlement		(117.84)		
	Less: Deferred tax liability				
	On Disallowances under the Income Tax Act, 1961	(9.03)			
	On difference between wdv as per book and wdv as per Income Tax Act of fixed assets	72.96			
	On Financial Instrument	262.68			
			326.60		-
Total			**208.76**		**-**

Note : 19 Borrowings	As at 31st March 2022	As at 31 March 2021
1 Current Maturity of Long term Debt.	3.71	13.39
Total	**3.71**	**13.39**

Note : 20 Trade & Other Payables ₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022	As at 31 March 2021
1	Dues of micro enterprises and small enterprises	-	-
2	Dues of creditors other than micro enterprises and small enterprises	443.30	42.16
	Total	**443.30**	**42.16**

Trade payables ageing schedule **As on 31/03/2022** ₹ in Lakhs

Particulars	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
(i) MSME					
(ii) Others	443.30				443.30
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					

Trade payables ageing schedule **As on 31/03/2021** ₹ in Lakhs

Particulars	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
(i) MSME					
(ii) Others	42.16				42.16
(iii) Disputed dues - MSME					
(iv) Disputed dues - Others					

Note : 21 Other Financial Liabilities

Sl. No.	Particulars	As at 31st March 2022	As at 31 March 2021
1	Unclaimed Dividend#	4.18	5.50
	Total	**4.18**	**5.50**

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

Note : 22 Other Current Liabilities

1	Statutory Dues	7.50	49.70
2	Liability for expenses	34.57	42.74
	Total	**42.07**	**92.43**

Note : 23 Provisions

1	Provision For Employee Benefits	30.99	30.80
2	Provision for Income Tax (Net of Advance Tax)		
	Total	**30.99**	**30.80**

Note : 24 Revenue from Operations ₹ in Lakhs

Sl. No.	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
1	Sale of shares and Securities	6,645.26	6,525.16
2	Investment Banking Operations	59.72	321.32
	Total	**6,704.98**	**6,846.47**

Note : 25 Other Income

1	Interest Income from Financial Assets measured at Amortised Cost		
	i) On loans	138.99	149.16
	ii) Amortised Interest	127.15	91.32
	iii) Other Interest Income	-	3.48
2	Profit / Loss on Sale of Investments	26.06	0.40
3	Gain on fair valuation of financial asset	-	8.28
4	Profit on Sale of Fixed Assets	174.24	233.65
5	Dividend Income	0.89	-
6	Speculation Profit	0.17	-
7	Other Non operative income	0.14	0.93
8	Sundry Balance Written Off	0.03	-
9	Liabilites Written Back	0.34	-
	Total	**468.01**	**487.22**

Note : 26 Purchases

1	Purchase of shares and Securities	6,579.16	6,467.21
	Total	**6,579.16**	**6,467.21**

Note : 27 Change in Inventories / Stock

	Opening Stock-Shares and Securities	2.53	2.52
	Closing Stock-Shares and Securities	2.53	2.53
	Total	**(0.01)**	**(0.01)**

Note : 28 Employee benefits expense

1	Salaries and wages	198.11	178.34
2	Contribution to provident and other funds	15.02	13.45
3	Staff Welfare Expenses	17.89	14.10
	Total	**231.01**	**205.88**

Note 28.1

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

Employer's Contribution to Provident Fund	15.02	13.45

Note : 29 Financial Cost

1	Interest Expense		
	On loans	0.97	2.26
	Total	**0.97**	**2.26**

Note : 30 Depreciation and Amortisation expense ₹ in Lakhs

Sl. No.	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
1	Depreciation	35.50	43.77
	Total	**35.50**	**43.77**

Note : 31 Other expenses

1	Telephone Expenses	5.74	6.99
2	Printing & Stationery Expenses	1.69	1.29
3	Professional, Legal & Consultancy Charges	32.74	71.36
4	Business Promotion Expenses	0.61	0.63
5	Rent	5.07	5.07
6	Repair - Plant & Machinery	1.27	1.25
	- Others	3.35	4.64
7	Advertisement	1.42	1.19
8	Electricity, Power & Fuel	2.74	3.08
9	Vehicle Expenses	13.02	8.37
10	Membership & Subscription Fees	10.85	8.88
11	Miscellaneous Expenses	13.65	12.30
12	Gain or Loss On Financial Asset carried at Amortised Cost	-	159.84
13	Loss on fair valuation of financial asset	7.58	-
14	Rates & Taxes	3.94	10.59
15	Travelling Expenses	7.02	1.79
16	Directors Fees	5.70	1.67
17	Insurance	1.45	1.59
18	Auditors' Remuneration	2.28	2.38
19	Securities Transaction Tax	1.12	-
20	Demat Charges	0.07	-
	Total	**121.31**	**302.91**

Note : 32 Tax expenses

1	Current Tax		
	Provision For Taxation	28.13	29.85
	Income Tax Earlier Year	(12.41)	-
		15.72	29.85
2	Deferred tax	(26.89)	(37.18)
	MAT Entitlement Reversed	17.28	297.41
		(9.61)	260.23
	Total	**6.12**	**290.08**

Note : 33 Earnings per equity share

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

₹ in Lakhs

	31st March 2022	31st March 2021
Net Profit / (Loss) attributable to equity shareholders		
Profit / (Loss) after tax (₹)	198.93	21.58
Nominal value of equity share (₹)	10	10
Weighted-average number of equity shares for basic & Diluted EPS	55.85	55.85
Basic & Diluted earnings per share (₹)	3.56	0.39

Note : 34 Significant accounting judgements, estimates and assumptions

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

Judgements

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

Fair value measurement of financial instruments

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

Impairment of non-financial assets

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

Note : 35 Commitments & Contingent Liabilities

(A) Commitments		₹ in Lakhs
Descriptions	**31st March 2022**	**31st March 2021**
Unclaimed liabilities on partly paid shares	2.98	2.98
(B) Contingent Liabilities	Nil	Nil

Note : 36 Employee Benefit Obligations

Leave Obligations		
To be Recognised in PL		
Current Service Cost	1.26	1.08
Interest Cost on Benefits Obligation	1.11	0.82
Expected Return on Planned Asset	-	-
Actuarial Gain/Loss	3.37	4.18
Past Service Cost	-	-
Total	**5.75**	**6.08**
Net Liability /Asset recognised in BS		
Net assert/(liability) recognised in balance sheet at beginning of the period	17.19	18.58
Fair Value of Planned Asset	-	-
Funded status {Surplus/(Deficit)}	(17.19)	(18.58)
Effect of balance sheet asset	-	-
Unrecognised Past Service Cost	-	-
Net asset/(liability) recognised in balance sheet	**(17.19)**	**(18.58)**
Change in the PV of DBO during the year		
PV of DBO at beginning of the year	18.58	13.28
Current Service Cost	1.26	1.08
Interest Cost on DBO	1.11	0.82
Benefits Paid from Planned Asset	(7.14)	(0.78)
Actuarial Loss/Gains	3.37	4.18
Total	**17.19**	**18.58**

Principal Assumption		₹ in Lakhs
Description	**31st March 2022**	**31st March 2021**
Discount Rate	6.40%	6.00%
Rate of Increase in salaries	7.50%	7.50%

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

Sensitivity analysis for Present value of Defined Benefit obligation

Impact of the change in discount rate		
Present value of obligation at the end of the year	17.19	18.58
a) Impact due to increase of 1 %	16.56	17.87
b) Impact due to decrease of 1 %	17.92	19.41
Impact of the change in salary increase		
Present value of obligation at the end of the year	17.19	18.58
a) Impact due to increase of 1 %	17.97	19.45
b) Impact due to decrease of 1 %	16.51	17.83

Gratuity

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

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

To be Recognised in PL		
Current Service Cost	4.60	5.40
Interest Cost on Benefits Obligation	0.73	0.55
Expected Return on Planned Asset	-	-
Actuarial Gain/Loss	-	-
Past Service Cost	-	-
Total	**5.33**	**5.95**

To be Recognised in OCI		₹ in Lakhs
Description	**31st March 2022**	**31st March 2021**
Actuarial Loss/Gains	1.12	0.17
Expected Return on Planned Asset	(1.33)	(0.97)
Re-measurement (or Actuarial (gain/loss) arising because of change in effect of asset ceiling	-	-
Total	**(0.21)**	**(0.79)**
Net Liability /Asset recognised in BS		
PV of Defined Benefit Obligation	114.57	102.69
Fair Value of Planned Asset	100.77	90.47
	(13.80)	(12.21)
Less: Unrecognised Past Service Cost	-	-
Total - Net defined Benefit	**(13.80)**	**(12.21)**
Change in the PV of DBO during the year		
PV of DBO at beginning of the year	102.69	97.25
Current Service Cost	4.60	5.40
Interest Cost on DBO	6.16	6.03
Benefits Paid from Planned Asset	-	(6.16)
Actuarial Loss/Gains	1.12	0.17
Plan Amendments	-	-
Total	**114.57**	**102.69**
Change in the Fair Value of Asset during the year		
Fair value of Plan Asset at beginning	90.47	88.33
Expected Return	1.33	0.97
Contribution by Employer	3.54	1.86
Benefits Paid	-	(6.16)
Acturial Gains/Losses	5.43	5.48
Total	**100.77**	**90.47**
Principal Assumption		
Discount Rate	6.40%	6.00%
Rate of Increase in salaries	7.50%	7.50%

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

Sensitivity analysis for Present value of Defined Benefit obligation

Present value of obligation at the end of the year	114.57	102.69
a) Impact due to increase of 1 %	112.24	100.16
b) Impact due to decrease of 1 %	117.20	105.54
Impact of the change in salary increase		
Present value of obligation at the end of the year	114.57	102.69
a) Impact due to increase of 1 %	117.23	105.57
b) Impact due to decrease of 1 %	112.16	100.09

Note 37 : Financial instruments by category

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

₹ in Lakhs

Particulars	31st March 2022			31st March 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Cash and Bank balances	-	-	500.17	-	-	86.66
Trade Receivables	-	-	5.83	-	-	5.25
Investments	336.34	3,211.81	4,954.01	777.43	1,871.15	4,990.01
Other bank balances			4.18			5.50
Loans	-	-	2,857.85	-	-	2,242.80
Other financial assets	-	-	106.88	-	-	105.85
Total	**336.34**	**3,211.81**	**8,428.91**	**777.43**	**1,871.15**	**7,436.08**
Financial liabilities						
Borrowings	-	-	4.20	-	-	17.59
Other financial liabilities	-	-	4.18	-	-	5.50
Total	**-**	**-**	**8.38**	**-**	**-**	**23.09**

(a) Fair value hierarchy

₹ in Lakhs

Financial assets and liabilities measured at fair value and amortised cost for which fair values are disclosed	31st March 2022			31st March 2021		
Particulars	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Investment in mutual funds	86.18	108.23	-	537.44	-	-
Investment in equity shares	1,537.58	2,566.17	`	1,252.50	618.65	-
Investment in preference shares	-	204.00	-	-	240.00	-
Investment in Debentures	-	4,000.00	-	-	4,000.00	-
Total	**1,623.76**	**6,878.40**	**-**	**1,789.94**	**4,858.65**	**-**
Financial liabilities						
Borrowings	-	-	4.20	-	-	17.59
Total	**-**	**-**	**4.20**	**-**	**-**	**17.59**

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

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

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

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

₹ in Lakhs

Particulars	31st March 2022		31st March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Carried at amortised cost				
Cash and Bank balances	500.17	500.17	86.66	86.66
Trade Receivables	5.83	5.83	5.25	5.25
Investments	8,502.15	8,502.15	7,638.59	7,638.59
Other bank balances	4.18	4.18	5.50	5.50
Loans	2,857.85	2,857.85	2,242.80	2,242.80
Other financial assets	106.88	106.88	105.85	105.85
Total financial assets	**11,977.05**	**11,977.05**	**10,084.66**	**10,084.66**
Financial liabilities				
Carried at ammortised cost				
Borrowings	4.20	4.20	17.59	17.59
Other financial liabilities	4.18	4.18	5.50	5.50
Total financial liabilities	**8.38**	**8.38**	**23.09**	**23.09**

Note : 38 Financial risk management objectives and policies

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

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

(A) Market risk

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

i) Interest rate risk

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

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
Fixed rate borrowings	4.20	17.59

(ii) Equity Price risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The fair value of Company's investment in quoted equity securities as at March 31, 2022 and March, 2021 was ₹1623.76 lacs, ₹1272.39 lacs respectively. A 10% change in equity price as at March 31, 2022 and March 2021 would result in an impact of ₹162.38 lacs, ₹127.24 lacs respectively.

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

(B) Credit risk

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

(i) Trade receivables

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

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addtion, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 08. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2022 and 31 March 2021 is the carrying value as illustrated in Note 37.

(C) Liquidity risk

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

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

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
Less than 1 year		
Borrowings	3.71	13.39
Other Financial Liabilities	4.18	5.50
More than 1 year		
Borrowings	0.49	4.20

Note : 39 Related party disclosure (As per Ind AS-24 - Related Party Disclosures)

Relationships:

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

SMIFS Capital Services Limited (Subsidiary Company)

Smifs Limited

(b) Key Management Personnel and their relatives:

Mr Utsav Parekh- Chairman

Mr Ajay Kumar Kayan -Director

Mr Kishor Shah - Managing Director

Mr. Santosh Kumar Mukherjee - Director

Mr. Ramesh Maheshwari - Director

Mrs. Pushpa Mishra - Director

Mr Rahul Kayan -Director's Relative

Mr Amar Saraf -Director's Relative

Mr. Shreemanta Banerjee - CFO -Cum- Vice President (Finance & Taxation)

Ms. Poonam Bhatia - Company Secretary -Cum- Sr. Manager Legal

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

Terms and conditions of transactions with related parties:

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

(a) Transaction with related parties

Particulars	Enterprise described in (a) above		Key Management Personnel		Relatives of Key Management Personnel	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Directors' sitting fees	-	-	5.70	1.67	-	-
Salary & Wages	-	-	36.44#	23.77#	-	-
Directors' Remuneration	-	-	94.58#	74.96#	-	-
Payment of Brokerage	2.26	-	-	-	-	-
Sale of Property	-	183.17	-	-	-	-
Outstanding Balance as on 31st March 2022	-	-	-	-	-	-
Other Current financial Assets	-	-	-	-	-	-

 # This includes Employer's Contribution to Provident Fund

Note : 40 Capital Management :

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

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

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
Equity Share Capital	558.50	558.50
Other Equity	11,081.00	9,929.20
Total Equity (A)	**11,639.50**	**10,487.70**
Non Current Borrowings	4.20	4.20
Short term Borrowings	-	-
Current Maturities of long term borrowings	3.71	13.39
Gross Debts (B)	**7.91**	**17.59**
Less : Current Investments	-	-
Less: Cash and cash Equivalents	504.35	92.16
Net Debt	**(496.44)**	**(74.57)**
Gearing Ratio	**(0.0427)**	**(0.0071)**

Note : 41 Auditors' remuneration and expenses :

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
for audit matter	1.90	1.90
for taxation matter	-	-
for certification fees	0.38	0.48
Total	**2.28**	**2.38**

Note : 42 Effective Tax Reconciliation

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate and the reported tax expense in profit or loss are as follows :-		
Accounting profit before income tax	205.04	311.67
Applicable tax rate (Percentage)	26.00	26.00
Expected income tax	53.31	81.03
Income exempt from tax	-	-
Non dedcutible expenses for tax purpose	(27.57)	114.03
MAT Credit and other adjustments	(19.63)	95.02
Income Tax recognised in Profit and Loss account	**6.12**	**290.08**

Note : 43 Expenditure in Foreign currency :

Travelling Expenses	-	-
Total	**-**	**-**

Note : 44 Segment Reporting :

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

Particulars	Capital Market Operations		Investment Banking Operations		Unallocated		Total	
	For the year ended 31.03.2022	For the year ended 31.03.2021	For the year ended 31.03.2022	For the year ended 31.03.2021	For the year ended 31.03.2022	For the year ended 31.03.2021	For the year ended 31.03.2022	For the year ended 31.03.2021
Segment Revenue								
External Segment Revenue	6,645.26	6,525.16	59.72	321.32	468.01	487.22	7,172.99	7,333.69
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Revenue	6,645.26	6,525.16	59.72	321.32	468.01	487.22	7,172.99	7,333.69
Less : Inter Segment Revenue	-	-	-	-	-	-	-	-
Net Revenue	6,645.26	6,525.16	59.72	321.32	468.01	487.22	7,172.99	7,333.69
Result - Profit/ (Loss)								
Segment Result	66.11	57.96	59.72	321.32	80.19	(65.35)	206.01	313.93
Less: Finance cost	-	-	-	-	0.97	2.26	0.97	2.26
Profit/ (Loss) Before Tax	66.11	57.96	59.72	321.32	79.21	(67.61)	205.04	311.66

Segment Assets and Liabilities:

Fixed Assets used in the Company's operations or liabilities contracted cannot be identified with any of the reportable segments as the fixed assets are used interchangeably between segments. The Company believes that it is currently not practicle to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of data is not possible.

Note 45 : Important Ratios:

₹ in Lakhs

	Formulae	31-03-2022	31-03-2021	Change in Ratio in %	Reason for Change
a) Current Ratio,	Current Assets/ Current Liabilities	1.33 times	0.78 times	70.51	Due to reduction of a long term loan which has become short term loan
b) Debt-Equity Ratio,	Debt/Equity	–	–	–	
c) Debt Service Coverage Ratio,	Earning Available for debt service/(Current Maturities of Long Term debt+Interest)	51.60 Times	22.85 times	125.82	Due to repayment of loans
d) Return on Equity Ratio,	Net Income/Shareholders' Equity	2%	0.22%	809.09	Due to higher profit after Tax (Tax includes deferred tax)
e) Inventory turnover Ratio,	Inventory/Turnover	0.0004	0.0004	0	
f) Trade Receivables turnover Ratio,	Turnover/Average Debtors	1210.45 times	796.78 times	51.92	Due to reduction in trade receivables
g) Trade Payables turnover Ratio,	Purchase/Average Trade Payable	27.10 times	306.83 times	(91.17)	Due to increase in trade payables
h) Net Capital turnover Ratio,	Net Working capital/Turnover	39.05 times	(166.97) times	123.39	Due to increase in working capital
i) Net profit Ratio,	Net Income/Turnover	0.030	0.003	900	Due to higher profit after Tax (Tax includes deferred tax)
j) Return on Capital employed,	EBIT/Capital Employed	2%	3%	(33.33)	Due to decrease in EBIT and increase in net worth
k) Return on investment.	PAT/Capital Empoyed	1.71%	0.21%	714	Due to better return on Investments

Note : 46 Other Statutory Information :

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

(iii) The Company do not have any changes or satishfaction which is yet to be registered with ROC beyond the statutory period

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foregn entities (Intermediaries) with the understanding that the Intermediary shall :

a) directly or indirectly lend or invest in others persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company have not received any fund from any person(s) or entity(ies), including foregn entities (Funding party) with the understanding (whether recorded in writing or otherwise that the company shall :

a) directly or indirectly lend or invest in others persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vii) The commpay have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the income tax act. 1961 (such as, search or survey or any other relevant provisions of the income tax act. 1961

(viii) Title deed of all the immovable properties appearing in the books of company are held in company's own name.

(ix) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the current reporting period and also reporting period and also for previous year's reporting period

(x) The Company has not granted any loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act 2013, either severally or jointly with any other person, that are (a) repayable on demand, or (b) without specifying any terms or period of repayment

(xi) The Company has no CWIP either in current year or in previous year

(xii) The Company does not have any intangible assets under development during the current and previous year reporting period

(xiii) The Company does not have any borrowings from banks or financial institutions on the basis of security of current assets the financial statements; hence no disclosure is required as such

(xiv) The Company has not been declared as willful defaulter as at the date of the balance sheet or on the date of approval of the financial statements, hence no disclosure is required as such

(xv) The Company has complied with the number of layers prescribed under Clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017

\(xvi) The Company is not required to comply with the provisions of Section 135 of the Companies Act, 2013

Note : 47 Global Health Pandemic from COVID-19

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

Note : 48 Previous year figures have been reclassified / regrouped / rearranged wherever necessary.

As Per Our Report Of Even Date attached

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

Vivek Agarwal
Partner
Membership No. : 301571

Place: Kolkata
Dated: 11th May, 2022

For and on Behalf of the Board of Directors

UTSAV PAREKH
Chairman
(DIN No. 00027642)

KISHOR SHAH
Managing Director
(DIN No. 00170502)

POONAM BHATIA
Company Secretary
-cum - Sr.Manager Legal

SHREEMANTA BANERJEE
CFO-cum Vice President
Finance & Taxation

CONSOLIDATED FINANCIAL STATEMENTS

HOLDING COMPANY

SMIFS Capital Markets Limited

SUBSIDIARY COMPANY

SMIFS Capital Services Limited

AUDITORS

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

REGISTERED OFFICE

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

INDEPENDENT AUDITORS' REPORT

To the Members of SMIFS CAPITAL MARKETS LIMITED

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **SMIFS CAPITAL MARKET LIMITED** ("the Parent company") and its subsidiary (the parent company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements of subsidiary referred to in the Other Matters paragraph below, and read with our comments in the Emphasis of Matter paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2022, and consolidated profit, consolidated total comprehensive income, consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw your attention to Note 47 to the Consolidated Financial Statements which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID - 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No. Key Audit Matter	Auditor's Response
Direct Tax provision Refer Note 13 and 33 to the consolidates financial statements. In the normal course of business, "Income Taxes" is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Management makes judgements and estimates in connection with tax issues and tax exposures resulting in the recognition of deferred tax assets and liabilities as well as the tax provisions. As the provision of direct taxes is highly dependent on significant management judgements, Accordingly, Direct Tax Provisions was considered as one of the Key Audit Matters.	**Our procedures included: -** **Control testing:** – Testing the effectiveness of the controls around the recording and re-assessment of tax provisions. **Our tax expertise:** – Use of our own tax specialists to perform an assessment of the related correspondence, to consider the computation of tax provisions. – Challenging the assumptions using our own expectations based on our knowledge, considering relevant judgments passed by authorities, as well as assessing relevant opinions from third parties. **Assessing disclosures:** Considering the adequacy of the disclosures in respect of tax and uncertain tax positions. The results of our testing were satisfactory, and we found the level of tax provisioning and the adequacy of disclosures to be acceptable.
Valuation of investment in certain equity interests of listed and unlisted company Refer note 3 to the consolidated financial statements. The investment in certain equity interests of a listed and unlisted company (the 'investment') are to be measured at fair value at each reporting date, and same has been measured at fair value through other comprehensive income. With reference to the valuation, management had estimated the fair value of the Investment at Rs. 8,140.36 lacs at year end. In consideration of the Investment is operating in an emerging industry and its fair value is highly dependent on significant management judgements. Accordingly, the valuation of the Investment was considered as one of the key audit matters.	Based on the audit procedures performed, we found the assumptions made by management in relation to the valuation were supported by available evidence.

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

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report in the Annual Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's reports 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 consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary audited by the other auditor, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from their financial statements audited by the other auditor.

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

Management's Responsibility for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are also responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated Financial Statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matter

We did not audit the financial statements/financial information of one Subsidiary, whose financial statements/financial information reflect total assets of ₹ 651.41 Lakhs as at 31st March 2022, total revenue of ₹18.64 Lakhs and net profit before tax amounting to ₹ 3.34 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. This financial statements / financial information have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the reports of such other auditor.

Our opinion on the consolidated Ind AS financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditor on the separate financial statements / financial information of the subsidiary referred to in the Other Matters section above we report, to the extent applicable that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.

   e. On the basis of the written representations received from the directors of the Parent Company as on 31st March 2022 taken on record by the Board of Directors of the Parent Company, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"** which is based on the auditors' reports of the Parent and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary company incorporated in India, the remuneration paid by the Parent to its directors and such subsidiary company to its respective directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. There were no pending litigations which would impact the consolidated financial position of the Group.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Parent Company.

iv. (a) The respective Management of the Parent and its subsidiary which are incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditor of such subsidiary respectively that, to the best of their 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 Parent or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiary which is a company incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, no funds have been received by the Parent or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditor of the subsidiary which is a company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend has been paid or declared by the group during the year.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government

in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of the respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements.

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

Vivek Agarwal
Partner
Membership No: 301571
UDIN: 22301571AJTGXF4592

Place: Kolkata
Date : 11th day of May, 2022

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **SMIFS CAPITAL MARKET LIMITED** (hereinafter referred to as "the Parent Company"), its subsidiary company, which is incorporated in India as of 31st March 2022 in conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company and its subsidiary company, which is incorporated in India, are 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 adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company and its subsidiary's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI 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, 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 adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company, which is a company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary company, which is a company incorporated in India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Parent Company and its subsidiary which is incorporated in India in so far as it relates to separate financial statements of one subsidiary is based on the corresponding reports of the auditor of such subsidiary which is incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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 and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor referred to in the Other Matters paragraph, the Parent and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Vivek Agarwal
Partner
Membership No: 301571
UDIN: 22301571AJTGXF4592

Place: Kolkata
Date : 11th day of May, 2022

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022

₹ in Lakhs

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
ASSETS			
Non-current assets			
a) Property, plant and equipment	2	361.87	454.87
b) Capital work-in-progress		-	-
c) Investment property		-	-
d) Intangible assets		-	-
e) Financial assets			
i) Investments	3	8,140.36	7,267.79
ii) Loans	4	2,708.33	2,243.50
iii) Other financial assets	5	106.43	106.41
f) Deferred tax assets (Net)	6	3.36	111.46
		11,320.35	**10,184.02**
Current assets			
a) Inventories	7	2.53	2.53
b) Financial assets			
i) Trade receivables	8	37.18	21.91
ii) Cash and Cash equivalents	9	504.67	91.08
iii) Other Bank Balances	10	4.18	5.50
iv) Loans	11	150.00	-
v) Other financial assets	12	213.92	225.92
c) Current tax asset (Net)	13	8.62	24.11
d) Other current assets	14	32.95	23.39
		954.05	**394.43**
Total Assets		**12,274.40**	**10,578.46**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	15	558.50	558.50
b) Other equity	16	10,979.58	9,829.20
		11,538.08	**10,387.70**
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	17	0.49	4.20
b) Deferred tax liabilities (Net)	18	208.76	-
c) Other non-current liabilities	19	0.32	0.32
		209.57	**4.53**
Current liabilities			
a) Financial liabilities			
i) Borrowings	20	3.71	13.39
ii) Trade and other payables	21		
a) Dues of micro enterprises and small enterprises		-	-
b) Dues of creditors other than micro enterprises and small enterprises		443.30	42.16
iii) Other financial liabilities	22	4.18	5.50
c) Other current liabilities	23	43.97	93.82
d) Provisions	24	31.59	31.36
		526.75	**186.23**
Total Equity and liabilities		**12,274.40**	**10,578.46**
Significant Accounting Policies & Notes to Financial Statements	1 To 49		

As Per Our Report Of Even Date attached

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

Vivek Agarwal
Partner
Membership No. : 301571

Place: Kolkata
Dated: 11th may, 2022

For and on Behalf of the Board of Directors

UTSAV PAREKH
Chairman
(DIN No. 00027642)

KISHOR SHAH
Managing Director
(DIN No. 00170502)

POONAM BHATIA
Company Secretary
-cum - Sr.Manager Legal

SHREEMANTA BANERJEE
CFO-cum Vice President
Finance & Taxation

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

₹ in Lakhs

Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st march, 2021
INCOME			
I Revenue from operations	25	6,723.61	6,865.13
II Other Income	26	468.02	487.22
Total income(I+II)		**7,191.63**	**7,352.34**
III **EXPENDITURE**			
Purchases of Stock-in-Trade	27	6,579.16	6,467.21
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	28	(0.01)	(0.01)
Employee benefits expense	29	242.33	214.99
Financial Costs	30	0.97	2.26
Depreciation and amortization expense	31	35.81	44.22
Other expenses	32	124.96	305.49
Total Expense(III)		**6,983.22**	**7,034.16**
IV Profit/(loss) before exceptional items and tax		**208.41**	**318.20**
V Exceptional items		-	-
		208.41	**318.20**
VI Profit/(loss) before tax		208.41	318.20
VII Tax expense:	33		
(1) Current tax		28.13	29.85
(2) Tax adjustment for earlier years		(12.41)	-
(3) Deferred tax		(9.56)	260.36
VIII Profit/(loss) for the period from continuing operations		**202.26**	**27.98**
IX Profit/(loss) from discontinued operations		-	-
Tax expense from discontinued operations		-	-
X Profit/(loss) for the period from discontinued operations (after tax)		-	-
XI Profit/(loss) for the period		**202.26**	**27.98**
XII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability		2.67	0.79
Gains and losses from investments in equity instruments designated at fair value through other comprehensive income;		1,271.86	122.78
(ii) Income tax relating to items that will not be reclassified to profit or loss		(326.42)	77.14
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income/(loss) for the period		**948.11**	**200.71**
XIII Total Comprehensive Income for the period (XI+XII)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		**1,150.37**	**228.68**
XIV Earning per equity share:	34		
(1) Basic		3.62	0.50
(2) Diluted		3.62	0.50

Significant Accounting Policies & Notes to Financial Statements 1 To 49

As Per Our Report Of Even Date attached

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

Vivek Agarwal
Partner
Membership No. : 301571

Place: Kolkata
Dated: 11th May, 2022

For and on Behalf of the Board of Directors

UTSAV PAREKH
Chairman
(DIN No. 00027642)

KISHOR SHAH
Managing Director
(DIN No. 00170502)

POONAM BHATIA
Company Secretary
-cum - Sr.Manager Legal

SHREEMANTA BANERJEE
CFO-cum Vice President
Finance & Taxation

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

Equity Share Capital **₹ in Lakhs**

Particulars	Balance at the beginning of the reporting year	Changes during the reporting year	Balance at the end of the reporting year
For the year ended 31st March 2021	558.50	-	558.50
For the year ended 31st March 2022	558.50	-	558.50

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

Other Equity

₹ in Lakhs

	Reserves and Surplus				Other Comprehensive Income		Total Other Equity
	Securities Premium	Capital Redemption reserve	General Reserve	Retained Earnings	Equity instruments through Other Comprehen-sive Income	Remeasure-ment of Defined Benefit Liability	
Balance at 1 April 2020	**4,337.25**	**400.00**	**3,909.51**	**1,016.61**	**(49.81)**	**(13.14)**	**9,600.41**
Profit for the year				28.08			28.08
Transferred from other comprehensive income				(108.80)			(108.80)
Dividend Paid				-			
Dividend Distribution tax paid				-			
Other Comprehensive Income					199.92	0.79	200.71
Transferred to retained earnings					(108.80)		(108.80)
Total Comprehensive Income for the year	**-**	**-**	**-**	**(80.72)**	**308.72**	**0.79**	**119.99**
Balance at 31 March 2021	**4,337.25**	**400.00**	**3,909.51**	**935.89**	**258.90**	**(12.35)**	**9,829.20**
Balance at 1 April 2021	**4,337.25**	**400.00**	**3,909.51**	**935.89**	**258.90**	**(12.35)**	**9,829.20**
Profit for the year				202.27			202.27
Transferred from other comprehensive income				(12.47)			(12.47)
Dividend Paid				-			
Dividend Distribution tax paid				-			
Other Comprehensive Income					945.44	2.67	948.11
Transferred to retained earnings					**(12.47)**		**(12.47)**
Total Comprehensive Income for the year	**-**	**-**	**-**	**189.80**	**957.91**	**2.67**	**1,150.38**
Balance at 31 March 2022	**4,337.25**	**400.00**	**3,909.51**	**1,125.69**	**1,216.81**	**(9.68)**	**10,979.58**

As Per Our Report Of Even Date attached

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

Vivek Agarwal
Partner
Membership No. : 301571

Place: Kolkata
Dated: 11th May, 2022

For and on Behalf of the Board of Directors

UTSAV PAREKH
Chairman
(DIN No. 00027642)

KISHOR SHAH
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Company Secretary
-cum - Sr.Manager Legal

SHREEMANTA BANERJEE
CFO-cum Vice President
Finance & Taxation

SMIFS CAPITAL MARKETS LIMITED

CIN NO.: L74300WB1983PLC036342

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Lakhs

	31st March, 2022		31st March, 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax		208.41		318.30
Adjustment for				
Depreciation	35.81		44.22	
(Profit) / Loss on sale of Investments	(26.06)		(0.40)	
Dividend on Investment	(0.89)		(0.00)	
Bad Debt	-		-	
(Profit)/Loss on sale of Fixed Assets	(174.24)		(233.65)	
Financial Cost	0.97		2.26	
Revaluation in Financial Assets	7.58		(8.28)	
Gain or Loss On Financial Asset carried at Amortised Cost	-		159.84	
Other Interest Income	(138.99)		(152.64)	
Amortised Interest Income	(127.15)		(91.32)	
		(422.97)		(279.96)
Operating profit before Working Capital change		**(214.55)**		**38.33**
Adjustment for				
1. Trade & Other Receivables	(497.86)		4,528.45	
2. Inventories	(0.01)		(0.01)	
3. Trade and Other Payables	350.20		(34.69)	
		(147.67)		4,493.75
Cash Generated from Operations		(362.22)		4,532.08
Direct Tax paid	(0.25)		17.05	
		(0.25)		17.05
Net Cash Flow from Operating activity		**(362.47)**		**4,549.14**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(1.56)		(1.36)	
Sale of Fixed Assets	233.00		374.34	
Purchase of Investments	(1,860.88)		(5,350.84)	
Sale of Investments	2,278.64		351.70	
Interest Income	138.99		152.64	
Dividend on Investment	0.89		-	
Net Cash flow from Investing Activities		**789.09**		**(4,473.52)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Dividend and Dividend Distribution Tax Paid	-		-	
Interest paid	(0.97)		(2.26)	
Proceeds from short-term borrowings	(13.39)		(16.69)	
Net cash used in Financing Activities		**(14.36)**		**(18.95)**
Net increase in Cash & Cash Equivalents		412.26		56.66
Opening Balance of Cash & Cash Equivalents		96.58		39.92
Closing Balance of Cash & Cash Equivalents:		**508.84**		**96.58**
Components of cash and equivalents				
Cash on Hand (Refer Note – 9)		1.98		1.34
Balance with Banks (Refer Note – 9 & 10)		506.86		95.24
Total Cash and Cash Equivalents		**508.84**		**96.58**

As Per Our Report Of Even Date attached

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

Vivek Agarwal
Partner
Membership No. : 301571

Place: Kolkata
Dated: 11th May, 2022

For and on Behalf of the Board of Directors

UTSAV PAREKH
Chairman
(DIN No. 00027642)

KISHOR SHAH
Managing Director
(DIN No. 00170502)

POONAM BHATIA
Company Secretary
-cum - Sr.Manager Legal

SHREEMANTA BANERJEE
CFO-cum Vice President
Finance & Taxation

Corporate Information

The Consolidated financial statements comprise financial statements of SMIFS Capital Markets Ltd (the "Company") and its subsidiary (collectively, "the Group") for the year ended 31st March 2022.The Company is a public limited company incorporated and domiciled in India and has its registered office at Vaibhav, 4F, 4, Lee Road, Kolkata - 700 020, India. The Company is listed on the BSE Limited and Calcutta Stock Exchange Limited. The company is engaged mainly in merchant banking and trading in government securities and shares.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on 11th May 2022.

Note: 1 Significant accounting policies

a) Statement of Compliance

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

The Fnancial statements are presented in Indian Rupees (in lakhs) except otherwise indicated.

b) Basis of preparation of financial statements

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

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

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

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

c) Basis of Consolidation

The consolidated financial statements relate to the SMIFS Capital Markets Limited ('the Company') and its wholly owned subsidiary Company.

The financial statements of the Company and its subsidiary Company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses, after fully eliminating inter-company balances and transactions including unrealized profits or losses.

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

Adoption of new Indian Accounting Standards and interpretations

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

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

d) Use of estimates

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

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

e) Property, plant and equipment

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

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

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

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

Depreciation

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

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

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

f) Impairment of Non-financial assets

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

g) Inventories

Inventories consisting of shares and securities has been individually valued script wise at lower of cost and market rate, in case they are quoted. Other stock-in-trade are valued at cost/ net asset value whichever is lower or where balance sheet of investee Company is not available for past two years, value of such unquoted Stock-in-trade have been taken at rupee one per share as per prudential norms issued by the Reserve Bank of India.

h) Borrowing costs

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

i) Provisions, Contingent liabilities and Contingent Assets

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

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

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

j) Revenue recognition

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

Interest Income

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

Dividend income

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

k) Income Tax

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

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

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

l) Cash flow statement

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

m) Financial instruments

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

Financial Assets

Initial Recognition

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

Classification and Subsequent Measurement: Financial Assets

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

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

Debt Instruments

Amortised Cost

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

Fair Value through Other Comprehensive Income

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

Fair Value through Profit or Loss

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

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

Equity Instruments

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

Financial Liabilities

Initial Recognition

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

Classification and Subsequent Measurement: Financial liabilities

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

Impairment of financial assets

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

Derecognition of financial instruments

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

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

Offsetting financial instruments

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

n) Fair value measurements

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

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

- In the principal market for the asset or liability.

Or

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

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

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

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

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

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

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

o) Employee benefits

Defined contributions plan

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

Defined benefit plans

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

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

(i) Short term Employee benefit

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

(ii) Long term Employee benefits

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

p) Segment reporting

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

q) Borrowings

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

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

r) Earnings per share

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

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

s) Business Combinations

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

t) Recent accounting pronouncements

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

SMIFS CAPITAL MARKETS LIMITED

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note : 2 Property Plant and Equipments

₹ in Lakhs

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.2021	Additions	Deductions/ Adjustments	As on 31.03.2022	As on 01.04.2021	For the year	Adjustment	As on 31.03.2022	As on 31.03.2022	As on 31.03.2021
Buildings / Premises	571.41	-	129.87	441.54	150.12	23.01	71.11	102.02	339.52	421.29
Furniture and Fixtures	1.29	0.32	-	1.61	1.28	0.16	-	1.44	0.17	0.01
Office Equipment	0.16	-	-	0.16	0.16	-	-	0.16	-	-
Vehicles	87.25	-	-	87.25	54.38	11.12	-	65.51	21.74	32.87
Electrical Installations	0.06	-	-	0.06	0.06	-	-	0.06	-	-
Computers	4.86	0.81	-	5.67	4.15	1.39	-	5.54	0.13	0.71
Air Conditioners	1.81	0.42	-	2.24	1.81	0.12	-	1.93	0.30	-
Sub total	**666.83**	**1.56**	**129.87**	**538.52**	**211.96**	**35.81**	**71.11**	**176.65**	**361.87**	**454.87**
Previous Year	869.38	1.36	203.92	666.83	230.96	44.22	63.22	211.96	454.87	

Note : 3 Non Current Investment

₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022		As at 31 March 2021	
		No. /Units	Amount	No. /Units	Amount
1	**Investments measured at amortized cost**				
(a)	**Investment in Preference Shares (Non Cumulative ₹ 100/- Each) Unquoted, fully paid up**				
	12% Andaman Plantations & Development Corporation Pvt.Ltd	40,000	4.00	40,000	40.00
	7% Non Cumulative Redeemable Pref.Share Maya Tradelinks Ltd.	2,00,000	200.00	2,00,000	200.00
	15% Andaman Plantations & Development Corporation Pvt.Ltd	60,000	60.00	60,000	60.00
	18% Andaman Plantations & Development Corporation Pvt.Ltd	40,000	40.00	40,000	40.00
(b)	**Investment in Debentures (₹100/- Each) Unquoted, fully paid up**				
	Zero Coupon Convertible Debenture.	40,00,000	4,000.00	40,00,000	4,000.00
	Zero% Compulsory Convertible Debenture I Care Learning Pvt.Ltd.				
2	**Investments measured at fair value through Other comprehensive Income**				
	Investment in Equity Shares				
	Equity shares of ₹ 10 each (Unless otherwise stated)				
	Quoted, Fully paid up				
	Aravali Securities & Finance Limited	100	0.01	100	-
	Asian Vegpro Industries Limited	3,00,000	3.00	3,00,000	3.00
	Coventry Springs & Engg. Co. Ltd	52,323	0.05	52,323	0.05
	Melstar Information Technologies Limited	300	0.01	300	0.01
	Nicco UCO Alliance Credit Limited	114	-	114	-
	North Eastern Publishing & Advt Co Ltd	50,45,400	450.05	45,00,000	411.30
	Punsumi Foils & Components Limited	15,800	0.16	15,800	0.16
	Summit Securities Ltd.	1,56,500	931.72	1,56,500	837.98
	VCK Capital Markets Limited	200	-	200	-
	KEC International Ltd.	175	0.66	175	0.71
	GE Power India Limited	7,000	10.64		
	Unquoted, fully paid up				
	Andaman Plantations & Development Corporation Limited	30,000	30.00	30,000	30.00
	Antriksh Vyapaar Limited	16,50,000	257.57	16,50,000	248.49
	Bhatpara Papers Limited	44	-	44	-
	Progressive Star Finance Ltd.	1,30,000	1,786.16	1,30,000	592.33
	Tejasri Energy Limited	5,000	0.50	5,000	0.50
	Gujarat Securities Limited	20	-	20	-
	Vaibhav Services Pvt Ltd	4,580	4.38	4,580	4.38
	Andaman Plantations & Development Corporation Pvt.Ltd				
	Welquin Suppliers Pvt Ltd	5,440	25.11	5,440	21.43
	Partly paid up: Unquoted				

Note : 3 Non Current Investment

₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022		As at 31 March 2021	
		No. /Units	Amount	No. /Units	Amount
3	**Investments measured through profit and loss**				
	Investment in Equity Shares				
	Quoted				
	Powergrid Infrastructure Investment Trust - 2021	1,06,000	141.93	-	-
	Investment in Mutual Funds				
	Quoted				
	Axis Arbitrage Fund Direct Growth	3,74,674	60.65	-	-
	BAGZ Aditya Birla Sunlife Equity Hybrid '95 Fund	2,146	25.53	2,015	19.90
	Unquoted				
	JM High Liquidity Fund	-	-	2,263	1.27
	Aditya Birla Sunlife Money Manager Fund	8,525	25.48	83,570	239.99
	Axis Money Market Fund	-	-	24,960	276.29
	Nippon India Money Market Fund	337	11.28	7,451	239.99
	HDFC Arbitrage Fund	3,50,868	56.43	-	-
	HDFC Liquid Fund	359	15.04	-	-
	Total	**-**	**8,140.36**	**-**	**7,267.79**

Aggregate amount of unquoted Investments	**6,515.94**	**5,994.69**
Aggregate amount of quoted Investments	**1,624.42**	**1,273.10**
Aggregate market value of quoted Investments	**1,624.42**	**1,273.10**

Note : 4 Loans

Sl. No.	Particulars	As at 31st March 2022		As at 31 March 2021	
1	Other loans to Not Related Party				
	Loans Receivables considered goods - Unsecured	2,708.33		2,243.50	
			2,708.33		2,243.50
	Total		**2,708.33**		**2,243.50**

Note : 5 Other non current financial assets

1	Security Deposit	7.94		7.91	
			7.94		7.91
2	Receivable from Leased Assets	3.97		3.97	
	Less: Provision for doubtful	(3.97)	-	(3.97)	-
3	Other Receivable *		98.49		98.49
	Total		**106.43**		**106.41**

* Other receivable includes fixed deposit. The entire amount which is receivable from Central Bank of India , has been deposited by the Bank with the Prothonotary and Senior master pending disposal of our claim as per the direction of the Hon'ble High Court, Bombay.

Note : 6 Deferred tax Assets (Net) ₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022		As at 31 March 2021	
1	**Deferred tax asset**				
	MAT Credit Entitlement		-		135.12
	Less: Deferred tax liability				
	On Disallowances under the Income Tax Act, 1961	0.21		8.98	
	On difference between wdv as per book and wdv as per Income Tax Act of fixed assets	0.57		(93.12)	
	On Financial Instrument	2.58		60.48	
			3.36		(23.67)
	Total		**3.36**		**111.46**

Note : 7 Inventories ₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022		As at 31 March 2021	
		Quantity Nos	Amount ₹	Quantity Nos	Amount ₹
	Quoted : Fully Paid Up				
	AVON INDUSTRIES LTD.	9,800	0.10	9,800	0.10
	GENERAL EXPORTS & CREDITS LIMITED	45,900	0.46	45,900	0.46
	HB ESTATE DEVELOPERS LTD.	23	-	23	-
	HB PORTFOLIO LTD.	15	-	15	-
	K.H.S.L.INDUSTRIES LTD.	2,200	0.02	2,200	0.02
	KILBURN OFFICE AUTOMATION LIMITED	16,400	0.18	16,400	0.18
	LLOYDS FINANCE LTD.	50	-	50	-
	MADRAS SPINNERS LTD.	4,000	0.04	4,000	0.04
	STELLANT SECURITIES (I) LTD.	680	0.05	680	0.05
	SIDHI VINAYAK LIMITED	400	-	400	-
	SINCLAIRS HOTELS LTD.	23	0.01	23	0.01
	ENSO SECUTRACK LTD.	2,500.00	0.16	2,500	0.16
	VIPRAS CORPN.LTD.	500.00	0.01	500	0.01
	EQUITY SHARES				
	PARTLY PAID SHARES: QUOTED				
	*METROPOLI OVERSEAS LIMITED(Rs.5/-)	29,800	0.30	29,800	0.30
	EQUITY SHARES				
	UNQUOTED SHARES(FULLY PAID)				
	PROCAM INTERNATIONAL LTD.	19,977	0.20	19,977	0.20
	TATA CERAMICS LIMITED	1,00,000	1.00	1,00,000	1.00
	Total		**2.53**		**2.53**

Note : 8 Trade Receivables

₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022	As at 31 March 2021
1	Unsecured Considered Good	37.18	21.91
	Less : Impairment Allowance	-	-
	Total	**37.18**	**21.91**

Trade Receivables Ageing Schedule **As on 31/03/2022** **₹ in Lakhs**

Particulars	Outstanding for following periods from due date of payment #					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - consider good	11.95	8.55	16.68	-	-	37.18
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - consider good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Trade Receivables Ageing Schedule **As on 31/03/2021** **₹ in Lakhs**

Particulars	Outstanding for following periods from due date of payment #					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - consider good	13.15	8.67	0.06	-	0.03	21.91
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - consider good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Note : 9 Cash & Cash Equivalents ₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022	As at 31 March 2021
1	Balance with banks	502.68	88.79
2	Cash on hand	1.98	1.34
3	Cheques in Hand	-	0.95
	Total	**504.67**	**91.08**

Note : 10 Other Bank Balances

1	Unclaimed Dividend account	4.18	5.50
	Total	**4.18**	**5.50**

Note : 11 Loans

1	Loans	150.00	-
	Total	**150.00**	**-**

Note : 12 Other current financial assets

1	Other receivables	213.92	225.92
	Total	**213.92**	**225.92**

Note : 13 Current tax asset (Net)

1	Advance Income Tax (Net of Provision)	8.62	24.11
		8.62	**24.11**

Note : 14 Other Current Assets

1	Balance with Statutory Authorities	8.38	8.36
2	Prepaid expenses	23.95	15.03
3	Other Advance	0.61	-
	Total	**32.95**	**23.39**

Note : 15 Equity Share Capital

1	**AUTHORIZED**		
	3,00,00,000 (3,00,00,000) Equity Shares of ₹ 10/- each.	3,000.00	3,000.00
	20,00,000 (20,00,000) Preference Shares of ₹ 100/- each.	2,000.00	2,000.00
		5,000.00	**5,000.00**
2	**ISSUED, SUBSCRIBED & PAID UP**		
	55,85,000 (55,85,000) Equity Shares of ₹ 10/- each, Fully paid up	558.50	558.50
		558.50	**558.50**

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

Particulars	No. of shares	Amount (Lakhs)	No. of shares	Amount (Lakhs)
At the beginning of the reporting period	55,85,000	558.50	55,85,000	558.50
Change during the year	-	-	-	-
At the closing of the reporting period	**55,85,000**	**558.50**	**55,85,000**	**558.50**

4 Terms and Rights attached to equity shares

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

5 Shareholders holding more than 5% shares in the Company

Particulars	No. of shares	% held	No. of shares	% held
Mackertich Consultancy Services Pvt Ltd	11,15,700	19.98	11,15,700	19.98
The Indiaman Fund (Mauritius) Limited	5,50,000	9.85	5,50,000	9.85
Progressive Star Finance Pvt Ltd	3,57,251	6.40	3,57,251	6.40
Ajay Kumar Kayan	4,00,550	7.17	4,01,550	7.19
Minal Bharat Patel	3,23,339	5.79	3,23,339	5.79
S N Rajan	-	-	2,81,700	5.04

6 Detail of Promoter Shareholding

Sr No.	Promoter name	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
1	Mackertich Consultancy Services Pvt Ltd	11,15,700.00	19.98	-	11,15,700.00	19.98	-
2	Ajay Kumar Kayan	4,00,550.00	7.17	(0.02)	4,01,550.00	7.19	(0.01)
3	Progressive Star Finance Pvt Ltd	3,57,251.00	6.40	-	3,57,251.00	6.40	-
4	Stewart Investment and Financial Private Limited	2,76,750.00	4.96	-	2,76,750.00	4.96	-
5	Lalita Kayan	1,54,300.00	2.76	-	1,54,300.00	2.76	-
6	Nilangi Parekh	1,23,000.00	2.20	-	1,23,000.00	2.20	-
7	Utsav Parekh	96,210.00	1.72	-	96,210.00	1.72	-
8	Saharsh Parekh	10.00		-	10.00		
9	Rahul Kayan	7,000.00	0.13	-	7,000.00	0.13	-
10	Suman Bhartia	1,500.00	0.03	-	1,500.00	0.03	-
11	Gauri Shankar Ajay Kumar (HUF)	1,000.00	0.02	0.02	-	-	-
12	Ajay Kumar Kayan (HUF)	700.00	0.01	-	700.00	0.01	0.01
13	Payal Saraf	100.00	-	-	100.00	0.00	-

Note : 16 Other Equity ₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022		As at 31 March 2021	
1	Securities Premium		4,337.25		4,337.25
2	Capital Redemption Reserve		400.00		400.00
3	General Reserve	3,909.51		3,909.51	
			3,909.51		3,909.51
4	Retained Earnings :				
	Balance brought forward from previous year	935.89		1,016.61	
	Transferred from Other Comprehensive Income	(12.47)		(108.80)	
	Profit for the Year	202.27		28.08	
			1,125.69		935.89
5	Other Comprehensive Income				
	Opening OCI	246.55		(62.96)	
	Add: During the year OCI	948.11		200.71	
	Less: Transferred to Retained Earning	12.47		108.80	
			1,207.14		246.55
	Total		**10,979.58**		**9,829.20**

Note : 17 Borrowings

1	**Secured Loans**		
	From banks	4.20	17.59
	Current Maturity of Long term Debt.	(3.71)	(13.39)
	Total	**0.49**	**4.20**

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

17.2 Repayment Schedule:-

Term Loan (Secured):		
a) HDFC Bank Ltd Repayable in 60 monthly installments of ₹41,865/- from April 2016.	-	0.42
b) HDFC Bank Ltd Repayable in 60 monthly installments of ₹ 91,270/- from May 2017.	2.80	10.42
c) Yes Bank Ltd. Repayable in 48 monthly installments of ₹ 24,930/- from June 2019	0.91	2.55
Total	**3.71**	**13.39**

Note : 18 Deferred tax Liabilities (Net)

₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022		As at 31 March 2021	
1	Deferred tax asset				
	MAT Credit Entitlement		(117.84)		
	Less: Deferred tax liability				
	On Disallowances under the Income Tax Act, 1961	(9.03)			
	On difference between wdv as per book and wdv as per Income Tax Act of fixed assets	72.96			
	On Financial Instrument	262.68		-	
			326.60		-
	Total		**208.76**		**-**

Note : 19 Other Non Current Liabilities

1	Advance from party	0.32	0.32
	Total	**0.32**	**0.32**

Note : 20 Borrowings

1	Current Maturity of Long term Debt.	3.71	13.39
	Total	**3.71**	**13.39**

Note : 21 Trade & Other Payables

1	Dues of micro enterprises and small enterprises	-	-
2	Dues of creditors other than micro enterprises and small enterprises	443.30	42.16
	Total	**443.30**	**42.16**

Trade payables ageing schedule — **As on 31/03/2022** — ₹ in Lakhs

	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	-	-	-	-
(ii)	Others	443.30	-	-	-	443.30
(iii)	Disputed dues - MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-

Trade payables ageing schedule — **As on 31/03/2021** — **₹ in Lakhs**

	Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	-	-	-	-	-
(ii)	Others	42.16	-	-	-	42.16
(iii)	Disputed dues - MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-

Note : 22 Other Financial Liabilities

Sl. No.	Particulars	As at 31st March 2022	As at 31 March 2021
1	Other Payables	-	-
2	Unclaimed Dividend#	4.18	5.50
	Total	**4.18**	**5.50**

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

Note : 23 Other Current Liabilities

1	Statutory Dues	7.62	49.80
2	Liability for expenses	36.35	44.02
	Total	**43.97**	**93.82**

Note : 24 Provisions

1	Provision For Employee Benefits	31.59	31.36
2	Provision for Income Tax (Net of Advance Tax)	-	-
	Total	**31.59**	**31.36**

Note : 25 Revenue from Operations

Sl. No.	Particulars		
1	Sale of shares and Securities	6,645.26	6,525.16
2	Investment Banking Operations	78.35	339.97
	Total	**6,723.61**	**6,865.13**

Note : 26 Other Income ₹ in Lakhs

Sl. No.	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
1	Interest Income from Financial Assets measured at Amortised Cost		
	i) On loans	138.99	149.16
	ii) Amortised Interest	127.15	91.32
	iii) Other Interest Income	-	3.48
2	Profit / Loss on Sale of Investments	26.06	0.40
3	Gain on fair valuation of financial asset	-	8.28
4	Profit on Sale of Fixed Assets	174.24	233.65
5	Dividend Income	0.90	-
6	Speculation Profit	0.17	-
7	Other Non operative income	0.14	0.93
8	Sundry Balance Written Off	0.03	-
9	Liabilites Written Back	0.34	-
	Total	**468.02**	**487.22**

Note : 27 Purchases

1	Purchase of shares and Securities	6,579.16	6,467.21
	Total	**6,579.16**	**6,467.21**

Note : 28 Change in Inventories / Stock

	Opening Stock-Shares and Securities	2.53	2.52
	Closing Stock-Shares and Securities	2.53	2.53
	Total	**(0.01)**	**(0.01)**

Note : 29 Employee benefits expense

1	Salaries and wages	207.56	186.01
2	Contribution to provident and other funds	15.73	14.10
3	Staff Welfare Expenses	19.04	14.88
	Total	**242.33**	**214.99**

Note 29.1

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

Employer's Contribution to Provident Fund	15.73	14.10

Note : 30 Financial Cost

1	Interest Expense		
	On loans	0.97	2.26
	Total	**0.97**	**2.26**

Note : 31 Depreciation and Amortisation expense ₹ in Lakhs

Sl. No.	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
1	Depreciation	35.81	44.22
	Total	**35.81**	**44.22**

Note : 32 Other expenses

1	Telephone Expenses	5.92	7.20
2	Printing & Stationery Expenses	1.69	1.29
3	Professional, Legal & Consultancy Charges	33.10	71.89
4	Business Promotion Expenses	0.75	0.65
5	Rent	5.07	5.07
6	Repair - Plant & Machinery	1.27	1.25
	- Others	3.35	4.64
7	Advertisement	1.42	1.19
8	Electricity, Power & Fuel	2.74	3.08
9	Vehicle Expenses	14.71	8.86
10	Membership & Subscription Fees	11.30	9.33
11	Miscellaneous Expenses	14.22	12.83
12	Gain or Loss On Financial Asset carried at Amortised Cost	-	159.84
13	Loss on fair valuation of financial asset	7.58	-
14	Prior Period Exp.	-	-
15	Rates & Taxes	4.02	10.67
16	Service Tax Paid	-	-
17	Stamp Duty Paid	-	-
18	Travelling Expenses	7.02	1.87
19	Directors Fees	5.70	1.67
20	Insurance	1.53	1.68
21	Sundry Balance Written Off	-	-
22	Auditors' Remuneration	2.38	2.48
23	Securities Transaction Tax	1.12	
24	Demat Charges	0.07	-
25	Service Charges paid - Secreterial	-	-
26	Road Tax Exp.	-	-
	Total	**124.96**	**305.49**

Note : 33 Tax expenses

1	**Current Tax**		
	Provision For Taxation	28.13	29.85
	Income Tax Earlier Year	(12.41)	-
		15.72	29.85
2	Deferred tax	(26.85)	(37.05)
	MAT Entitlement Reversed	17.28	297.41
		9.56	260.36
	Total	**6.16**	**290.21**

₹ in Lakhs

Note : 34 Earnings per equity share

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

	31st March 2022	31st March 2021
Net Profit / (Loss) attributable to equity shareholders		
Profit / (Loss) after tax (₹)	202.26	28.08
Nominal value of equity share (₹)	10.00	10.00
Weighted-average number of equity shares for basic & Diluted EPS	55.85	55.85
Basic & Diluted earnings per share (₹)	3.62	0.50

Note : 35 Significant accounting judgements, estimates and assumptions

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

Judgements

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

Fair value measurement of financial instruments

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

Impairment of non-financial assets

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

Note : 36 Commitments & Contingent Liabilities

(A) Commitments		₹ in Lakhs
Descriptions	**31st March 2022**	**31st March 2021**
Unclaimed liabilities on partly paid shares	2.98	2.98
(B) Contingent Liabilities	Nil	Nil

Note : 37 Employee Benefit Obligations

Leave Obligations		
To be Recognised in PL		
Current Service Cost	1.41	1.17
Interest Cost on Benefits Obligation	1.15	0.88
Expected Return on Planned Asset	-	-
Actuarial Gain/Loss	3.46	3.66
Past Service Cost	-	-
Total	**6.02**	**5.71**
Net Liability /Asset recognised in BS		
Net assert/(liability) recognised in balance sheet at beginning of the period	17.79	19.15
Fair Value of Planned Asset	-	-
Funded status {Surplus/(Deficit)}	(17.79)	(19.15)
Effect of balance sheet asset	-	-
Unrecognised Past Service Cost	-	-
Net asset/(liability) recognised in balance sheet	**(17.79)**	**(19.15)**
Change in the PV of DBO during the year		
PV of DBO at beginning of the year	19.15	14.22
Current Service Cost	1.41	1.17
Interest Cost on DBO	1.15	0.88
Benefits Paid from Planned Asset	(7.38)	(0.78)
Actuarial Loss/Gains	3.46	3.66
Total	**17.79**	**19.15**

Principal Assumption		₹ in Lakhs
Description	**31st March 2022**	**31st March 2021**
Discount Rate	6.40%	6.00%
Rate of Increase in salaries	7.50%	7.50%

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

Sensitivity analysis for Present value of Defined Benefit obligation

Impact of the change in discount rate		
Present value of obligation at the end of the year	17.79	19.15
a) Impact due to increase of 1 %	17.10	18.39
b) Impact due to decrease of 1 %	18.60	20.03
Impact of the change in salary increase		
Present value of obligation at the end of the year	17.19	19.15
a) Impact due to increase of 1 %	18.64	20.07
b) Impact due to decrease of 1 %	17.05	18.34

Gratuity

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

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

To be Recognised in PL		
Current Service Cost	4.90	5.40
Interest Cost on Benefits Obligation	0.67	0.55
Expected Return on Planned Asset	-	-
Actuarial Gain/Loss	-	-
Past Service Cost	-	-
Total	**5.57**	**5.95**

To be Recognised in OCI ₹ in Lakhs

Description	31st March 2022	31st March 2021
Actuarial Loss/Gains	0.69	0.17
Expected Return on Planned Asset	(1.44)	(0.97)
Re-measurement (or Actuarial (gain/loss) arising because of change in effect of asset ceiling	-	-
Total	**(0.75)**	**(0.79)**

Net Liability/Assets recognised in BS

Description		
PV of Defined Benefit Obligation Description	118.72	102.69
Fair Value of Planned Asset	107.27	90.47
	(11.45)	(12.21)
Less: Unrecognised Past Service Cost	-	-
Total - Net defined Benefit	**(11.45)**	**(12.21)**

Change in the PV of DBO during the year

PV of DBO at beginning of the year	106.73	97.25
Current Service Cost	4.90	5.40
Interest Cost on DBO	6.40	6.03
Benefits Paid from Planned Asset	-	(6.16)
Actuarial Loss/Gains	0.69	0.17
Plan Amendments	-	-
Total	**118.72**	**102.69**

Change in the Fair Value of Asset during the year

Fair value of Plan Asset at beginning	95.60	88.33
Expected Return	1.44	0.97
Contribution by Employer	4.50	1.86
Benefits Paid		(6.16)
Acturial Gains/Losses	5.74	5.48
Total	**107.27**	**90.47**

Principal Assumption

Discount Rate	6.40%	6.00%
Rate of Increase in salaries	7.50%	7.50%

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

Sensitivity analysis for Present value of Defined Benefit obligation

Impact of the change in discount rate		
Present value of obligation at the end of the year	118.72	102.69
a) Impact due to increase of 1 %	116.08	100.16
b) Impact due to decrease of 1 %	121.71	105.54
Impact of the change in salary increase		
Present value of obligation at the end of the year	118.72	102.69
a) Impact due to increase of 1 %	121.75	105.57
b) Impact due to decrease of 1 %	116.00	100.09

Note : 38 Financial instruments by category

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

₹ in Lakhs

Particulars	31st March 2022			31st March 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Cash and Bank balances			504.67			91.08
Trade Receivables			37.18			5.26
Investments	336.34	3,470.03	5,084.01	777.43	2,150.35	4340.00
Other bank balances			4.18			5.50
Loans			2,858.91			2,251.99
Other financial assets			212.89			340.48
Total	**336.34**	**3,470.03**	**8,701.83**	**777.43**	**2,150.35**	**7,034.31**
Financial liabilities						
Borrowings			4.20			17.59
Other financial liabilities			4.18			5.50
Total	**-**	**-**	**8.38**	**-**	**-**	**23.09**

(a) Fair value hierarchy ₹ in Lakhs

Financial assets and liabilities measured at fair value and amortised cost for which fair values are disclosed	31st March 2022			31st March 2021		
Particulars	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Investment in mutual funds	86.18	108.23		777.43	-	
Investment in equity shares	1,538.25	2,853.73		1,253.21	897.14	
Investment in preference shares		304.00			340.00	
Investment in Debentures		4,000.00			4,000.00	
Total	**1,624.42**	**7,265.96**	**-**	**2 030.64**	**5237.14**	**-**
Financial liabilities						
Borrowings			4.20			17.59
Total	**-**	**-**	**4.20**	**-**	**-**	**17.59**

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

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

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

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

₹ in Lakhs

Particulars	31st March 2022		31st March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Carried at amortised cost				
Cash and Bank balances	504.67	504.67	91.08	91.08
Trade Receivables	37.18	37.18	5.26	5.26
Investments	8,890.38	8,890.38	7267.79	7267.79
Other bank balances	4.18	4.18	5.50	5.50
Loans	2,858.91	2,858.91	2,251.99	2,251.99
Other financial assets	319.77	319.77	340.48	340.48
Total financial assets	**12,615.09**	**12,615.09**	**9962.10**	**9962.10**
Financial liabilities				
Carried at ammortised cost				
Borrowings	4.20	4.20	17.59	17.59
Other financial liabilities	4.18	4.18	5.50	5.50
Total financial liabilities	**8.38**	**8.38**	**23.09**	**23.09**

Note : 39 Financial risk management objectives and policies

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

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

(A) Market risk

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

i) Interest rate risk

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

Particulars	31st March 2022	31st March 2021
Fixed rate borrowings	4.20	17.59

(ii) Equity Price risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The fair value of Company's investment in quoted equity securities as at March 31, 2022, and March, 2021 was ₹1624.42 lakhs, ₹1273.10 lakhs respectively. A 10% change in equity price as at March 31, 2022 and March, 2021 would result in an impact of ₹162.44 lakhs, ₹127.31 lakhs respectively.

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

(B) Credit risk

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

(i) Trade receivables

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

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

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2022 and 31 March 2021 is the carrying value as illustrated in Note 38.

(C) Liquidity risk

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

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

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
Less than 1 year		
Borrowings	3.71	13.39
Other Financial Liabilities	4.18	5.50
More than 1 year		
Borrowings	0.49	4.20

Note : 40 Related party disclosure (As per Ind AS-24 - Related Party Disclosures)

Relationships:

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

Smifs Limited

(b) Key Management Personnel:

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

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

Terms and conditions of transactions with related parties:

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

₹ in Lakhs

(a) Transaction with related parties

Particulars	Enterprise described in (a) above		Key Management Personnel		Relatives of Key Management Personnel	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Directors' sitting fees	-	-	5.70	1.67	-	-
Salary & Wages	-	-	40.65#	25.46#	-	-
Directors' Remuneration	-	-	94.58#	74.96#	-	-
Payment of Brokerage	2.26	-	-	-	-	-
Sale of Property	-	183.17	-	-	-	-
Outstanding Balance as on 31st March 2022			-	-	-	-
Other Current financial Assets	-	-	-	-	-	-
Other Current Assets	-	0.02				

 # This includes Employer's Contribution to Provident Fund

Note : 41 Capital Management :

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

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

Particulars	31st March 2022	31st March 2021
Equity Share Capital	558.50	558.50
Other Equity	10,979.58	9,829.20
Total Equity (A)	**11,538.08**	**10,387.70**
Non Current Borrowings	0.49	4.20
Short term Borrowings		
Current Maturities of long term borrowings	3.71	13.39
Gross Debts (B)	**4.20**	**17.59**
Less : Current Investments		
Less: Cash and cash Equivalents	508.85	96.58
Net Debt	**(504.65)**	**(78.98)**
Gearing Ratio	**(0.0437)**	**(0.0076)**

Note : 42 Auditors' remuneration and expenses :

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
For Audit Matter	2.00	2.00
Tax Audit		
for taxation matter		
for certification fees	0.38	0.48
Total	**2.38**	**2.48**

Note : 43 Effective Tax Reconciliation

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

Accounting profit before income tax	208.42	318.31
Applicable tax rate (Percentage)	26.00	26.00
Expected income tax	54.19	82.76
Income exempt from tax		
Non dedcutible expenses for tax purpose	(27.76)	113.52
Effect of unrecognised tax losses for earlier years		
MAT Credit and other adjustments	(20.27)	93.94
Income Tax recognised in Profit and Loss account	**6.16**	**290.21**

Note : 44 Expenditure in Foreign currency :

Travelling Expenses	-	-
Total	**-**	**-**

Note : 45 Segment Reporting :

₹ in Lakhs

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

Particulars	Capital Market Operations		Investment Banking Operations		Unallocated		Total	
	For the year ended 31.03.2022	For the year ended 31.03.2021	For the year ended 31.03.2022	For the year ended 31.03.2021	For the year ended 31.03.2022	For the year ended 31.03.2021	For the year ended 31.03.2022	For the year ended 31.03.2021
Segment Revenue								
External Segment Revenue	6,645.26	6,525.16	78.35	339.97	468.01	487.32	7,191.63	7,352.45
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Revenue	6,645.26	6,525.16	78.35	339.97	468.01	487.32	7,191.63	7,352.45
Less : Inter Segment Revenue	-	-	-	-	-	-	-	-
Net Revenue	**6,645.26**	**6,525.16**	**78.35**	**339.97**	**468.01**	**487.32**	**7,191.63**	**7,352.45**
Result - Profit/ (Loss)								
Segment Result	66.11	57.96	78.35	339.97	80.19	(77.37)	224.65	320.56
Less: Finance cost	-	-	-	-	0.97	2.26	0.97	2.26
Profit/ (Loss) Before Tax	**66.11**	**57.96**	**78.35**	**339.97**	**79.22**	**79.63**	**223.68**	**318.30**

Segment Assets and Liabilities :

Fixed Assets used in the Company's operations or liabilities contracted cannot be identified with any of the reportable segments as the fixed assets are used interchangeably between segments. The Company believes that it is currently not practicle to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of data is not possible.

Note : 46 Other Statutory Information :

(i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group do not have any transactions with companies struck off.

(iii) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the income tax act. 1961 (such as, search or survey or any other relevant provisions of the income tax act. 1961

(v) The Group has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) period during the current reporting period and also reporting period and also for previous year's reporting

(vi) The Group has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the current reporting period and also reporting period and also for previous year's reporting period

(vii) The Group has no CWIP either in current year or in previous year

(viii) The Group does not have any intangible assets under development during the current and previous year reporting period

(ix) The Group does not have any borrowings from banks or financial institutions on the basis of security of current assets the financial statements; hence no disclosure is required as such

(x) The Group has not been declared as willful defaulter as at the date of the balance sheet or on the date of approval of the financial statements, hence no disclosure is required as such

(xi) Th Group has complied with the number of layers prescribed under Clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017

Note : 47 Global Health Pandemic from COVID-19

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

Note : 48 Additional information required for Consolidated Financial Statements:

Name of Entity	SMIFS Capital Markets Ltd. (Parent)		SMIFS Capital Services Ltd. (Subsidary)	
	As a % of consolidated figures	Amount ₹ in Lakhs	As a % of consolidated figures	Amount ₹ in Lakhs
Net Assets i.e., total assets minus total liabilities	100.88	11,639.50	5.62	648.59
Share in profit or loss	98.35	198.93	1.65	3.33
Share in other comprehensive income	100.50	952.87	(0.50)	(4.76)
Share in total comprehensive income	100.12	1151.80	(0.12)	(1.43)

Note : 49 Previous year figures have been reclassified / regrouped / rearranged wherever necessary.

As Per Our Report Of Even Date attached

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

Vivek Agarwal
Partner
Membership No. : 301571

Place: Kolkata
Dated: 11th May, 2022

For and on Behalf of the Board of Directors

UTSAV PAREKH
Chairman
(DIN No. 00027642)

KISHOR SHAH
Managing Director
(DIN No. 00170502)

POONAM BHATIA
Company Secretary
-cum - Sr.Manager Legal

SHREEMANTA BANERJEE
CFO-cum Vice President
Finance & Taxation

SMIFS CAPITAL SERVICES LIMITED

(CIN NO.: U65991WB2000PLC092125)

Board Of Directors

Mr. Utsav Parekh	–	Director
Mrs. Puspa Mishra	–	Additional Director
Mr. Kishor Shah	–	Director

Company Secretary

Ms. Ayanti Sen

Bankers

HDFC Bank Ltd.

Auditors

M/s. J.S.Vanzara & Associates
Chartered Accountants

Registered Office

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

DIRECTORS' REPORT

To the members of SMIFS Capital Services Limited

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements for the year ended March 31, 2022.

FINANCIAL RESULTS

(₹ in million)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Profit/(Loss) before Finance Charge, Depreciation & Tax	0.37	0.71
Less: Finance Charge	-	-
Profit/(Loss) before Depreciation & Tax	0.37	0.71
Less: Depreciation / Amortization	0.03	0.05
Profit/(Loss) before Tax	0.34	0.66
Less : Tax Expenses	0.01	0.01
Profit/(Loss) after Tax	0.33	0.65
Profit/(Loss) brought forward from earlier year :	(5.39)	(6.04)
Profit/(Loss) carried to Balance Sheet	(5.06)	(5.39)

DIVIDEND

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

DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the Financial Statements.

YEAR IN RETROSPECT AND FUTURE GROWTH

Your Company is a wholly – owned subsidiary of SMIFS Capital Markets Limited. Your Company is engaged in Corporate Advisory Business and is also an inter mediary for mobilizing fixed deposits of reputed business.

DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134(3)(c) OF THE COMPANIES ACT, 2013

The Directors hereby confirm that:

(a) In the preparation of the Annual Accounts the applicable accounting standards have been followed along with proper explanation relating to material departures.

(b) the Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the profit and loss of the company for that period.

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

(d) the Directors have prepared the annual accounts on a going concern basis, and

(e) the Directors have devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

BOARD OF DIRECTORS

As on March 31, 2022, your Company had 3 Non- Executive Directors. Mr. Kishor Shah retires by rotation and being eligible offers himself for re-appointment. Further, Mrs. Pushpa Mishra was appointed as the Additional Director (Non- Executive Non- Independent) with the effect from 21st March, 2022 and Mr. Santosh Kumar Mukherjee Non- Executive Independent director resigned with effect from 21st March, 2022.

None of your Directors on the Board are members of more than 10 Committees and Chairman of more than 5 Committees across all Companies in which they are Directors. Necessary disclosures regarding position in Committees of other Public Companies as on March 31, 2022 have been made by the Directors.

Board Members are responsible for the management of the business. Role, functions, responsibility and accountability of the Board are clearly defined. In addition to its primary role of monitoring corporate performance, functions of the Board include (i) approving corporate philosophy and vision; (ii) formulation of strategic and business plans; (iii) reviewing and approving financial plans and budgets; (iv) monitoring corporate performance against strategic and business plans, including overseeing operations; (v) ensuring ethical behavior and compliance of laws and regulations; (vi) reviewing and approving borrowing limits; (vii) formulating exposure limits; and (viii) keeping shareholders informed regarding plans, strategies and performance.

Board Meetings

Five Board Meetings were held during the year and the gap between two Meetings did not exceed 120 days. Dates on which Board Meetings were held in each quarter are as follows:

Quarter	Date of Meetings
First	June 29, 2021
Second	August 12, 2021
Third	November 02, 2021
Fourth	February 08, 2022
Fourth	March 21, 2022

Attendance of Director in respective meeting are as follows:

Name of the Directors	Year 2021 – 2022 Attendance at Board Meetings	Year 2021 – 2022 Attendance at the last AGM
Mr. Kishor Shah	5	Yes
Mr. Utsav Parekh	5	Yes
Mrs. Puspa Mishra	1	N.A.

AUDITORS

M/s J.S. Vanzara & Associates, Chartered Accountants retire at the conclusion of the Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS QUALIFICATION:

Qualifications contained in the Auditors' Report if any have been dealt with in the Notes to financial statements and are self-explanatory.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure A".

STATUTORY INFORMATION

Information in terms of Rule 8 of the Companies (Accounts) Rules, 2014 forming part of the report of Board of Directors is given below :

(a) Conservation of Energy

Though the operation of the Company is not energy intensive, regular and preventive maintenance of all equipments is undertaken by the Company.

(b) Technology Absorption

In view of the nature of business in which the Company is engaged, no Research and Development expenditure has been incurred.

(c) Foreign Exchange Earnings and Outgoings

During the year there has been no foreign exchange earnings and outgo.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation for the services rendered by all the employees of the Company.

For and on behalf of the Board of Directors

	Sd/-	**Sd/-**
	(PUSHPA MISHRA)	**(KISHOR SHAH)**
	Director	*Director*
Place : Kolkata	*(DIN NO. 07898390)*	*(DIN NO. 00170502)*
Date : The 11th day of May, 2022		

ANNEXURE – A

FORM No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on March 31, 2022

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

I.	REGISTRATION AND OTHER DETAILS			
	(i)	CIN	:	U65991WB2000PLC092125
	(ii)	Registration Date	:	11.07.2000
	(iii)	Name of the Company	:	SMIFS CAPITAL SERVICES LIMITED
	(iv)	Category/Sub-Category of the Company	:	Public Company
	(v)	Address of the Registered office and contact details	:	"VAIBHAV" 4F, 4 Lee Road, Kolkata - 700020 Telephone:033-2290-7400/7401/7402/0544 Fax : 033-2287-4042, 2240-6884
	(vi)	Whether Listed Company	:	No
	(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Maheshwari Datamatics Pvt Ltd, 23, R.N. Mukherjee Road, 5th Floor , Kolkata- 700001 Telephone : 033-22482248 Fax : 033-22484787

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :

Sl. No.	Name and Description of main Product/ Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1	Investment Banking Operation	–	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	SMIFS Capital Markets Limited Address: "VAIBHAV" 4F, 4 Lee Road, Kolkata-700020	L74300WB1983PLC036342	Holding	100%	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category – wise Share Holding :

Category of Shareholders			No. of Shares held at the beginning of the year (As on 1st April, 2021)				No. of Shares held at the end of the year (As on 31st March, 2022)				% Change during the year
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters										
1	Indian										
	(a)	Individual/HUF	0	20	20	0.00	0	20	20	0.00	0
	(b)	Central Govt	0	0	0	0	0	0	0	0	0
	(c)	State Govt(s)	0	0	0	0	0	0	0	0	0
	(d)	Bodies Corp.	0	7500000	7500000	99.99	0	7500000	7500000	99.99	0
	(e)	Banks/FI	0	0	0	0	0	0	0	0	0
	(f)	Any Other	0	0	0	0	0	0	0	0	0
	Sub- Total (A)(1)		0	7500020	7500020	99.99	0	7500020	7500020	99.99	0
2	Foreign										0
	(a)	NRIs – Individuals	0	0	0	0	0	0	0	0	0
	(b)	Others – Individuals	0	0	0	0	0	0	0	0	0
	(c)	Bodies Corp	0	0	0	0	0	0	0	0	0
	(d)	Banks/FI	0	0	0	0	0	0	0	0	0
	(e)	Any Others	0	0	0	0	0	0	0	0	0
	Sub – Total (A) (2)		0	0	0	0	0	0	0	0	0
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)		0	7500020	7500020	99.99	0	7500020	7500020	99.99	0
B.	Public Shareholding										
1	Institutions										
	(a)	Mutual Fund	0	0	0	0	0	0	0	0	0
	(b)	Banks/FI	0	0	0	0	0	0	0	0	0
	(c)	Central Govt(s)	0	0	0	0	0	0	0	0	0
	(d)	State Govt(s)	0	0	0	0	0	0	0	0	0
	(e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
	(f)	Insurance Companies	0	0	0	0	0	0	0	0	0
	(g)	FIIs	0	0	0	0	0	0	0	0	0
	(h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	(i)	Others (specify)	0	0	0	0	0	0	0	0	0
	Sub Total B(1)		0	0	0	0	0	0	0	0	0

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category – wise Share Holding :(Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2021)				No. of Shares held at the end of the year (As on 31st March, 2022)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2 Non- Institutions									
(a) Bodies Corp									
(i) Indian	0	0	0	0	0	0	0	0	0
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding share capital upto ₹ 1 lakh	0	50	50	0.00	0	50	50	0.00	0
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
(c) Others (specify)	0	0	0	0	0	0	0	0	0
(i) Non Resident Individual	0	0	0	0	0	0	0	0	0
(ii) Clearing Member	0	0	0	0	0	0	0	0	0
Sub-Total(B)(2) :	0	50	50	0.00	0	50	50	0.00	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	50	50	0.00	0	50	50	0.00	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total(A+B+C)	**0**	**7500070**	**7500070**	**100**	**0**	**7500070**	**7500070**	**100**	**0**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2021)			Purchase / Sale during the year		Shareholding at the end of the year (31/03/2022)			% Change in Share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encum-bered to Total Shares	No of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encum-bered to Total Shares	
1	SMIFS Capital Markets Limited	7500000	99.99	–	–	–	7500000	99.99	–	0
2	Mr. Utsav Parekh	10	0.00	–	–	–	10	0.00	–	0
3	Mr. Saharsh Parekh	10	0.00	–	–	–	10	0.00	–	0
	Total	**7500020**	**99.99**	**–**	**–**	**–**	**7500020**	**99.99**	**–**	**0**

(iii) Change in Promoter's Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year(01/04/2021)		Purchase/Sale during the year		Cumulative Share-holding during the year (31/03/2022)	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
		NIL					

(IV) Shareholding Pattern of Top Ten Shareholders (other than Director, Promoters and Holders of GDRs and ADRs) :

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01/04/2021)		Purchase/Sale/ Transfer during the year		Shareholding at the end of the year (31/03/2022)	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% Change	No. of Shares	% of Total Shares of the Company
1	**SUBRATA DAS**						
	At the beginning of the year	**20**	**0.00**				
	Date wise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc)			–	–		
	At the End of the Year (or on the date of separation, if separated during the year)					**20**	**0.00**
2	**SHREEMANTA BANERJEE**						
	At the beginning of the year	**10**	**0.00**				
	Date wise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc)			–	–		
	At the End of the Year (or on the date of separation, if separated during the year)					**10**	**0.00**
3	**DEBASISH MUKHERJEE**						
	At the beginning of the year	**10**	**0.00**				
	Date wise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc) :			–	–		
	At the End of the Year (or on the date of separation, if separated during the year)					**10**	**0.00**
4	**SURENDRA NATH OHJA**						
	At the beginning of the year	**10**	**0.00**				
	Date wise Increase/Decrease in Shareholding during the year specifying the reason for increase/decrease (e.g allotment/transfer/bonus/sweat equity etc) :			–	–		
	At the End of the Year (or on the date of separation, if separated during the year)					**10**	**0.00**

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01/04/2021)		Purchase / Sale during the year		Cumulative Share-holding during the year (31/03/2022)	
	For Each of the Directors and KMP	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	UTSAV PAREKH						
	At the beginning of the year	**10**	**0.00**				
	Date wise Increase/Decrease in Promoter Shareholding during the year specifying the reason for increase/decrease (e.g allotment/ transfer/bonus/sweat equity etc) :			-	-		
	At the End of the Year					**10**	**0.00**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total (Amount in ₹)
1	Gross salary (a) Salary as per provision contained in section 17(1) of the Income tax Act, 1961	Nil				
	(b) Value of perquisities u/s 17(2) Income- tax Act,1961					
	(c) Profit in lien of salary under section 17(3) Income-tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission -as % of profit					
5	Other, please specify					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other Directors :

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO Amount in (₹)	Company Secretary Amount in (₹)	CFO Amount in (₹)	Total Amount in (₹)
1	Gross salary (a) Salary as per provision contained in section 17(1) of the Income-Tax Act, 1961	N.A.	4,21,323	N.A.	4,21,323
	(b) Value of perquisities u/s 17(2) Income-Tax Act, 1961	0	0	0	0
	(c) Profits in lien of salary under section 17(3) Income-Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission-as % of profit	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (Amount in ₹)	**N.A.**	4,21,323	N.A.	4,21,323

VII. PENALITIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

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

For and on behalf of the Board of Directors

Place : Kolkata
Date : The 11th day of May, 2022

Sd/-
(PUSHPA MISHRA)
Director
(DIN NO. 07898390)

Sd/-
(KISHOR SHAH)
Director
(DIN NO. 00170502)

INDEPENDENT AUDITORS' REPORT

To the Members of SMIFS CAPITAL SERVICES LIMITED

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **SMIFS CAPITAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, 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.

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

Basis for Opinion

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

Emphasis of Matter

We draw your attention to Note 35 to the Standalone Financial Statements which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID - 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No. Key Audit Matter	Auditor's Response
Direct Tax provision Refer Note 10 and 22 to the standalone financial statements. In the normal course of business, "Income Taxes" is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Management makes judgements and estimates in connection with tax issues and tax exposures resulting in the recognition of deferred tax assets and liabilities as well as the tax provisions. As the provision of direct taxes is highly dependent on significant management judgements, Accordingly, Direct Tax Provisions was considered as one of the Key Audit Matters.	Our procedures included: - **Control testing:** - Testing the effectiveness of the controls around the recording and re-assessment of tax provisions. **Our tax expertise:** - Use of our own tax specialists to perform an assessment of the related correspondence, to consider the computation of tax provisions. - Challenging the assumptions using our own expectations based on our knowledge, considering relevant judgments passed by authorities, as well as assessing relevant opinions from third parties. **Assessing disclosures:** Considering the adequacy of the disclosures in respect of tax and uncertain tax positions, the results of our testing were satisfactory, and we found the level of tax provisioning and the adequacy of disclosures to be acceptable
Valuation of investment in certain equity interests of listed and unlisted company Refer note 3 to the standalone financial statements. The investment in certain equity interests of a listed and unlisted company (the 'investment') are to be measured at fair value at each reporting date, and same has been measured at fair value through other comprehensive income. With reference to the valuation, management had estimated the fair value of the Investment at ₹ 388.23 lakhs at year end. In consideration of the Investment is operating in an emerging industry and its fair value is highly dependent on significant management judgements. Accordingly, the valuation of the Investment was considered as one of the key audit matters	Based on the audit procedures performed, we found the assumptions made by management in relation to the valuation were supported by available evidence.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information but does not include the Standalone Financial Statements and our auditor's report thereon. The Board's report including annexures to the Board's report and Shareholder's Information is expected to be made available to us after the date of this auditor's report.

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, based on our audit we report that:

   i. 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.

   ii. 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.

   iii. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   iv. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   v. On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   vii. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended we report that:

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

3. 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:

   a. The Company does not have any pending litigation which would impact its financial position in its standalone financial statements.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

d. I) The Management has represented that, to the best of its knowledge and belief, no funds

(which are material either individually or in the aggregate) 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 entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

II) The Management has represented, that, to the best of its knowledge and belief, no funds

(which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

III) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under d(I) and d(II) above contain any material misstatement.

e. No dividend has been paid or declared by the company during the year.

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

MAYUR THACKER
Partner
Membership No. 308158

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

This is the 11th Day of may 2022.
UDIN for this document is: 22308158AMDRDM6586

ANNEXURE – A TO THE INDEPENDENT AUDITOR'S REPORT

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

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

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. 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 on the basis of our examination of the records of the company, we report that, the Company does not have immovable properties held as fixed assets. Hence the question of commenting on title deed becomes not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventories. Hence clause ii(a) of the Order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly clause (iii) (a) to clause (iii) (f) of the Order are not applicableis.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year. Accordingly, clause (v) of paragraph 3 of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. In respect of statutory and other dues:

a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, Goods and Services Tax, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2022 for a period of more than six months from the date of becoming payable.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2022 for a period of more than six months from the date of becoming payable.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised any money by way of initial public officer and further public offer (including debt instruments) during the year.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) To the best of our knowledge, No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.

xii. The company is not a Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.

xiii. Transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, and details of such transactions have been disclosed in the Standalone Financial Statements, as required by the applicable Indian Accounting Standards.

xiv. (a) The company has an internal audit system which is commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion that the Company has not entered into non-cash transactions with the directors or persons as per section 192 of the Companies Act, 2013. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) To the best of our knowledge, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The company has not incurred cash losses in current financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company 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 and our knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report 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. To the best of our knowledge, section 135 of the said Companies Act, 2013 is not applicable to the company and accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

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

MAYUR THACKER
Partner
Membership No. 308158

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

This is the 11th Day of may 2022.
UDIN for this document is: 22308158AMDRDM6586

ANNEXURE - B TO THE AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of **SMIFS CAPITAL SERVICES LIMITED** ('the Company') as of 31st March 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

MAYUR THACKER
Partner
Membership No. 308158

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

This is the 11th Day of may 2022.
UDIN for this document is: 22308158AMDRDM6586

SMIFS CAPITAL SERVICES LIMITED

CIN NO. U65991WB2000PLC092125

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022

₹ in Lakhs

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
ASSETS			
Non-current assets			
a) Property, plant and equipment	2	0.69	1.00
b) Financial assets			
i) Investments	3	388.23	379.20
ii) Loans	4	0.48	0.70
iii) Other financial assets	5	0.58	0.58
c) Deferred tax assets (Net)	6	3.36	19.65
		393.34	**401.13**
Current assets			
a) Financial assets			
i) Trade receivables	7	31.36	16.66
ii) Cash and Cash equivalents	8	4.49	4.42
iii) Other financial assets	9	212.89	225.89
b) Current tax asset (Net)	10	2.53	0.63
c) Other current assets	11	6.80	3.57
		258.07	**251.17**
Total Assets		**651.41**	**652.30**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	12	750.01	750.01
b) Other equity	13	(101.42)	(99.99)
		648.59	**650.02**
LIABILITIES			
Non-current liabilities			
a) Other non-current liabilities	14	0.32	0.32
		0.32	**0.32**
Current liabilities			
a) Other current liabilities	15	1.90	1.39
b) Provisions	16	0.60	0.57
		2.50	**1.96**
Total Equity and liabilities		**651.41**	**652.30**
Significant Accounting Policies & Notes to Financial Statements	1 To 36		

As Per Our Report Of Even Date attached

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

CA. MAYUR THACKER
Partner
Membership No. : 308158

Place: Kolkata
Dated: 11th May 2022

For and on Behalf of the Board of Directors

PUSHPA MISHRA
Director
(DIN No. 07898390)

KISHOR SHAH
Director
(DIN No. 00170502)

AYANTI SEN
Company Secretary

SMIFS CAPITAL SERVICES LIMITED

CIN NO. U65991WB2000PLC092125

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Lakhs

Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021
INCOME			
I Revenue from operations	17	18.63	18.65
II Other Income	18	0.01	0.11
Total income(I+II)		**18.64**	**18.76**
III **EXPENDITURE**			
Employee Benefit Expenses	19	11.31	9.10
Depreciation and amortization expense	20	0.31	0.46
Other expenses	21	3.64	2.57
Total Expense(III)		**15.26**	**12.13**
IV Profit/(loss) before exceptional items and tax		**3.38**	**6.63**
V Exceptional items		-	-
VI Profit/(loss) before tax		**3.38**	**6.63**
VII Tax expense:	22		
(1) Current tax		-	-
(2) Tax adjustment for earlier years		-	-
(3) Deferred tax		0.04	0.13
VIII Profit/(loss) for the period from continuing operations		**3.34**	**6.50**
IX Profit/(Loss) from discontinuing operations		-	-
Tax expense from discontinued operations		-	-
X Profit/(loss) for the period from discontinued operations (after tax)		-	-
XI Profit/(loss) for the period		**3.34**	**6.50**
XII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeausurement of net defined benefit liability		2.46	-
Gains and losses from investments in equity instruments designated at fair value through other comprehensive income;		**9.03**	**(23.37)**
(ii) Income tax relating to items that will not be reclassified to profit or loss		**(16.25)**	**32.83**
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income/(loss) for the period		**(4.76)**	**9.46**
XIII Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**(1.42)**	**15.96**
XIV Earning per equity share:			
(1) Basic	23	0.04	0.09
(2) Diluted		0.04	0.09

Significant Accounting Policies & Notes to Financial Statements 1 To 36

As Per Our Report Of Even Date attached

For J. S. VANZARA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.: 318143E
CA. MAYUR THACKER
Partner
Membership No. : 308158

Place: Kolkata
Dated: 11th May 2022

For and on Behalf of the Board of Directors

PUSHPA MISHRA
Director
(DIN No. 07898390)

KISHOR SHAH
Director
(DIN No. 00170502)

AYANTI SEN
Company Secretary

SMIFS CAPITAL SERVICES LIMITED

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

Equity Share Capital **₹ in Lakhs**

Particulars	Balance at the beginning of the reporting year	Changes in equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes during the reporting year	Balance at the end of the reporting year
For the year ended 31st March 2021	750.01	-	750.01	-	750.01
For the year ended 31st March 2022	750.01	-	750.01	-	750.01

Other Equity

	Reserves and Surplus	Other Comprehensive Income		
	Retained Earnings	Equity instruments through Other Comprehen-sive Income	Remeasure -ment of Defined Benefit Liability	Total Other Equity
Balance at 1 April 2020	**(60.42)**	**(55.90)**	**0.36**	**(115.95)**
Profit for the year	**6.50**	**-**	**-**	**6.50**
Other Comprehensive Income	**-**	**9.46**	**-**	**9.46**
Total Comprehensive Income for the year	**6.50**	**9.46**	**-**	**15.96**
Balance at 31st March 2021	**(53.92)**	**(46.44)**	**0.36**	**(99.99)**
Balance at 1 April 2021	**(53.92)**	**(46.44)**	**0.36**	**(99.99)**
Profit for the year	**3.34**	**-**	**-**	**3.34**
Other Comprehensive Income	**-**	**(7.22)**	**2.46**	**(4.76)**
Total Comprehensive Income for the year	**3.33**	**(7.22)**	**2.46**	**(1.42)**
Balance at 31st March 2022	**(50.58)**	**(53.66)**	**2.82**	**(101.41)**

As Per Our Report Of Even Date attached

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

CA. MAYUR THACKER
Partner
Membership No. : 308158

Place: Kolkata
Dated: 11th May 2022

For and on Behalf of the Board of Directors

PUSHPA MISHRA
Director
(DIN No. 07898390)

KISHOR SHAH
Director
(DIN No. 00170502)

AYANTI SEN
Company Secretary

SMIFS CAPITAL SERVICES LIMITED

CIN NO. U65991WB2000PLC092125

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

₹ in Lakhs

	31st March 2022		31st March 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax		3.37		6.63
Adjustment for				
Depreciation	0.31		0.46	
(Profit) / Loss on sale of Investments	-		-	
Dividend on Investment	-		-	
		0.31		0.46
Operating profit before Working Capital change		3.68		7.09
Adjustment for				
Trade & Other Receivables	(2.25)		(2.99)	
Trade & Other Payables	0.55		(4.10)	
		(1.70)		(7.09)
Cash Generated from Operations		1.98		-
Direct Tax paid	(1.91)		0.44	
		(1.91)		0.44
Net Cash Flow from Operating activity		0.07		0.44
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	-		-	
Sale of Fixed Assets (Net of advance received)	-		-	
Sale of Investments	-		-	
Dividend on Investment	-		-	
Net Cash flow from Investing Activities		-		-
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid	-		-	
Proceeds from long-term borrowings	-		-	
Net cash used in Financing Activities		-		-
Net increase in Cash & Cash Equivalents		0.07		0.44
Opening Balance of Cash & Cash Equivalents		4.42		3.98
Closing Balance of Cash & Cash Equivalents		**4.49**		**4.42**
Components of cash and equivalents				
Cash on Hand (Refer Note – 8)		0.48		0.46
Balance with Banks (Refer Note – 8)		0.41		3.96
Total Cash and Cash Equivalents		**4.49**		**4.42**

As Per Our Report Of Even Date attached

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

CA. MAYUR THACKER
Partner
Membership No. : 308158

Place: Kolkata
Dated: 11th May 2022

For and on Behalf of the Board of Directors

PUSHPA MISHRA
Director
(DIN No. 07898390)

KISHOR SHAH
Director
(DIN No. 00170502)

AYANTI SEN
Company Secretary

The Company Information

SMIFS CAPITAL SERVICES LIMITED (the "Company") is a public limited company incorporated and domiciled in India and has its registered office at Vaibhav, 4F, 4, Lee Road, Kolkata - 700 020, India.

The financial statements for the year ended March 31 2022 were approved by the Board of Directors and authorised for issue on 11th May 2022.

Note: 1 Significant accounting policies

a) Statement of Compliance

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

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

b) Basis of Preparation

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

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

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

Adoption of new Indian Accounting Standards and interpretations

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

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

c) Use of estimates

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

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

d) Property, plant and equipment

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

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

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

Depreciation

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

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

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

e) Impairment of Non-financial assets

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

f) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction

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

g) Provisions, Contingent liabilities and Contingent Assets

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

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

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

h) Revenue recognition

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

(i) Interest Income

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

(j) Dividend income

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

(k) Income Tax

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

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

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

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

(l) Cash flow statement

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

(m) Financial instruments

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

Financial Assets

Initial Recognition

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

Classification and Subsequent Measurement: Financial Assets

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

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

Debt Instruments

Amortised Cost

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

Fair Value through Other Comprehensive Income

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

Fair Value through Profit or Loss

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

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

Equity Instruments

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

Financial Liabilities

Initial Recognition

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

Classification and Subsequent Measurement: Financial liabilities

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

Impairment of financial assets

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

Derecognition of financial instruments

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

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

Offsetting financial instruments

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

(n) Fair value measurements

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

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

• In the principal market for the asset or liability.

Or

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

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

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

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

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

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

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

(o) Employee benefits

Defined contributions plan

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

Defined benefit plans

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

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

(i) Short term Employee benefit

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

(ii) Long term Employee benefits

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

(p) Segment reporting

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

(q) Earnings per share

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

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

(r) Recent accounting pronouncements

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

SMIFS CAPITAL SERVICES LIMITED

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note : 2 Property Plant and Equipments

₹ in Lakhs

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.2021	Additions	Deductions/ Adjustments	As on 31.03.2022	As on 01.04.2021	For the year	Adjustment	As on 31.03.2022	As on 31.03.2022	As on 31.03.2021
Vehicles	5.63	-	-	5.63	4.63	0.31	-	4.94	0.69	1.00
Sub total	**5.63**	**-**	**-**	**5.63**	**4.63**	**0.31**	**-**	**4.94**	**0.69**	**1.00**
Previous year	5.63	-	-	5.63	4.18	0.46	-	4.63	1.00	

Note : 3 Investments

₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022		As at 31 March 2021	
		Quantity No.	Amount ₹	Quantity No.	Amount ₹
1	**Investments measured at amortized cost**				
	Investment in Preference Shares (Non Cumulative ₹ 100/- Each)				
	15% Andaman Plantations & Development Corporation Pvt.Ltd	60,000	60.00	60,000	60.00
	18% Andaman Plantations & Development Corporation Pvt.Ltd	40,000	40.00	40,000	40.00
2	**Investment measured through Other Comprehensive Income**				
	Investment in Equity Shares				
	Equity shares of ₹ 10 each (Unless otherwise stated)				
(a)	**Fully paid up: Quoted**				
	KEC International Ltd.	175	0.66	175	0.71
(b)	**Fully paid up: Unquoted**				
	Antriksh Vyapaar Limited	1,650,000	257.57	1,650,000	248.89
	Andaman Plantations & Development Corporation Pvt.Ltd	30,000	30.00	30,000	30.00
	Total	**-**	**388.23**	**-**	**379.20**

Aggregate book value of unquoted Investments	387.57	378.49
Aggregate book value of quoted Investments	0.66	0.71
Aggregate market value of quoted Investments	0.66	0.71

Note : 4 Loans

Sl. No.	Particulars	As at 31st March 2022	As at 31 March 2021
1	Others	0.48	0.70
	Total	**0.48**	**0.70**

Note : 5 Other non current financial assets

1	**Unsecured Considered Good**	0.58	0.58
	Total	**0.58**	**0.58**

Note : 6 Deferred tax Assets (Net)

Deferred tax Asset				
Deffered Tax Assets				
On Disallowances under the Income Tax Act, 1961	0.21		0.15	
On difference between wdv as per book and wdv as per Income Tax Act of fixed assets	- 0.57		0.61 -	
Deferred tax Asset				
On Financial Instrument	2.58	3.36	18.89	19.65
		3.36		**19.65**

Note : 7 Trade Receivables ₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022	As at 31 March 2021
1	Unsecured Considered Good	31.36	16.66
	Total	**31.36**	**16.66**

Trade Receivables Ageing Schedule **As on 31/03/2022** **₹ in Lakhs**

Particulars	Outstanding for following periods from due date of payment #					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - consider good	6.15	8.55	16.66	-	-	31.36
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - consider good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Trade Receivables Ageing Schedule **As on 31/03/2021** **₹ in Lakhs**

Particulars	Outstanding for following periods from due date of payment #					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - consider good	7.99	8.67	-	-	-	16.66
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - consider good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Note : 8 Cash & Cash Equivalents ₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022	As at 31 March 2021
1	Balance with banks		
	Current Account Balances	4.01	3.96
2	Cash on hand	0.48	0.46
	Total	**4.49**	**4.42**

Note : 9 Others

	Short term Loans & Advances		
1	Other Advances	212.89	225.89
	Total	**212.89**	**225.89**

Note :10 Current tax asset (Net)

1	Advance Income Tax (Net of Provision)	2.53	0.63
	Total	**2.53**	**0.63**

Note : 11 Other Current Assets

1	Prepaid Expenses	6.80	3.57
	Total	**6.80**	**3.57**

Note : 12 Equity Share Capital

1	**AUTHORIZED**		
	1,50,00,000 Equity Shares of ₹10/- each	1,500.00	1,500.00
		1,500.00	**1,500.00**
2	**ISSUED , SUBSCRIBED & PAID UP**		
	7,500,070 Equity Shares of ₹ 10/- each, Fully paid up	750.01	750.01

3 The details of shareholders holding more than 5% shares

Particulars	No. of shares	% held	No. of shares	% held
SMIFS Capital Markets Limited	7,500,070	100.00	7,500,070	100.00

4 Detail of Promoter Shareholding

Sr No.	Promoter name	As at 31st March 2022			As at 31 March 2021		
		No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
1	Smifs Capital Markets Limited	75,00,000	99.9900	-	75,00,000	99.9900	-
2	Utsav Parekh	10	0.0000	-	10	0.0000	-
3	Saharsh Parekh	10	0.0000	-	10	0.0000	-

Note : 13 Other Equity ₹ in Lakhs

Sl. No.	Particulars	As at 31st March 2022		As at 31 March 2021	
1	Retained Earnings				
	Balance brought forward from previous year	(53.92)		(60.42)	
	Profit for the Year	3.34		6.50	
		(50.58)		(53.92)	
2	Opening OCI	(46.08)		(55.54)	
	Add: During the year OCI	(4.76)		9.46	
			(50.84)		(46.08)
	Total		**(101.42)**		**(99.99)**

Note : 14 Other Non Current Liabilities

1	Advance from party	0.32	0.32
	Total	**0.32**	**0.32**

Note : 15 Other Current Liabilities

	Other current liabilties		
1	Statutory Dues	0.12	0.11
2	Liability for expenses	1.78	1.28
	Total	**1.90**	**1.39**

Note : 16 Provisions

1	Provision for employees benefits	0.60	0.57
	Total	**0.60**	**0.57**

Note : 17 Revenue from Operations ₹ in Lakhs

Sl. No.	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
1	Investment Banking Operations (Net)	18.63	18.65
	Total	**18.63**	**18.65**

Note : 18 Other Income

1	Interest Received	-	0.11
2	Dividend Income	0.01	-
	Total	**0.01**	**0.11**

Note : 19 Employee Benefit Expenses

1	Salaries, Bonus & Allowances	9.45	7.67
2	Contribution to provident and other funds	0.72	0.66
3	Staff Welfare Expenses	1.15	0.78
	Total	**11.31**	**9.10**

Note : 20 Depreciation & Amortised Cost

1	Depreciation	0.31	0.46
	Total	**0.31**	**0.46**

Note : 21 Other expenses

1	Telephone Expenses	0.18	0.21
2	Professional, Legal & Consultancy Charges	0.36	0.53
3	Business Promotion Expenses	0.13	0.02
4	Travelling Exp.	-	0.08
5	Vehicle Expenses	1.69	0.49
6	Membership & Subscription Fees	0.45	0.45
7	Miscellaneous Expenses	0.57	0.52
8	Rates & Taxes	0.08	0.08
9	Insurance	0.08	0.09
10	Auditors' Remuneration	0.10	0.10
	Total	**3.64**	**2.57**

Note : 22 Tax expenses **₹ in Lakhs**

Sl. No.	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
1	Current Tax		
	Provision For Taxation	-	-
	Income Tax Earlier Year	-	-
		-	-
2	Deferred tax	0.04	0.13
	Total	**0.04**	**0.13**

As Per Our Report Of Even Date attached

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

CA. MAYUR THACKER
Partner
Membership No. : 308158

Place: Kolkata
Dated: 11th May 2022

For and on Behalf of the Board of Directors

PUSHPA MISHRA
Director
(DIN No. 07898390)

KISHOR SHAH
Director
(DIN No. 00170502)

AYANTI SEN
Company Secretary

Note : 23 Earnings per equity share **₹ in Lakhs**

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

	31st March 2022	31st March 2021
Net Profit / (Loss) attributable to equity shareholders		
Profit / (Loss) after tax	3.34	6.50
Nominal value of equity share (₹)	10	10
Weighted-average number of equity shares for basic & Diluted EPS	75.00	75.00
Basic & Diluted earnings per share (₹)	**0.04**	**0.09**

Note : 24 Significant accounting judgements, estimates and assumptions

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

Judgements

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

Fair value measurement of financial instruments

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

Impairment of non-financial assets

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

Note : 25 Employee Benefit Obligations **₹ in Lakhs**

Leave Obligations
To be Recognised in PL

Descriptions	31st March 2022	31st March 2021
Current Service Cost	0.14	0.08
Interest Cost on Benefits Obligation	0.03	0.06
Expected Return on Planned Asset	-	-
Actuarial Gain/Loss	0.10	(0.51)
Past Service Cost	-	-
Total	**0.28**	**(0.37)**

Net Liability /Asset recognised in BS

Present value of Defined Benefit Obligation	0.60	0.57
Fair Value of Planned Asset	-	-
Funded status {Surplus/(Deficit)}	(0.60)	(0.57)
Effect of balance sheet asset	-	-
Unrecognised Past Service Cost	-	-
Net asset/(liability) recognised in balance sheet	**(0.60)**	**(0.57)**

Change in the PV of DBO during the year

PV of DBO at beginning of the year	0.57	0.94
Current Service Cost	0.14	0.08
Interest Cost on DBO	0.03	0.06
Benefits Paid from Planned Asset	(0.24)	-
Actuarial Loss/Gains	0.10	(0.51)
Total	**0.60**	**0.57**

Principal Assumption

Discount Rate	6.40%	6.00%
Rate of Increase in salaries	7.50%	7.50%

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

Sensitivity analysis for Present value of Defined Benefit obligation **₹ in Lakhs**

Descriptions	31st March 2022	31st March 2021
Impact of the change in discount rate		
Present value of obligation at the end of the year	**0.60**	**0.57**
a) Impact due to increase of 1 %	**0.54**	**0.52**
b) Impact due to decrease of 1 %	**0.67**	**0.62**
Impact of the change in salary increase	**-**	**-**
Present value of obligation at the end of the year	**0.60**	**0.57**
a) Impact due to increase of 1 %	**0.67**	**0.63**
b) Impact due to decrease of 1 %	**0.54**	**0.51**

Gratuity

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

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

To be Recognised in PL		
Current Service Cost	0.30	-
Interest Cost on Benefits Obligation	(0.06)	-
Expected Return on Planned Asset	-	-
Actuarial Gain/Loss	-	-
Past Service Cost	-	-
Total	**0.23**	**-**
To be Recognised in OCI		
Actuarial Loss/Gains	(0.42)	-
Expected Return on Planned Asset	(0.11)	-
Re-measurement (or Actuarial (gain/loss) arising because of change in effect of asset ceiling	-	-
Total	**(0.53)**	**-**
Net Liability /Asset recognised in BS		
PV of Defined Benefit Obligation	4.16	-
Fair Value of Planned Asset	6.50	-
	2.35	-
Less: Unrecognised Past Service Cost	-	-
Total - Net defined Benefit	**2.35**	**-**

Change in the PV of DBO during the year **₹ in Lakhs**

Descriptions	31st March 2022	31st March 2021
PV of DBO at beginning of the year	4.04	-
Current Service Cost	0.30	-
Interest Cost on DBO	0.24	-
Benefits Paid from Planned Asset	-	-
Actuarial Loss/Gains	(0.42)	-
Plan Amendments	-	-
Total	**4.16**	**-**

Change in the Fair Value of Asset during the year

Fair value of Plan Asset at beginning	5.12	-
Expected Return	0.11	-
Contribution by Employer	0.97	-
Benefits Paid	-	-
Acturial Gains/Losses	0.31	-
Total	**6.50**	**-**

Principal Assumption

Discount Rate	6.40%	-
Rate of Increase in salaries	7.50%	-

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

Sensitivity analysis for Present value of Defined Benefit obligation

Impact of the change in discount rate		
Present value of obligation at the end of the year	4.16	-
a) Impact due to increase of 1 %	3.85	-
b) Impact due to decrease of 1 %	4.51	-
Impact of the change in salary increase	-	-
Present value of obligation at the end of the year	4.16	-
a) Impact due to increase of 1 %	4.52	-
b) Impact due to decrease of 1 %	3.84	-

Note : 26 Financial instruments by category

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

₹ in Lakhs

Particulars	31st March 2022			31st March 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Trade receivables	-	-	31.36	-	-	0.00
Loans	-	-	1.06	-	-	1.28
Cash and cash equivalents	-	-	4.49	-	-	4.42
Investments	-	258.23	130.00	-	249.20	130.00
Other financial assets	-	-	212.89	-	-	242.54
Total	-	258.23	379.80	-	249.20	378.24
Financial liabilities						
Borrowings	-	-	-	-	-	-
Trade payable	-	-	-	-	-	-
Security deposit	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Total	-	-	-	-	-	-

(a) Fair value hierarchy

₹ in Lakhs

Financial assets and liabilities measured at fair value and amortised cost for which fair values are disclosed	31st March 2022			31st March 2021		
Particulars	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Investment in equity shares	0.66	287.57	-	0.71	278.49	-
Investment in preference shares	-	100.00	-	-	100.00	-
Total financial assets	0.66	387.57	-	0.71	378.49	-
Financial liabilities						
Derivative financial liabilities	-	-	-	-	-	-
Total	-	-	-	-	-	-

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

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

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

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

₹ in Lakhs

Particulars	31st March 2022		31st March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Carried at amortised cost				
Cash and Bank balances	4.49	4.49	4.42	4.42
Trade Receivables	31.36	31.36	-	-
Investments	388.23	388.23	379.20	379.20
Loans	1.06	1.06	1.28	1.28
Other financial assets	212.89	212.89	242.54	242.54
Total financial assets	**638.03**	**638.03**	**627.44**	**627.44**
Financial liabilities				
Carried at ammortised cost				
Borrowings	-	-	-	-
Trade payable	-	-	-	-
Security deposit	-	-	-	-
Other financial liabilities	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**

Note : 27 Financial risk management objectives and policies

In the Course of its business , the Company is exposed to a variety of financial risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy to cover financial risk : Market risk, Credit risk and Liquidity risk associated with financial assets and liabilities. The risk management policies is reviewed by Board of Director periodically and required mitigation steps are taken.

(A) Market risk

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

(i) Equity Price risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The fair value of Company's investment in quoted equity securities as at March 31, 2022 and March,2021 was ₹ 0.66 lacs and ₹ 0.71 lacs respectively. A 10% change in equity price as at March 31, 2022 and March, 2021 would result in an impact of ₹ 0.06 lacs and ₹ 0.07 lacs respectively.

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

(B) Credit risk

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

(C) Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low

Note : 28 Related party disclosure (As per Ind AS-24 - Related Party Disclosures)

Relationships:

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

SMIFS Capital Markets Limited (Holding Company)

(b) Key Management Personnel:

Mr Kishor Shah - Director
Mr Utsav Parekh- Director
Mr. Santosh Kumar Mukherjee - Director (Resignation 21/03/2022)
Ms Ayanti Sen - Company Secretary
Mrs. Pushpa Mishra - Director (Appointment 21/03/2022)

(c) Relatives to Key Management Personnel:

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

(a) Transaction with related parties

₹ in Lakhs

Particulars	Enterprise described in (a) above		Key Management Personnel		Relatives of Key Management Personnel	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Salary & Wages	-	-	4.21	1.69	-	-
Other financial liabilities	-	3.31	-	-	-	-

Note : 29 Capital Management :

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

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

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
Equity Share Capital	750.01	750.01
Other Equity	(101.42)	(99.99)
Total Equity (A)	**648.58**	**650.01**
Non Current Borrowings	-	-
Short term Borrowings	-	-
Current Maturities of long term borrowings	-	-
Gross Debts (B)	-	-
Less : Current Investments	-	-
Less: Cash and cash Equivalments	4.49	4.42
Net Debt	**(4.49)**	**(4.42)**
Gearing Ratio	(0.0070)	(0.0068)

Note : 30 Effective Tax Reconciliation

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

₹ in Lakhs

Particulars	31st March 2022	31st March 2021
Accounting profit before income tax	3.37	6.63
Applicable tax rate (Percentage)	26.00	26.00
Expected income tax	0.88	1.72
Income exempt from tax	-	-
Non dedcutible expenses for tax purpose	(0.19)	(0.51)
Effect of unrecognised tax losses for earlier years	-	-
Other adjustments	(0.64)	(1.08)
Income Tax recognised in Profit and Loss account	**0.04**	**0.13**

Note : 31 Auditors' remuneration and expenses : ₹ in Lakhs

Particulars	31st March 2022	31st March 2021
for audit matter	0.10	0.10

Note : 32 Segment Reporting :

Segment Revenue		
Capital Market Operations	-	-
Investment Banking Operations	18.63	18.65
Others	0.01	0.11
Net Revenue	**18.64**	**18.76**
Result - Profit/ (Loss)		
Capital Market Operations	-	-
Investment Banking Operations	18.63	18.65
Others	0.01	0.11
Total	**18.64**	**18.76**
Less: Interest	-	-
Other unallocable expenses net of unallocable income	15.27	12.13
Profit/ (Loss) Before Tax	**3.37**	**6.63**

Capital employed:

Fixed Assets used in the Company's operations or liabilities contracted cannot be identified with any of the reportable segments as the fixed assets are used interchangeably between segments. The Company believes that it is currently not practicle to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of data is not possible.

Note 33 : Important Ratios:

₹ in Lakhs

	Formulae	31-03-2022	31-03-2021	Change in Ratio in %	Reason for Change
a) Current Ratio,	Current Assets/ Current Liabilities	103.27 times	128.57 times	(19.68)	Due to reduction of a long term loan which has become short term loan
b) Debt-Equity Ratio,	Debt/Equity	0.00	0.00	0	
c) Debt Service Coverage Ratio,	Earning Available for debt service/(Current Maturities of Long Term debt+Interest)	0.00	0.00	0	Due to repayment of loans
d) Return on Equity Ratio, Equity	Net Income/Shareholders'	(6) %	(11.37)%	(47.23)	Due to higher profit after Tax (Tax includes deferred tax)
e) Inventory turnover Ratio,	Inventory/Turnover	0.00	0.00	0	
f) Trade Receivables turnover Ratio,	Turnover/Average Debtors	0.78 times	2.24 times	(65.18)	Due to increase in trade receivables
g) Trade Payables turnover Ratio,	Purchase/Average Trade Payable	0.00	0.00	0	
h) Net Capital turnover Ratio,	Net Working capital/Turnover	0.07 times	0.07 times	-	
i) Net profit Ratio,	Net Income/Turnover	0.179	0.348	(48.56)	Due to increase in cost.
j) Return on Capital employed,	EBIT/Capital Employed	1%	1%	-	
k) Return on investment.	PAT/Capital Empoyed	0.00	0.00	0	

Note 34) Other Statutory Information :

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

(iii) The Company do not have any changes or satishfaction which is yet to be registered with ROC beyond the statutory period

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foregn entities (Intermediaries) with the understanding that the Intermediary shall :

a) directly or indirectly lend or invest in others persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company have not received any fund from any person(s) or entity(ies), including foregn entities (Funding party) with the understanding (whether recorded in writing or otherwise that the company shall :

a) directly or indirectly lend or invest in others persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vii) The commpay have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the income tax act. 1961 (such as, search or survey or any other relevant provisions of the income tax act. 1961

(viii) Title deed of all the immovable properties appearing in the books of company are held in company's own name.

(ix) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the current reporting period and also reporting period and also for previous year's reporting period

(x) The Company has not granted any loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act 2013, either severally or jointly with any other person, that are (a) repayable on demand, or (b) without specifying any terms or period of repayment

(xi) The Company has no CWIP either in current year or in previous year

(xii) The Company does not have any intangible assets under development during the current and previous year reporting period

(xiii) The Company does not have any borrowings from banks or financial institutions on the basis of security of current assets the financial statements; hence no disclosure is required as such

(xiv) The Company has not been declared as willful defaulter as at the date of the balance sheet or on the date of approval of the financial statements, hence no disclosure is required as such

(xv) The Company has complied with the number of layers prescribed under Clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017

(xvi) The Company is not required to comply with the provisions of Section 135 of the Companies Act, 2013

Note : 35 Global Health Pandemic from COVID-19

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

Note : 36 Previous year figures have been reclassified / regrouped / rearranged wherever necessary.

As Per Our Report Of Even Date attached

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

CA. MAYUR THACKER
Partner
Membership No. : 308158

Place: Kolkata
Dated: 11th May 2022

For and on Behalf of the Board of Directors

PUSHPA MISHRA
Director
(DIN No. 07898390)

KISHOR SHAH
Director
(DIN No. 00170502)

AYANTI SEN
Company Secretary

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