
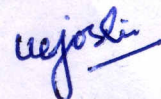
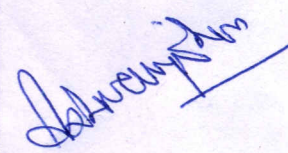
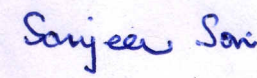
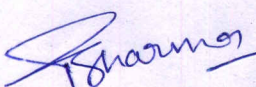


FORM A

1.	Name of the Company	Smart Finsec Limited
2.	Annual Financial Statements for the year ended	March 31, 2015
3.	Type of Audit Observation	Unqualified/ Matter of Emphasis
4.	Frequency of Observation	N.A.
5.	To be signed by- <ul style="list-style-type: none">• Managing Director • CFO • Auditor of the Company • Audit Committee Chairman	   

**Certified to be True
For Smart Finsec Limited**


Company Secretary



SMART FINSEC LIMITED

20th ANNUAL REPORT 2014-15

REGISTERED OFFICE

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

SMART FINSEC LIMITED

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

Notice is hereby given that the 20th Annual General Meeting of the Company will be held on Wednesday 30th September, 2015 at 11.30 A.M. at F-88, IInd Floor, Industrial Pocket, District Centre, West Delhi, Raja Garden, New Delhi-110027 to transact the following businesses:

ORDINARY BUSINESS:-

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

"RESOLVED THAT the following financial statements and reports of the Company, for the financial year ended 31st March, 2015, as circulated to the shareholders be and are hereby adopted:

- a. Standalone Audited Financial Statement;
- b. Reports of the Board of Directors and Auditors on the Standalone Audited Financial Statement; and
- c. Consolidated Audited Financial Statement"

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

"RESOLVED THAT Mr. Rajesh Chawla (DIN: 03633735) Director, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company".

3. To 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 read with rules made thereunder, as amended from time to time, M/S A Mohan & Co., Chartered Accountants (Firm Registration No. : 017403N be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed in this behalf by the Board of Directors of the Company".

Special Business:

4. 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 Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule IV of the Act, as amended from time to time, Mrs. Sangita Jain (DIN: 07045132), was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director (Non-Executive) of the Company to hold office for a period of 5 (five) consecutive years w.e.f December 17, 2014.

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule IV of the Act, as amended from time to time, Mr. Sanjeev Soni (DIN: 07045138), was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director (Non-Executive) of the Company to hold office for a period of 5 (five) consecutive years w.e.f December 17, 2014.

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule IV of the Act, as amended from time to time, Mrs. Sunayana (DIN: 07057816), was appointed as an Additional Director pursuant to the

provisions of Section 161(1) of the Act and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director (Non-Executive) of the Company to hold office for a period of 5 (five) consecutive years w.e.f December 30, 2014.

For and on behalf of the Board of Directors.

For Smart Finsec Limited

Sd/-

(Priyanka Sharma)

Company Secretary

Place: New Delhi

Date: 04/09/2015

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. **THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. As per clause 49 of the listing agreement, information regarding appointment/re-appointment of Directors and Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business to be transacted are annexed hereto.
4. The Company has notified closure of Register of Members and Share Transfer Books from Friday, September 25, 2015 to September 30, 2015 (both days inclusive).
5. Shareholders seeking any information with regard to accounts are requested to write to the Company atleast 10 days before the meeting so as to enable the management to keep the information ready.
6. All documents referred to in the accompanying notice and explanatory statement will be kept open for inspection at the Registered Office of Company on all working days between 11.00 a.m. to 1.00 p.m. prior to date of Annual General Meeting (AGM).
7. Members are requested to bring their copy of Annual Report at the meeting.
8. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
9. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders holding shares in the physical form. The shareholders, who are desirous of availing this facility, may kindly write to Company's R & T Agent - M/s. Alankit Assignments Limited, 205-208, Alankit Complex, Jhandewalan Extension, New Delhi. for nomination form by quoting their folio number.
10. Process and manner for members opting for voting through Electronic means:
 - i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through the e-voting platform of Central Depository Services (India) Limited ("remote e-voting").
 - ii. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. September 23, 2015, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
 - ii. A person who has acquired the shares and has become a member of the Company after the despatch of the Notice of the AGM and prior to the Cut-off date i.e. September 23, 2015, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Poll Paper at the AGM by following the procedure.

- iii. mentioned in this part.
- iv. The remote e-voting will commence on Sunday, September 27, 2015 at 9.00 a.m. and will end on Tuesday, September 29, 2015 at 5.00 p.m. During this period, the members of the Company holding shares either in physical form or in demat form as on the Cut-off date i.e. September 23, 2015, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL thereafter.
- v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- vi. The facility for voting through Poll Paper would be made available at the AGM and the members attending the meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the meeting through Poll Paper. The members who have already cast their vote by remote e-voting prior to the meeting, may also attend the meeting, but shall not be entitled to cast their vote again.
- vii. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. September 23, 2015.
- viii. The Company has appointed CS Dinesh Dewan, Practising Company Secretary (Membership No. FCS: 5927; CP No: 4201), to act as the Scrutinizer for conducting the remote e-voting process in a fair and transparent manner.
- ix. The procedure and instructions for remote e-voting are, as follows:

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

1. Open the attached PDF file "**e-Voting.pdf**" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
3. Click on "Shareholder - Login".
4. Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of remote "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
7. Select "EVEN" of (Smart Finsec Ltd.) Members can cast their vote online from **September 27, 2015 (9:00 am) till September 29, 2015 (5:00 pm)**.

Note: e-Voting shall not be allowed beyond said time.

8. Now you are ready for "e-Voting" as "Cast Vote" page opens.
9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
10. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail (dewan.cs@gmail.com) with a copy marked to evoting@nsdl.co.in.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

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

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

Other information:

- o Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- o Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- o It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- o Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz.; www.icicidirect.com for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website www.icicidirect.com. Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the evoting system of NSDL.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

Contact Details

Company	SMART FINSEC LIMITED Registered Office:- F-88, IIND FLOOR, INDUSTRIAL POCKET, DISTRICT CENTRE WEST DELHI, RAJA GARDEN , NEW DELHI-110027 CIN:- L74899DL1995PLC063562 Phone:-011- 25167071 Email Id:-smartfinsec@gmail.com
Registrar and : Transfer Agent	Alankit Assignments Limited Alankit House, 2E/21, Jhandewalan Extention, New Delhi-110055
e-Voting Agency	National Securities Depository Limited Trade World - A Wing, 4th Floor Kamala Mills Compound , Lower Parel, Mumbai - 400013
Scrutinizer	CS Dinesh Dewan Practicing Company Secretary E-mail ID : dewan.cs@gmail.com

ANNEXURE TO NOTICE

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

For Item No. 4

Mrs. Sangita Jain was appointed as an Additional Director of the Company by the Board of Directors with effect from 17th December, 2014. In terms of Section 161(1) of the Companies Act, 2013, she holds office as Director upto the date of the ensuing Annual General Meeting and is eligible for appointment as a Director. Notice under Section 160 of the Companies Act, 2013 has been received from a member intending to propose the appointment of Mrs. Sangita Jain as a Director at the ensuing Annual General Meeting. She does not hold any shares in the Company. Board recommends the resolution for members' approval. None of the Directors or Key Managerial Personnel and / or their relatives except Mrs. Sangita Jain has any concern or interest, financial or otherwise, in this item of business.

Mrs. Sangita Jain is 49 years Old. She is Post Graduate in Commerce. She has a vast experience in the field of Finance, Business Development as well as Administration.

Mr. Sanjeev Soni was appointed as an Additional Director of the Company by the Board of Directors with effect from 17th December, 2014. In terms of Section 161(1) of the Companies Act, 2013, he holds office as Director upto the date of the ensuing Annual General Meeting and is eligible for appointment as a Director. Notice under Section 160 of the Companies Act, 2013 has been received from a member intending to propose the appointment of Mr. Sanjeev Soni as a Director at the ensuing Annual General Meeting. He does not hold any shares in the Company. Board recommends the resolution for members' approval. None of the Directors or

Key Managerial Personnel and / or their relatives except Mr. Sanjeev Soni has any concern or interest, financial or otherwise, in this item of business.

Mr. Sanjeev Soni is 48 years old. He is a Bachelor of Commerce and ACA. He has a vast experience in the field of Finance, Business Development and Advertisement.

Mrs. Sunayana was appointed as an Additional Director of the Company by the Board of Directors with effect from 30th December, 2014. In terms of Section 161(1) of the Companies Act, 2013, she holds office as Director upto the date of the ensuing Annual General Meeting and is eligible for appointment as a Director. Notice under Section 160 of the Companies Act, 2013 has been received from a member intending to propose the appointment of Mrs. Sunayana as a Director at the ensuing Annual General Meeting. She does not hold any shares in the Company. Board recommends the resolution for members' approval. None of the Directors or Key Managerial Personnel and / or their relatives except Mrs. Sunayana has any concern or interest, financial or otherwise, in this item of business.

Mrs. Sunayana is 39 years old and Bachelor of Commerce. She has a rich experience in financial and stock market.

By Order of the Board of Directors

Sd/-

Priyanka Sharma
Company Secretary

Place: New Delhi
Date: 04/09/2015

20th ANNUAL REPORT 2014-15

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Arun Khera, Chairman & Managing Director

Mrs. Raman Khera

Mr. Rajesh Chawla

Mr. Sanjeev Soni

Mrs. Sangita Jain

Mrs. Sunayana

Company Secretary

Ms. Priyanka Sharma

Chief Financial Officer

Mr. Umesh Chandra Joshi

Auditors

Chartered Accountants

A. Mohan & Co.

B-32, Kirti Nagar, New Delhi-110015

REGISTERED OFFICE

F-88, 2nd Floor, Industrial Pocket,

District Centre, West Delhi,

RajaGarden, New Delhi- 110027

CIN : L74899DL1995PLC063562

REGISTRAR AND TRANSFER AGENT

M/s Alankit Assignments Limited

1E/13, Alankit Heights, RTA Divison,

Jhandewalan Extension, New Delhi-110055

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 20TH Annual Report along with the audited financial statements of your Company for the financial year ended on March 31, 2015.

Financial Performance:

The summarized financial highlight is depicted below:

FINANCIAL RESULTS	For the Year Ended	For the Year Ended
	31.03.2015	31.03.2014
Income from operations:	Rs.7364053	Rs.1818145
Other Income	Rs.1508174	Rs.1500000
Depreciation :	Rs.34856	Rs.72660
Profit/(Loss) before Tax :	Rs.774058	Rs.2325896
Profit/(Loss) after Tax :	Rs. 816929	Rs 2211858

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

BUSINESS PROSPECTS:-

The Directors are making very hard and sincerely efforts to revive the business of the Company and are happy to inform that the company will do the businesses of loans and advances, acquisition and underwrite of shares/stock/bonds/debentures/securities issued by government or local authority or other securities of like marketable nature, leasing, hire-purchase, providing consultancies and assistance of conversion of share & debenture and to act as share transfer agent, managers to public issues, chit business, to hold, build, contract, establish, own, sell, buy, possess, deal ,maintain and manage, construct, let or sublet on rent, erect, allot, develop, collaborate, patent, copyright, buy and sell on lease, exchange or otherwise acquire, hire purchase, finance, develop all rights in respect of free and leasehold properties, land, houses,&rest houses.

OPERATIONS AND BUSINESS PERFORMANCE:-

Kindly refer to Management Discussion & Analysis covered under Corporate Governance and forms part of this Annual Report.

DIVIDEND :-

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

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of Clause 49 of the listing agreement forming part of this report is annexed herewith. The Audit Committee of the Company has regularly reviewed internal Control System of the company.

CORPORATE GOVERNANCE :-

It has always been the company's Endeavour to excel through better Corporate Governance and fair and transparent practices, many of which have already been in place even before they were mandated by the law of the land. The company complies with the revised clause 49 of the listing Agreement.

The Board of Directors of the company had also evolved and adopted a code of conduct based on the principles of Good Corporate Governance and best management practices being followed globally.

The Compliance Report on Corporate Governance forms part of the Annual Report. The Practicing Company Secretary certificate on the compliance of Corporate Governance Code embodied in clause 49 of the Listing Agreement.

Directors and Key Managerial Personnel:-

Mrs. Sangita Jain (DIN : 07045132) and Mr. Sanjeev Soni (DIN: 07045138) were appointed as an Additional Director of the Company w.e.f December 17, 2014 to hold office upto the ensuing Annual General Meeting. The Company has received notice from a member proposing their appointment as Director of the Company. The Board welcomes them and looks forward to their valued contribution to your Company.

In accordance with the provisions of Section 149 of the Companies Act, 2013, Mrs. Sangita Jain and Mr. Sanjeev Soni were appointed as an Independent Director to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting of the Company.

Pursuant to the Provisions of Section 149 of the Companies Act, 2013, Mrs. Sunayana (DIN:07057816) was appointed as an Additional Director of the Company w.e.f December 30, 2014 to hold office upto the ensuing Annual General Meeting. The Company has received notice from a member proposing her appointment as Director of the Company. The Board welcomes her and looks forward to her valued contribution to your Company. In accordance with the provisions of Section 149 of the Companies Act, 2013, Ms. Sunayana is being appointed as an Independent Director to hold office as per her tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting of the Company.

The terms and conditions of appointment of independent directors are as per Schedule IV of the Companies Act, 2013. Your Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and clause 49 of Listing Agreement and there has been no change in the circumstances which may affect their status as independent director during the year.

Pursuant to the requirements of the Companies Act, 2013 and Articles of Association of the Company, Mr Rajesh Chawla (DIN: 03633735) is liable to retire by rotation and being eligible offer himself for re-appointment. The Board recommends the appointment of Mr. Rajesh Chawla as Director of the Company retiring by rotation. The appointments of the Key Managerial Personnel have been made before the commencement of the financial year under review and the same have been formalised during the year as per the Companies Act, 2013.

Directors' Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state the following:

- a. that in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial control were adequate and were operating effectively;
- f. that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Number of Board Meetings:

The Board of Directors met 9 (six) times during the year under review. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this Report.

Independent Directors' Meeting:

The Independent Directors met on March 31, 2015, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of non-independent directors and the Board as a whole; the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Board Evaluation:

The Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

Committees of Board:

Details of various committees constituted by the Board of Directors as per the provision of Clause 49 of the Listing Agreement and Companies Act, 2013 are given in the Corporate Governance Report which forms part of this report.

Corporate Governance and Management Discussion and Analysis Report:

A separate report on Corporate Governance compliance and a Management Discussion and Analysis Report as stipulated by Clause 49 of the Listing Agreement forms part of this Annual Report along with the required Certificate from a Practising Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated by Clause 49 of the Listing Agreement.

In compliance with Corporate Governance requirements as per Clause 49 of the Listing Agreement, your Company has formulated and implemented a Code of Business Conduct and Ethics for all Board members and senior management personnel of the Company, who have affirmed the compliance thereto.

Business Responsibility Report:

The Business Responsibility Report for the year ended March 31, 2015 as stipulated under Clause 55 of Listing Agreement is annexed which forms part of this Annual Report.

Extract of Annual Return:

The details forming part of the extract of the Annual Return in Form MGT-9, is annexed to this Report as Annexure-A.

Related Party Transactions:

All the related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Your Company had not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

During the year under review, your Company has entered into transactions with related parties which are material as per clause 49 of the Listing Agreement and the details of said transactions are provided in the Notice of the Annual General Meeting.

Auditors & Auditors' Report:

M/s. A. Mohan & Co. , Chartered Accountants (Firm Registration No.: 017403N, the Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting (AGM) and are eligible for re-appointment. Your Company has received letter from M/s. A. Mohan & Co., Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013 read with rules made thereunder and that they are not disqualified for such appointment.

Directors recommend the re-appointment of M/s. A. Mohan & Co., Chartered Accountants, as Statutor Auditors of the Company to hold office from the conclusion of this AGM and authorise the Board to fix their remuneration. Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013.

Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the rules made thereunder, your Company had appointed Mr. Dinesh Dewan, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for financial year 2014-15 is annexed, which forms part of this report as Annexure-B. There were no qualifications, reservation or adverse remarks in the Secretarial Audit Report of the Company.

Particulars of Employees:

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this Report as Annexure-C.

The statement containing particulars of employees as required under Section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Companies Act, 2013, 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. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of The Companies (Accounts) Rules, 2014, have not been furnished considering the nature of business undertaken by the Company during the year under report.

There was no foreign exchange earning and outgo during the financial year under review.

Annexure - A to the Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[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:- : L74899DL1995PLC063562
 ii) Registration Date : May 2, 1995
 iii) Name of the Company : Smart Finsec Limited
 iv) Category / Sub-Category of the : Company Limited by Shares
 v) Address of the Registered office and : F-88, IInd Floor, Industrial Raja Garden, New Delhi-110027
 Contact -028161627/25
 vi) Whether listed company : Yes
 vii) Name, Address and Contact details of : Alankit Assignments Limited
 Registrar and Transfer Agent, if any : RTA Division, Jhandewalan, New Delhi-110055,
 Phone No - 011- 42541234 / 23451234

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

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

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

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity as on March 31,2015

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	854300	2017000	2017000	67.23	1823900	2017000	2017000	67.23	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/Fl	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	854300	2017000	2017000	67.23	1823900	2017000	2017000	67.23	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter									
(A)= (A)(1)+(A)(2)	854300	2017000	2017000	67.23	1823900	2017000	2017000	67.23	-

B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Cenntral govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non Institutions									
a) Bodies corporates	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	100	151800	151800	5.06	1600	184800	184800	6.16	1.1
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	824900	824900	27.50	-	791900	791900	26.4	-0.65
c) Others (specify)	-	6300	6300	.21	-	6300	6300	.21	-
SUB TOTAL (B)(2):	100	983000	983000	32.77	1600	983000	983000	32.77	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	100	983000	983000	32.77	1600	983000	983000	32.77	-
C. Shares held by Custodian for GDRs & ADRs									
	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	854400	3000000	3000000	100	1834500	3000000	3000000	100	-

B) SHARE HOLDING OF PROMOTERS

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No of shares	% of total shares of the company total shares	% of shares pledged encumbered to	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
Jatinder Kumar Khera	418000	13.94	Nil	418000	13.94	Nil	Nil
Sachit Khera	142700	4.76	Nil	142700	4.76	Nil	Nil
Sunaina Khera	135700	4.52	Nil	135700	4.52	Nil	Nil
Arun Khera	377000	12.57	Nil	377000	12.57	Nil	Nil
Arun Khera HUF	372500	12.41	Nil	372500	12.41	Nil	Nil
Raman Khera	393800	13.12	Nil	393800	13.12	Nil	Nil
Vimmi sachdev	177200	5.91	Nil	177200	5.91	Nil	Nil
Total	2017000	67.23	Nil	2017000	67.23	Nil	Nil

C) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

	Share holding at the beginning of the Year		Cumulative Share holding during the year	
	No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year	No Change during the year			
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Change during the year			
At the end of the year	No Change during the year			

D) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

S. No.	Name of shareholder	Shareholding at the beginning of Year		Change in Shareholding no of years		Shareholding at the End of Year	
		No. of Shares	% of total shares of Company	Decrease	Increase	No. Of Shares	% of total shares of Company
1	Upasana Gupta	128300	4.28	-	-	128300	4.28
2	Pramod Arora	128000	4.27	-	-	128000	4.27
3	Asha Gambhir	113500	3.78	-	-	113500	3.78
4	Sanjeev Sethi	107200	3.57	-	-	107200	3.57
5	Jogesh Sachdev	93700	3.12	-	-	93700	3.12
6	Puja Sachdev	81500	2.72	-	-	81500	2.72
7	Prem Babu Tripathi	71700	2.39	-	-	71700	2.39
8	Subhash Gambhir	68000	2.27	-	-	68000	2.27
9	Gaurav Tandon	6800	0.23	-	-	6800	.23
10	Rajiv	4500	.15	-	-	4500	.23

E) Shareholding of Directors & KMP

S. No.	Name of shareholder	Shareholding at the beginning of Year		Change in Shareholding no of years		Shareholding at the End of Year	
		No. Of Shares	% of total shares of Company	Decrease	Increase	No. Of Shares	% of total shares of Company
1	Arun Khera	377000	12.57	-	-	377000	12.57
2	Raman Khera	393800	13.12	-	-	393800	13.12
3	Rajesh Chawla	-	-	-	-	-	-
4	Sanjeev Soni	-	-	-	-	-	-
5	Sangita Jain	-	-	-	-	-	-
6	sunayana	-	-	-	-	-	-
	KMP						
1	Priyanka Sharma	-	-	-	-	-	-
2	Umesh Chandra Joshi	-	-	-	-	-	-

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Arun Khera (Managing Director)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,92,000	1,92,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission		
	- as % of profit		
	- others, specify...	NIL	NIL
5	Others, please specify		
	Total (A)	1,92,000	1,92,000
	Ceiling as per the Act		30,00,000

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Sanjeev Soni	Sangita Jain	Sunayana	
1	Independent Directors	N.A.	N.A.	N.A.	N.A.
	Fee for attending board committee meetings	N.A.	N.A.	N.A.	N.A.
	Commission	N.A.	N.A.	N.A.	N.A.
	Others, please specify	N.A.	N.A.	N.A.	N.A.
	Total (1)	N.A.	N.A.	N.A.	N.A.
2	Other Non-Executive Directors	Raman Khera	Rajesh Chawla	-	-
	Fee for attending board committee meetings	N.A.	N.A.	N.A.	N.A.
	Commission	N.A.	N.A.	N.A.	N.A.
	Others, please specify	N.A.	N.A.	N.A.	N.A.
	Total (2)	N.A.	N.A.	N.A.	N.A.
	Total (B)=(1+2)	N.A.	N.A.	N.A.	N.A.
	Total Managerial Remuneration	N.A.	N.A.	N.A.	N.A.
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	N.A.			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	92,742	2,00,000	2,92,742
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
2	Stock Option	N.A.	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.	N.A.
	- as % of profit	N.A.	N.A.	N.A.	N.A.
	others, specify...	N.A.	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.	N.A.
	Total	N.A.	92,742	2,00,000	2,92,742

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For on behalf of the Board

Sd/-

Arun Khera

Managing Director

Place : New Delhi

Date : 04.09.2015

Annexure - B to the Secretarial Audit Report
DINESH DEWAN & ASSOCIATES
Company Secretary
House No. 908, Sector-9, Ambala City-134002
Mobile:-9868568623, Phone:-0171-2535908
Secretarial Audit Report

For The Financial Year Ended on 31st March, 2015.

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

To,
The Members,
Smart Finsec Limited
F-88, IIND FLOOR, INDUSTRIAL POCKET,
DISTRICT CENTRE WEST DELHI, RAJA GARDEN
NEW DELHI-110027.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Smart Finsec Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our 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, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March,2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Smart Finsec Limited ("**The Company**") for the period ended on 31st March,2015 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
The company is required to file annual return for the year ended 31.03.2014 as per section 159 of the companies Act, 1956 but has not been filed upto 31st March,2015.
- II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') viz:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee purchase scheme) Guidelines,1999.
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008.
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(VI) OTHER APPLICABLE ACTS,

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

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The Company has obtained all necessary approvals under the various provisions of the Act; and

There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

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

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

- (i) Public/Rights/Preferential Issue of shares/debentures/sweat equity.
- (ii) Redemption/buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section-180 of the Companies Act,2013.
- (iv) Merger/amalgamation/reconstruction etc.
- (v) Foreign technical collaborations.

Practising Company Secretary
Dinesh Dewan & Associates

Sd/-

DINESH DEWAN

(Company Secretary)

CP. No. 4201

Place : Delhi
Date : 04/09/2015

Annexure - C to the Directors' Report

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

- i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2014-15:

Requirement of Rule 5 (1)	Details			
i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Arun Khera - 40 : 51 Raman Khera - N.A. Sanjeev Soni - N.A. Sangita Jain - N.A. Sunayana - N.A.			
ii) the percentage increase in remuneration of each director, CFO, CEO, CS or Manager, if any, in the financial year	Arun Khera - N.A. Raman Khera - N.A. Sanjeev Soni - N.A. Sangita Jain - N.A. Sunayana - N.A. Priyanka Sharma - N.A. Umesh Chandra Joshi - N.A.			
iii) the percentage increase in the median remuneration of employees in the financial year;	NIL			
iv) the number of permanent employees on the rolls of the company	1 employees as on 31.03.2015			
v) the explanation on the relationship between average increase in remuneration and company performance;	Nil			
vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2014-15 .			4,84,742
	Revenue (in lac)			88,72,227
	Remuneration of KMPs (as % of revenue)			5.46%
	Profit before Tax (PBT)			7,74,058
	Remuneration of KMP (as % of PBT)			62.62%
vii) a. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year	Particulars	March 31, 2015	March 31, 2014	% Change
	Market Capitalisation (Rs. Lacs)	60.00	60.00	Nil
	Price Earning Ratio	13.62	36.86	(63.04) Decrease
viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	There was no increase in the salaries of employees other than the managerial personnel during the FY 2014-15 over FY 2013-14. There was no increase in managerial remuneration in the financial year 2014-15.			
ix) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company		Priyanka Sharma	Arun Khera	Umesh Chandra Joshi
	Remuneration in FY 15	1,92,000	2,00,000	92,742
	Revenue	88,72,227	88,72,227	88,72,227
	Remuneration (as % of Revenue)	2.16%	2.25%	1.045%
	Profit before Tax (PBT) (Rs. Lacs)	7,74,058	7,74,058	7,74,058
	Remuneration (as % of PBT)	24.80%	25.84%	12%

x) The key parameters for any variable component of remuneration availed by the directors	All employees including Managing Director and Whole Time Director's entitlement to incentive has a veriable component which is based on the individual's performance and Company's financial performance.
xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Not Applicable
xii) Affirmation that the remuneration is as per the remuneration policy of the company	Remuneration paid during the year ended March 31, 2015 is as per the Remuneration Policy of the Company

**For and on behalf of the board
sd/-**

**Place: New Delhi
Date: 04.09.2015**

**Arun Khara
Managing Director**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Forward-Looking Statements

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

1. Global Economy

The global economy is still under stress for gaining momentum as many high-income countries continue to grapple with the past impacts of the global financial crisis. Emerging economies continue to remain as less vibrant than in the past. After rising slightly in 2014, to 2.6 percent, world GDP will grow by an estimated 3.0 percent in 2015 and 3.3 percent in 2016, supported by gradual recovery in high-income countries, low oil prices, and receding domestic headwinds in developing countries. Developing economies are projected to see a rise in growth from 4.4 percent in 2014 to 4.8 percent and 5.3 percent in 2015 and 2016 respectively.

(source: www.worldbank.org)

2. Indian Economy

After years of diminutive growth the reform momentum has picked up in India. Inflation has declined by over 6 percentage points since late 2013, and the current account deficit has shrunk from a peak of 6.7 percent of GDP (in Q3, 2012-13) to an estimated 1.0 percent in the coming fiscal year. Going ahead it is widely expected that a further momentum to growth will be provided by declining oil prices and increasing monetary easing facilitated by ongoing moderation in inflation. Simulating the effects of tax cuts, declining oil prices will add spending power to households, thereby boosting consumption and growth. Oil is also a significant input in production and declining prices will shore up profit margins and hence balance sheets of the corporate sector.

(source : <http://pib.nic.in/>)

3. Risks and Concerns

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

4. Internal Control Systems and their adequacy

The Company has satisfactory internal control system.

Smart Finsec Ltd. has an adequate system of internal controls to ensure accuracy of accounting records,

compliance with all laws & regulations and compliance with all rules, procedures & guidelines prescribed by the management. An extensive internal audit is carried out by independent firms of Chartered Accountants. Post audit reviews are also carried out to ensure follow up on the observations made.

5. Financial Performance with respect to Operational Performance Share Capital

The paid up equity share capital of the Company as on March 31, 2015 stands at Rs. 3,00,000,00 divided into **30,00,000 equity shares of Rs. 10/- each fully paid up**

6. Opportunities and Threats

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

7. Net Worth

The Net Worth of the Company increased from Rs. 38.22 lacs to 39.04 lacs.

8. Total Income

During the year under consideration total income was Rs. 88.72 lacs as against Rs. 33.18 lacs in the previous year.

9. Tax Expense

During the year under consideration the Tax Expense reduced to (Rs. 42.00) thousand from Rs. (1.140 lacs in the previous year.

For and on behalf of the board

sd/-

Arun Khera

Managing Director

Place: New Delhi

Date: 04.09.2015

**ANNEXURE TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT**

1. CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is about credibility, transparency and accountability of the Board and Management towards shareholders and other investors of the Company. We believe in a Board of appropriate size, composition and commitment to adequately discharge its responsibilities and duties. We consistently review on a periodical basis all systems, policies and delegations so as to establish adequate and sound systems of risk management and internal control.

Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were practiced by the Smart Finsec Limited as a whole. Our Corporate Governance Policy has been based on professionalism, honesty, integrity and ethical behaviour.

Through the Governance mechanism in the Company, the Board along with its Committees undertake its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making.

The Corporate Governance philosophy is further strengthened with the adherence to Total Quality Management as a mean to drive excellence and articulating the Company's values and ethics with a Code of Conduct. Given below is a brief report for the year April 01, 2014 to March 31, 2015 on the practices followed at Smart Finsec Limited towards achievement of good Corporate Governance:

2. BOARD OF DIRECTORS

(A) Composition of the Board

As on March 31, 2015, the Board comprised of Five (6) directors, namely, Mr. Arun Khera, Managing Director, Mrs. Raman Khera, Mr. Rajesh Chawla, Mr. Sanjeev Soni, Mrs. Sangita Jain, Mrs. Sunayana. The Board of Directors of the Company consists of appropriate number of Non-Executive Directors, Independent Directors and Executive Director(s) in conformity with the provisions of Listing Agreement.

Mr. Sanjeev Soni, Mrs. Sangita Jain, Mrs. Sunayana are Independent Directors.

Mr. Arun Khera is the Managing Director of the Company. All the directors bring with them rich and varied experience in different facets of the corporate functioning. They play an active role in the meetings of the Board. None of the Independent directors have any pecuniary relationship with the Company except for receiving sitting fee for attending meetings of the Board and the Committees thereof.

The Composition of the Board and Category of Directors is as follows:-

S. No.	Name	Category of Director	DIN	Appointed as director on	Ceased to be director on
1	Mr. Arun Khera	Managing Director	00055694	02.05.1995	-
2	Mrs. Raman Khera	NED	00055728	12.08.2011	-
3	Mr. Rajesh Chawla	NED	03633735	06.09.2010	-
4	Mrs. Monica Jain	I-NED	01597538	16.03.2002	10.12.2014
5	Mrs. Vimmi Sachdev	I-NED	01712051	29.09.1997	18.12.2014
4	Mr. Sanjeev Soni	I - NED	07045138	17.12.2014	-
5	Mrs. Sangita Jain	I - NED	07045132	17.12.2014	-
6	Mrs. Sunayana	I - NED	07057816	30.12.2014	-

(B) Board Meetings

During the year April 01, 2014 to March 31, 2015, Nine (9) meetings of the Board of Directors were held on May 30, 2014, July 30, 2014, September 04, 2014, November 14, 2014, December 10, 2014, December 17, 2014, December 30, 2014, February 14, 2015, March 31, 2015. The attendance of each director at these meetings and at the last Annual General Meeting was as under:

S.No.	Name	No. of meeting during the year	No. of meeting attended
1	Mr. Arun Khera	9	9
2	Mrs. Raman Khera	9	9
3	Mrs. Monica Jain	9	4
4	Mrs. Vimmi sachdev	9	5
5	Mr. Sanjeev Soni	9	6
6	Mrs. Sangita Jain	9	3
7	Mrs. Sunayana	9	2

(C) Code of Conduct

The Company's Board has laid down a code of conduct for all the Board Members and Senior Management of the Company, which has been provided, to all concerned executives. The Code of Conduct is available on the website of the Company. All Board members and designated Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed as Annexure G and forms part of this report.

(D) Important items discussed at the Board Meetings

The Board of the Company is provided with detailed notes along with the agenda papers in advance in respect of various items discussed in the Board meetings including:

1. Annual Business Plan including financial and operational plan.
2. Capital budgets and updates
3. Quarterly financial results/Annual financial statements.
4. Review of operation of units.
5. Investment proposals.
6. Quarterly statutory compliance report.
7. Minutes of meetings of audit committee and other committees of the board.
8. Show cause, demand, prosecution notices and penalty notices, which are materially important.

3. AUDIT COMMITTEE

The Audit Committee of the Company consists of Mr. Sanjeev Soni, Chairman, Ms. Sunayana , Mr. Arun Khera as members. The Board of Directors of your Company has revised its terms of reference to make it in line with the requirements of Section 177 of the Companies Act, 2013 and clause 49 of the listing agreement. All the members of Audit Committee are independent directors except Mr. Arun Khera, who is Managing Director of the Company.

The terms of reference of the Audit Committee cover all areas mentioned under Clause 49(III) of the listing agreement with the stock exchanges and Section 177 of the Companies Act, 2013. The broad terms of reference of the Audit Committee, as on March 31, 2015, include, inter-alia, systematic review of accounting policies & practices, financial reporting process, adequacy of internal control systems and internal audit function, quarterly/half-yearly financial statements. It also recommends appointment of Statutory Auditors, Internal Auditors, Cost Auditors, Secretarial Auditors and fixation of their audit fees.

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

During the year April 01, 2014 to March 31, 2015, six (4) Audit Committee meetings have taken place on May 30, 2014, August 13, 2014, November 14, 2014, February 14, 2015.

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

S.No.	Name	No. of meeting during the year	No. of meeting attended
1	Arun Khera	4	4
2	Monica Jain	4	3
3	Vimmi Sachdev	4	3
4	Sanjeev Soni	4	1
5	Sunayana	4	1

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

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

4. NOMINATION AND REMUNERATION COMMITTEE

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

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee cover all areas mentioned under Clause 49(IV) of the listing agreement with the stock exchanges and Section 178 of the Companies Act, 2013. The broad terms of reference of the Nomination and Remuneration Committee inter-alia include

recommending a policy relating to remuneration of directors and senior management personnel, formulation of criteria and identify persons who may be appointed as directors or senior management of the Company, Board diversity and any other matters which the Board of Directors may direct from time to time. During the year April 01, 2014 to March 31, 2015, One (1) 'Nomination and Remuneration Committee' meetings have taken place on February 14, 2015.

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

S.No.	Name	No. of meeting during the year	No. of meeting attended
1	Mr. Sanjeev Soni	1	1
2	Mrs. Sangita Jain	1	1
3	Mrs. Sunayana	1	1

Remuneration Policy

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

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

The details of remuneration paid to directors during the year April 01, 2014 to March 31, 2015 along with number of equity shares of the Company held by each of them are as under:

S.No.	Name	Salary & Perquisites	Number of equity shares held
1	Mr. Arun Khera	192000	377000
2	Mrs. Raman Khera	NIL	NIL
3	Mr. Rajesh Chawla	NIL	NIL
4	Mr. Sanjeev Soni	NIL	NIL
5	Mrs. Sangita Jain	NIL	NIL
6	Mrs. Sunayana	NIL	NIL

Company does not have any Stock Option Scheme for any of its director or employee.

5. SHARE TRANSFER, FINANCE FACILITIES AND STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board of Directors of your Company has renamed and reconstituted its existing 'Share Transfer, Finance Facilities and Shareholders'/Investors' Grievance Committee' as 'Share Transfer, Finance facilities and Stakeholders' Relationship Committee' in terms of requirements of Section 178 of the Companies Act, 2013 and clause 49 of the listing agreement. At present, 'Share Transfer, Finance Facilities and Stakeholder Relationship Committee' comprised of Mr. Sanjeev Soni, Chairman, Mr. Arun Khera, Ms. Sunayana as members of committee.

6. GENERAL BODY MEETINGS

Details of last three AGMs

Financial Year	Date and Time	Venue
2011-12	29.09.2012	F-88, IInd Floor, Industrial Pocket, District Centre, West Delhi, Raja Garden, New Delhi-110027
2012-13	30.09.2013	F-88, IInd Floor, Industrial Pocket, District Centre, West Delhi, Raja Garden, New Delhi-110027
2013-14	30.09.2014	F-88, IInd Floor, Industrial Pocket, District Centre, West Delhi, Raja Garden, New Delhi-110027

7. DISCLOSURES

- All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the listing agreement. During the year, there are no materially significant related party transactions made by the company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the company at large. Related party transactions have been dealt with in note 33 to the Standalone Financial Statements annexed. These transactions are not in conflict with the interest of the Company.
- The Company has not been imposed with any penalty by the Stock Exchanges, SEBI or any other statutory authority on any matter relating to Capital Markets during the last year.
- The Secretarial Department is responsible for compliances in respect of Company Law, SEBI, Stock Exchange rules and regulations and other related laws.

- iv. The Company has in place Whistle Blower policy which is also available on Company's website . No personnel has been denied access to the audit committee.
- v. All mandatory requirements have been appropriately complied with. However, the Company has not adopted the non-mandatory requirements as specified in Annexure XIII of the Listing Agreement.
- vi. Management Discussion and Analysis report forming part of the Annual Report is enclosed.
- vii. Disclosure regarding appointment or re-appointment of directors Pursuant to the requirements of the listing agreements with the stock exchanges, on Corporate Governance, the information required to be given, in case of the appointment of a new director or re-appointment of a director, is enclosed as Annexure-H and forms part of this report.
- viii. Risk Management
The Company has laid down procedures to inform the Board members about the Risk Assessment and Risk Minimization. These procedures are being reviewed from time to time to ensure appropriate Risk Management and control.
- ix. CFO Certification
The certificate in compliance with Clause 49 IX of the Listing Agreement was placed before the Board of Directors in its meeting.
- x. The Independent Directors have confirmed that they continue to meet the 'Criteria of Independence' as stipulated under Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013.

8. MEANS OF COMMUNICATION

The quarterly / half yearly / annual financial results are announced within the stipulated period and are generally published in newspapers and are also forwarded to the Stock Exchanges as per Listing Agreement. The results are put up on their website(s) by the Stock Exchanges. All financial results and other shareholder information are also available at the website of the Company. The quarterly/ half yearly financial results are not sent to shareholders individually.

No presentation of financial results has been made to Financial Institutions/analysts during the year ended March 31, 2015.

9. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting:

Date : September 30, 2015

Time : 11.30 AM

Place : F-88, IInd Floor, Industrial Pocket, District Centre, West Delhi, Raja Garden, New Delhi-110027

ii. Book Closure Dates : 25.09.2015 to 30.09.2015(both days inclusive)

iii. Financial Year : April 01, 2014 to March 31, 2015

iv. Dividend Payment : Final dividend, if any, declared in the ensuing Annual General Meeting, will be paid within 30 days of the date of declaration to those members whose names appear in the Register of Members on the dates of book closure.

v. Listing : Shares of Company are listed on JSE Limited and DSE. Listing fee for the year upto April 01, 2015 to March 31, 2015 has been paid to the Stock Exchange.

viii. Registrar & Share Transfer Agent

M/s. Alankit Assignments Limited, are our Registrar and Share Transfer Agents. Members are requested to send their correspondence regarding transfer of shares, demat of shares and other queries to the above stated Registrar and Share Transfer Agents instead of sending it to the Company, at the following address.

M/s. Alankit Assignments Limited,
205-208, Alankit Complex,
Jhandewalan Extension, New Delhi.

ix. Share Transfer System

The Company's Equity shares are admitted with the depository system of National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) as an eligible security under the Depository Act, 1996. To expedite the compliance, authority has been delegated to the Share Transfer Agents- M/s. Alankit Assignments Limited, 205-208, Alankit Complex, Jhandewalan Extension, New Delhi.

In compliance with the listing agreement after every three months, a practicing Company Secretary audits share transfer system and a certificate to this effect is issued by him. Face value of the share is 10/- (Rupee Ten only) each. All the physical share transfers are handled by M/s. Alankit Assignments Limited, The transferee is required to furnish the transfer deed duly completed in all respect together with share certificates and pan card copy to M/s. Alankit Assignments Limited at the above address in order to enable them to process the

transfer. As regards transfers of dematerialized shares, the same can be effected through the demat accounts of the transferor/s and transferee/s maintained with recognized Depository Participants.

Distribution of shareholding as on March 31, 2015

Category	No. of Equity Shares	% of Shareholding
Promoter, Director & Relative	2017000	67.23
Mutual fund/ FI/ FII/ Banks/ Central Government/ State Government/ Insurance Companies	Nil	
Bodies Corporate	Nil	Nil
NRI/Trust	Nil	Nil
Individuals	976700	32.56
Others	6300	.21
Total	3000000	100.00

Shareholdings	No. of Folios	No. of Equity Shares	% of Shareholding
Up to 5000	513	184300	6.14
5001 - 10000	1	6800	.23
10001-20000	-	-	-
20001-30000	-	-	-
30001-40000	-	-	-
40001-50000	-	-	-
50001-100000	4	314900	10.50
100001 and above	11	2494000	83.13

The Equity Shares of the Company are compulsorily tradable in Dematerialised form by all categories of investors and placed under rolling settlement by SEBI. The Company has signed agreement with NSDL & CDSL for dematerialization of shares. As on March 31, 2015, 61.15% of paid-up share capital of the Company has been dematerialised.

xii. Outstanding ADRs/ GDRs

The Company has not issued any ADRs, GDRs, Warrants or any Convertible Instrument during the financial year 2014-15.

xiii. Location of Works:

a. F-88, IIInd Floor, Industrial Pocket, District Centre, West Delhi, Raja Garden, New Delhi-110027

xiv. Address for Correspondence

The shareholders may address their communication to the Registrar and Share Transfer Agents at their address mentioned above or to

The Company Secretary,
Smart Finsec Limited

F-88, IIInd Floor, Industrial Pocket, District Centre, West Delhi, Raja Garden, New Delhi-110027

Email id. : smartfinsec@gmail.com

Shareholders are requested to quote their Folio Nos./DP Id/Client Id, No. of Shares held and address for prompt reply

For on behalf of the Board

Sd/-

Arun Khara

Managing Director

DECLARATION

I, Arun Khara, Managing Director & Umesh Chandra Joshi, Chief Financial Officer of Smart Finsec Limited hereby declare that as of March 31, 2015, all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for Directors and Senior Management Personnel laid down by the Company.

Place: New Delhi
Date: 04.09.2015

Sd/-
Arun Khara
(Managing Director)

Sd/-
Umesh Chandra Joshi
(Chief Financial Officer)

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Smart Finsec Limited

We have examined the compliance of conditions of Corporate Governance by Smart Finsec Limited ("the Company") for the year ended March 31, 2015, as stipulated in clause 49 of the Listing Agreements of the Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement.

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

For Dinesh Dewan & Associates

Sd/-

DINESH DEWAN

Practicing Company Secretary

C.P. No. 4201

Place : Delhi

Date : 04.09.2015

INDEPENDENT AUDITORS' REPORT

TO

THE MEMBERS OF **SMART FINSEC LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **SMART FINSEC LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015, its profit/loss and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this

Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

For A. Mohan & Company

Chartered Accountants

FRN:017403N

Sd/-

Ashwani Mohan

Partner

Membership No.:082632

Place : New Delhi

Date : 28.05.2015

Annexure to the Independent Auditors' Report

The annexure referred to our Independent Auditors' Report to the members of the company on the standalone financial statements for the year ended 31.03.2015, we report that:

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventory:
 - a) The company does not have any inventory and therefore this paragraph of the Order is not applicable.
- (iii) In respect of loans, secured or unsecured, granted to the parties covered in register maintained under section 189 of the Companies Act 2013:
 - (a) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and therefore paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods (and/services). During the course of our Audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (v) The company has not received any public deposits during the year and therefore this paragraph of the Order is not applicable.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

(vii) In respect of statutory dues:

- (a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.
- (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, sales tax, VAT, Cess and other material statutory dues in arrears /were outstanding as at 31 March, 2015 for a period of more than six months from the date they became payable.
- (c) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund and therefore paragraph 3(vii) (c) of the Order is not applicable.

(viii) The company does not have the accumulated losses at the end of financial year. The company has not incurred any Cash losses during the financial covered by our Audit and the immediately preceding financial year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

(x) In our opinion, and according to the information and the explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year and therefore this paragraph of the Order is not applicable.

(xi) The company has not obtained any term loan during the year and therefore this paragraph of the Order is not applicable.

(xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For A. Mohan & Company

Chartered Accountants

FRN:017403N

Sd/-

Ashwani Mohan

Partner

Membership No.:082632

SMART FINSEC LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Sr. No	Particulars	Notes	Year ended 31.3.2015	Year ended 31.03.2014
	Income:			
I	Revenue from operations	13	7,364,053	1,818,145
II	Other Income	14	1,508,174	1,500,000
III	Total Revenue (I +II)		8,872,227	3,318,145
	Expenses:			
IV	Employee benefit expenses	15	729,542	518,500
	Other expenses	16	1,201,995	400,731
	Purchase of Liquid Fund		6,000,000	-
	Total (IV)		7,931,537	919,231
V	Profit Before Interest, tax, depreciation and amortisation expense	(III-IV)	940,690	2,398,914
	Finance costs	17	-	358
	Depreciation and amortisation expense	18	34,856	72,660
VI	Profit before exceptional items, prior period & taxes		905,834	2,325,896
VII	Exceptional Items		-	-
VIII	Prior Period Expenses		131,776	
IX	Profit before tax	(VI-VII)	774,058	2,325,896
X	Tax expense:			
	(1) Current tax		36,000	157,906
	(2) Deferred tax		(78,871)	(43,868)
			(42,871)	114,038
XI	Profit for the year	(VIII-IX)	816,929	2,211,858
	Earning per equity share:			
	(1) Basic		0.27	0.74
	(2) Diluted		0.27	0.74

Significant Accounting Policies 1

The accompanying notes are an integral part of these financial statements 2-24

Signed in terms of our report of even date **For and on behalf of the Board of Directors**

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

(Ashwani Mohan)
Partner
Membership No. : 082632

(Arun Khera)
Managing Director

(Raman khera)
Director

(Priyanka Sharma)
Company Secretary

New Delhi
Dated: 28th May, 2015

Chief Financial Officer
Mr. Umesh Chandra Joshi

SMART FINSEC LIMITED

The accompanying notes are integral part of these financial statements

Particulars	As at 31-03-2015	As at 31-03-2014
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NOTE- 2 SHARE CAPITAL

AUTHORIZED CAPITAL

32,00,000 Equity Shares of Rs. 10/- each.

(Previous Year Rs 32,00,000 Equity Shares)

32,000,000

32,000,000

ISSUED , SUBSCRIBED & PAID UP CAPITAL

To the Subscribers of the Memorandum

30,00,000 Equity Shares of Rs. 10/- each, Fully

Paid up (Previous Year 30,00,000 Equity Shares)

30,000,000

30,000,000

Total

30,000,000

30,000,000

Notes:

2.1 Right preferences and restrictions attached to shares

- The company has one class shares having a per value of Rs. 10/- per share. Accordingly all the Equity shares rank equilly with regard to voting rights dividend and shares in Company's residual assets.

2.2 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period.

Balance at the commencement of the year	3,000,000	3,000,000
Additions during the year	-	-
at the end of the year	3,000,000	3,000,000

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

NOTE- 3 RESERVES & SURPLUS

(A) Statutory Reserve

Balance brought forward from previous year	1,395,365	537,800	434,400
(+) Transfer from Statement of profit & loss	<u>163,386</u>	1,558,750	<u>857,565</u>

(B) Surplus in statement of profit & loss

Balance brought forward from previous year	6,823,776	5,469,483
(+) Net Profit /(Net loss) for the current year	816,929	2,211,858
(-) Transfer to statutory reserve for Short fall in last year.	-	415,193.00
(-) Transfer to statutory reserve for this year	<u>163,385.80</u>	<u>442,371.57</u>
Closing Balance	7,477,319	6,823,776
Total	<u><u>9,036,070</u></u>	<u><u>8,219,141</u></u>

Particulars

As at
31-03-2015

As at
31-03-2014

NOTE- 4 SHORT TERM PROVISIONS

Expenses Payable	145,114	263,836
Provision for Taxation	189,000	153,000
Contigent Provision against Standard Assets	46,581	66,270
Total	<u><u>380,695</u></u>	<u><u>483,106</u></u>

NOTE- 5 OTHER CURRENT LIABILITIES

Security deposit against rent	<u>750,000</u>	<u>750,000</u>
Total	<u><u>750,000</u></u>	<u><u>750,000</u></u>

SMART FINSEC LIMITED

The accompanying notes are integral part of these financial statements

NOTE 6. Fixed Assets

Amount in Rupees

I. Fixed Assets

Sr. No.	Particulars	Gross Block				Depreciation			Net Block		
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2015	WDV as on 31.03.2014
Tangible Assets											
1	Car	850,689	-	-	850,689	646,787	32,364	-	679,151	171,538	203,902
2	Furniture & Fixture	48,600	5,738,835	-	5,787,435	47,129	-	-	47,129	5,740,306	1,471
3	Office Equipments	86,680	-	-	86,680	79,854	2,492	-	82,346	4,334	6,826
4	Land & Building	6,242,433	4,169,899	-	10,412,332	-	-	-	-	10,412,332	6,242,433
5	Proprety At Sainik Farms	2,200,000	-	-	2,200,000	-	-	-	-	2,200,000	2,200,000
	Total Figures for the Current Year	9,428,402	9,908,734	-	19,337,136	773,770	34,856	-	808,626	18,528,510	8,654,632
	Total Figures for the Previous Year	9,428,402	-	-	9,428,402	701,110	72,660	-	773,770	8,654,632	8,727,292

Particulars	As at 31-03-2015	As at 31-03-2014
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Note-7 DEFERRED TAX ASSETS

Deferred Tax Liability on account of

- Depreciation	154,982	111,278
- MAT Credit available	193,504	158,337
Total (B)	348,486	269,615

NOTE- 8 LONG TERM LOANS & ADVANCES

(unsecured, considered good unless otherwise stated)

Advance Income Tax/Refund Due

- TDS & Income Tax	303,665	252,945
Total	303,665	252,945

NOTE- 9 CURRENT INVESTMENT

Tax Free Bonds	14,632,215	22,508,115
Total	14,632,215	22,508,115

NOTE- 10 CASH & CASH EQUIVALENTS

Balances with banks

In current accounts	1,422,707	2,324,117
Cash on hand	331,182	617,672

Total	1,753,889	2,941,789
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NOTE- 11 SHORT TERM LOANS & ADVANCES

(Unsecured and Considered good unless otherwise stated)

Loans & Advances	4,000,000	4,000,000
Advance Recoverable in cash or in kind or for value to be received	600,000	825,150
Total	4,600,000	4,825,150

NOTE- 12 CONTINGENT LIABILITIES

Nil	Nil
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SMART FINSEC LIMITED

The accompanying notes are an integral part of these financial statements

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Note- 13 REVENUE FROM OPERATIONS		
Loss on Sale of Investments	-	6,806.00
Trading Expense	595.00	783.15
STT & Statutory Expense	-	-
	<u>595.00</u>	<u>7,589.15</u>
(A)	<u>595.00</u>	<u>7,589.15</u>
Interest	945,150.00	1,798,234.00
Dividend	-	27,500.00
Sale of Liquid Fund	6,204,905.00	-
Income From Sale of Bonds	214,593.00	-
	<u>7,364,648.00</u>	<u>1,825,734.00</u>
(B)	<u>7,364,648.00</u>	<u>1,825,734.00</u>
Total	<u>(B-A)</u>	<u>1,818,144.85</u>
Note- 14 OTHER INCOME		
Rent received	1,500,000	1,500,000
Interest on Income Tax Refund	8,174	-
	<u>1,508,174</u>	<u>1,500,000</u>
Total	<u>1,508,174</u>	<u>1,500,000</u>
Note-15 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus etc	537,542	326,500
Directors Remuneration	192,000	192,000
	<u>729,542</u>	<u>518,500</u>
Total	<u>729,542</u>	<u>518,500</u>
Note-16 OTHER EXPENSES		
Electricity & Water charges	-	85,518
Fees & Subscription	31,840	-
Maintenace Expenses	5,493	-
Communication costs	10,987	9,072
Rent	67,416	67,416
Insurance	5,672	6,982
Auditor's Remuneration	11,400	11,236
Annual Custody Fees	13,482	-
Advertising and sales promotion	37,800	36,990
Listing Fee	636,675	22,500
Professional Charges	227,720	2,500
Property Tax	33,429	45,627
ROC Charges	9,500	8,120
RTA Charges	67,416	-
Vehicle Maintenance	46,000	38,500
Provision against Standard Assets	(19,689)	66,270
Website Expenses	16,854	-
	<u>1,201,995</u>	<u>400,731</u>
Total	<u>1,201,995</u>	<u>400,731</u>

SMART FINSEC LIMITED

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
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Note-17 FINANCE COST

Bank Charges	-	358
Total	-	358

Note-18 DEPRECIATION & AMORTISATION EXPENSES

Depreciation on tangible assets	34,856	72,660
Total	34,856	72,660

Note- 19 SEGMENT INFORMATION

Segment Reporting

	Real Estate		NBFC Activities	
	Current Year	Previous Year	Current Year	Previous Year
Revenue from segment	1,504,087	1,500,000	7,368,735	1,847,000
Segment Result	427,895	1,044,000	346,164	1,348,000
Other Information				
Segment Assets	10,275,584	5,321,216	29,239,031	33,608,471
Segment Liabilities	845,848	881,918	95,848	131,918
Net	9,429,736	4,439,298	29,143,183	33,476,553

Note- 20 VALUE OF IMPORTS ON CIF BASIS NIL NIL

Note- 21 EXPENDITURE IN FOREIGN CURRENCY NIL NIL

Note- 22 EARNING IN FOREIGN CURRENCY NIL NIL

Note- 23 EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as under.

Profit/(Loss) for the after taxes before Exceptional / Prior period items.	948,705	2,211,858
Basic and diluted Earning per Share		
- Number of equity shares outstanding during the year	3,000,000	3,000,000
- Earning per share (₹)	0.32	0.74

SMART FINSEC LIMITED

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
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Note- 24 RELATED PARTY DISCLOSURES

(I) RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD- 18

(A) Enterprises in which the Company has control	Nil	Nil
(B) Parties in respect of which the company is a joint venture	Nil	Nil
(C) Key Management Personnel		
Managing Director	Mr. Arun Khera	Mr. Arun Khera
Director	Mrs. Raman Khera	Mrs. Raman Khera
Director	Mr. Rajesh Chawla	Mrs. Monica Jain
Director	Ms. Sangita Jain	Ms. Vimmi Sachdeva
Director	Mr. Sanjeev Soni	Mr. Rajesh Chawla
Director	Ms. Sunayana	
CFO	Mr. Umesh Chandra Joshi	
Company Secretary	Ms. Priyanka Sharma	

(II) Transactions with and outstanding balances of related parties during the year

(A) Enterprises in which the company has control	N.A.	N.A.
(B) Parties in which the company has a joint venture	N.A.	N.A.

(C) Key Management Personnel

Remuneration Paid

Mr. Arun Khera	Remuneration	192,000	192,000
Mr. Arun Khera	- Rent Paid	67,416	67,416
Balance outstanding at year end			
Receivable		-	-
Purchase/ Sale of Bonds			
Mr. Arun Khera			
Sale of Shares		-	1,082,300
Purchase of Bonds		-	2,179,900
Mrs. Raman Khera			
Sale of Bonds		-	1,015,890
M/s Arun Khera HUF			
Sale of Bonds		-	507,945

(D) Enterprises over which key management personnel and their relatives are able to exercise significant influences.

	NIL	NIL
(III) Auditor's Remuneration	11,400	11,236

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

Form MGT - 11
PROXY FORM

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

20th Annual General Meeting - September 30, 2015

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

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

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

As my/ our proxy to attend and vote (on poll) for me/ us and on my/ our behalf at the 20th Annual General Meeting of the company to be held on September 30, 2015 at 11:30 AM, at F-88, IInd Floor, Industrial Pocket, District Centre, West Delhi, Raja Garden, New Delhi-110027 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional	
		For	Against
	Ordinary Resolution		
1	Adoption of Audited Balance Sheet as at March 31, 2015, the Profit and Loss Account for the year ended on that date with the reports of the Board of Directors and Auditors thereon.		
2	Appointment of M/s A. Mohan & Co. , Chartered Accountants, (Firm Registration No. 017403N)		
3	Mr. Rajesh Chawla (DIN: 03633735) Director, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.		
	Special Resolution		
3	To appoint Mr. Sanjeev Soni (DIN 07045138) as Director of the Company		
4	To appoint Mrs. Sangita Jain (DIN 07045132) as Director of the Company		
5	To appoint Mrs. Sunayana (DIN 07057816) as Director of the Company.		

Signed this..... day of.....2015

Affix Revenue Stamp not less than Rs. 0.15

.....
Signature of Member

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

Note.:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For Resolutions, Explanatory Statements and Notes, please refer to the Notice of 20 th Annual General Meeting of the Company.
3. It is Optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the, 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of Member(s) in above box before submission.

SMART FINSEC LIMITED

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

ATTENDENCE SLIP

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

20th Annual General Meeting on Wednesday, 30, 2015, at 11:30 AM at F-88, IIND FLOOR INDUSTRIAL POCKET, DISTRICT CENTRE WEST DELHI, RAJA GARDEN NEW DELHI-110027.

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

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

I hereby record my presence at the 20th Annual General Meeting of the company to be held on September 30, 2015 at 11:30 AM, at F-88, IIND FLOOR INDUSTRIAL POCKET, DISTRICT CENTRE WEST DELHI, RAJA GARDEN NEW DELHI-110027.

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

.....
Signature of Member / Proxy

Note.:

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