

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:-rajesh@smartequity.in

Notice

Notice is hereby given that the Annual General Meeting of the Company will be held on **T u e s d a y 30th September, 2014 at 11.00 A.M.** at F-88, Iind Floor, Industrial Pocket, District Centre, West Delhi, Raja Garden, New Delhi-110027 to transact the following businesses:

1. To receive, consider and adopt the Balance sheet as at 31st March, 2014 and the Profit & Loss Account of the company for the year ended 31st March, 2014 and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs.Raman Khera who retires by rotation and being eligible.
3. To appoint a Director in place of Mrs. Vimmi Sachdev who retires by rotation and being eligible
4. To appoint M/s. A Mohan & Co., Chartered Accountants as Statutory Auditors of the company from conclusion of the ensuing Annual General Meeting until the conclusion of the Third consecutive Annual General Meeting of the Company (subject to rectification of their appointment at each Annual General Meeting) and fix their remuneration.

Place: New Delhi
Date: 01/09/2014

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

Sd/-
(ARUN KHERA)
Managing Director
Din:- 00055694

NOTES:

1. A Member Entitled To Attend And Vote In The Meeting Is Entitled To Appoint A Proxy To Attend And Vote Instead Of Himself And The Proxy Need Not Be A Member Of The Company.
2. The Register Of Members And Share Transfer Register Of The Company Shall Remain Closed From 25th September 2014 To 29th September 2014 (Both Days Inclusive).
3. Members Are Requested To Intimate The Change, If Any In Their Registered Address With Us At The Earliest.
4. Members/Proxies Should Bring The Attendance Slips Send Herewith Duly Filled In The Meeting.

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

Sd/-
(ARUN KHERA)
Managing Director
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DIRECTORS' REPORT

The Directors have pleasure in presenting their Annual General Report along with the Audited Statements of Account of the Company for the financial year ended 31st March 2014.

FINANCIAL RESULTS

	31.03.2014	For the Year Ended 31.03.2013
Income from operations:	Rs.1818145	Rs.2012580
Other Income	Rs1500000	Rs1593570
Depreciation :	Rs.72618	Rs.115824
Profit/(Loss) before Tax :	Rs.2325896	Rs.2694720
Profit/(Loss) after Tax :	Rs 2211858	Rs 2592967

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 both the businesses of Real Estates and the Share trading and hope to build the business in the coming years

DIRECTORS

Mrs.Raman Khera and Ms.Vimmi Sachdev who retire by rotation and inform the board of her willingness to continue as the director of the company. So Mr. Arun Khera proposes the name of Mrs.Raman Khera and Mr.Rajesh Chawla proposes the name of Ms. Vimmi Sachdev as the directors of the company.

The Board considers her appointment and recommends for appointment.

PARTICULARS OF EMPLOYEES

There was no employee during the year under review whose particulars are required to be given Pursuant to the Section 217 (2A) of the Companies Act, 1956, hence information required under this section is not given.

CONSERVATION OF ENERGY, TECHNOLOGY AND ABSORPTION

The particulars as required under section 217 (1)(e) of the Companies Act, 1956 in respect of conservation of energy & technology absorption have not been furnished considering the nature of business undertaken by the Company during the year under report.

FOREIGN EXCHANGE EARNING AND OUTGO

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

DIRECTORS RESPONSIBILITY STATEMENT

The Directors Responsibility Statement is enclosed

AUDITORS

M/S A Mohan & Co., Chartered Accountants, Delhi auditors of the Company, will retire at the conclusion of ensuing Annual General Meeting. And being eligible offer themselves for re-appointment. The company has received a certificate from the auditors to the effect that their re-appointment, if made would be in accordance with section 141 of the Companies Act-2013. Since in terms of the provisions of section 139 of the Companies Act-2013, read with the companies (Audit and Auditors) Rules, 2014, a company is permitted to appoint its statutory auditors for consecutive 5 years, as reduced by the number of 2 years if they are auditor of the company for the last two and more years. The board recommends their appointment for a period of 3 years.

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

Sd/-
(ARUN KHERA)
Managing Director

01.09.2014
New Delhi

Din:- 00055694

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DIRECTORS RESPONSIBILITY STATEMENT

As required under section 217 (2AA) of the Companies Act, 1956 regarding Directors' Responsibility Statement, the Directors confirm that:

- a) in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation related to material departures.
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company as at the end of March 31, 2014.
- c) and the profits for the year ended on that date.
- d) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- e) the directors have prepared the annual accounts on a going concern basis.

Sd/-
ARUN KHERA
(DIRECTOR)
Din:- 00055694

Sd/-
RAMANKHERA
(DIRECTOR)
Din:- 00055728

Practising Company Secretary Certificate on Corporate Governance

To

The Members of Smart Finsec Limited

(Formerly known as Kevalin Securities Limited)

We have examined the compliance of conditions of corporate governance by Smart Finsec Limited, for the year ended on March 31, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 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

Prop.

Company Secretary

C.P. No. 4201

Place : Delhi

Date :01.09.2014

Corporate Governance Report

Smart Finsec Limited (formerly Kevalin Securities Limited) corporate governance policies recognize the importance of the transparency to all its constituents, including employees, customers, investors and the regulatory authorities and of demonstrating that the shareholders are the ultimate beneficiaries of the Company's economic activities.

Smart Finsec Limited corporate governance philosophy encompasses not only regulatory and legal requirements, including the SEBI Regulations in respect of corporate governance, but also other practices aimed at a business ethics, effective supervision and enhancement of value for all shareholders. Smart Finsec Limited role, function, responsibility and accountability are clearly defined. In addition to its primary role of monitoring corporate performance, the function of the Board includes approving a business plan, reviewing and approving annual budgets and borrowing limits, fixing exposure limits and ensuring that our shareholders are kept informed about our plans, strategies and performance. To enable the Board of Directors to discharge these responsibilities effectively, the management provides detailed reports on performance to the board on a quarterly basis.

The Board of Directors also functions through various committees such as the Audit Committee, and the Shareholders' / Investors Grievances Committee. These committees meet on a regular basis Your Company understands that the customer is the purpose of our business and every customer is an important stakeholder of your Company, performing ethically and efficiently to generate long term value and wealth for all its stakeholders. The Report on Corporate Governance, as per the applicable provisions of Clause 49 of the Listing Agreement is as under:

Company's Philosophy:

Corporate Governance refers to a set of policies, principles, laws, rules, regulations and procedures that enable the Company to attract best financial and human resources and to perform efficiently to create and maximize the wealth of the stakeholders. Your Company is committed to uphold these concepts and practices.

The company further believes that the good and effective Corporate Governance lies in managing the business in a transparent manner, sharing the information with the shareholders and keeping overheads restricted.

The Company is fully compliant with all the requirements of the listing agreement

The Company is fully compliant with all the requirements of the listing agreement of the stock exchanges. The details of the Compliances are as follows:

Board of Directors

The Board of Directors includes the Non-Executive and Independent Directors with a half of Independent Directors so as to ensure proper governance and management.

The Corporate Governance principles of the Company ensures that the board remains informed, independent and involved in the Company and that there are ongoing efforts towards better corporate governance. The board has empowered responsible persons to implement its broad policies and guidelines and has set up adequate review processes.

The basic responsibility of the board is to provide effective governance over the Company's affairs exercising its reasonable business judgments on behalf of the Company.

The Board of the company was duly constituted and consisted of 5 directors as on March 31, 2014 namely Mr. Arun Khera (Executive Director and Chairman), Mrs. Raman Khera (non executive Director), Mrs. Monica Jain (non executive Independent Director), Mrs. Vimmi Sachdev (non executive Independent Director) and Mr. Rajesh Chawla(non executive Independent Director).. There are no nominees or Institutional Directors in the Company. To be in line with the company's philosophy on Corporate Governance, all statutory subjects are placed before the Board to discharge its responsibilities as trustees of the Shareholders.

None of Directors has pecuniary or business relationship with the Company except as mentioned elsewhere in the Annual Report. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director.

None of the Directors hold directorship in more than fifteen public limited companies, as on March 31, 2014 nor is any of them a member of more than ten committees or Chairman of more than five committees across all public limited companies in which they are Directors.

Responsibilities

Directors

The Board of directors are jointly responsible for the overall management of the Company. Board issues instructions to the employees and senior executive of the Company for any work. All the directors have access to the all the information's of the Company. Newly elected director is also informed about the Company by the Board of Directors.

Independent Director

The Independent Directors play a vital role in vetting issues and decisions at the Audit Committee/ Board Meeting and bring to the company their wide experience in the field of Corporate Management, Accounts, finance, taxation, audit, legal and information management. All the two Independent Directors are non-executive and have free and independent access to all the information of the Company.

Code of Conduct

The Company has adopted a Code of Conduct for Board of Directors and Senior Management and Employees of the Company (the Code). The Code has been communicated to the Directors and the members of Senior Management. All Board members and senior management have confirmed compliance with the Code for the year ended 31stMarch, 2014. The Annual Report contains a declaration to this effect signed by the Chairman.

Board Meetings

The Company holds at least four Board meetings in a year, one in each quarter inter-alia to review the financial results of the Company. The gap between the two Board Meetings does not exceed four calendar months. Apart from the four scheduled Board Meetings, additional Board Meetings are also convened to address the specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation. The important decisions taken at the Board/ Committee meetings are promptly communicated to the concerned departments. Action taken report (ATR) on the decisions/ minutes of the previous meeting is placed at the succeeding meeting of the Board/ Committee for noting.

The following information is given to the Board either as a part of the agenda of the meeting or by way of presentation during the meeting:

- Annual operating plans, budgets and Performances
- Quarterly, half-yearly and annual results of your Company
- Minutes of the meeting of Audit Committee and other committees of the Board of Directors.
- Information on appointment of the key managerial personnel below the Board level.
- Significant regulatory matters
- Detailed risk analyses
- Details of potential acquisition and disinvestments and
- Any other significant matters.

The Board performs following functions in addition to overseeing the overall business and management:

- Review, monitor and approve major financial and business strategies and corporate actions;
- Assess critical risks faced by the Company – Review options
- Ensures that the process are in place for maintaining the integrity of the Company.
- The financial statements.
- Compliance with law.
- Relationship with customers and shareholders.
- Delegation of appropriate authority to the Senior Executives of the Company for effective management of operations.

During the year there were in total 11 (Eleven) Board Meetings were held i.e. on 09.04.2013, 30.05.2013, 16.06.2013, 31.07.2013, 16.08.2013, 30.09.2013, 15.11.2013, 15.12.2013, 31.01.2014, 10.02.2014 and 31.03.2014. The time gap between the two meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

Name of Director	Category	No. of meetings Attended	Attendance at last AGM
Mr. Arun Khera	Executive Director and Chairman	10	Yes
Mrs. Raman Khera	Non Executive Director	9	Yes
Mrs. Monica Jain	Independent Director	11	Yes
Mrs. Vimmi Sachdev	Independent Director	11	Yes
Mr. Rajesh Chawla	Independent Director	11	Yes

In terms of General Circular No. 28/2011 dated 20.05.2011 issued by the Ministry of Corporate Affairs, Government of India, every Director of the Company has personally attended at least one Board/Committee of Directors' Meeting in the financial year 2013-14.

Certificates have also been obtained from the Independent Directors confirming their position as Independent Directors on the Board of the Company in accordance with Section 149 of the Companies Act, 2013, read with Clause 49 of the Listing Agreement.

Number of Board of Directors or Board Committees other than Smart Finsec Limited in which the Director is a Chairman/Member (excluding private companies, foreign companies and companies registered under Section 25 of the Companies Act, 1956/Section 8 of the Companies Act, 2013) is as follows:

Name of Director	No. of Directorship	No. of Audit Committees and Shareholder's / Investors Grievance Committees* in which Chairman / Member	
		Chairman	Member
Mr. Arun Khera	7	NIL	NIL
Mrs. Raman Khera	7	NIL	NIL
Mr. Rajesh Chawla	1	NIL	NIL
Mrs. Monika Jain	NIL		
Mrs Vimmi Sachdev	NIL	NIL	NIL

*As per Sub-clause (I)(C) of Clause 49 of the Listing Agreement.

Committees of Board

Under the aegis of the Board of Directors, several committees have been constituted which have been delegated powers for different functional areas. There are three Committees namely, the Audit Committee, Shareholders'/Investors' Grievance and Share Transfer Committee and Nomination Committee and Remuneration Committee.

Audit Committee 30th day of April, 2014 at 10:00 AM at F-88, IInd Floor, Industrial Pocket, District Centre, West Delhi, Raja Garden, New Delhi-110027

Pursuant to the provisions of section 292(A) of the Companies Act, 1956 and clause 49 of the Listing Agreement, During the year an Audit Committee was duly constituted that consisted of Mr. Rajesh Chawla (Independent Director) as a Chairman and Mrs. Monika Jain (Independent Director) and Mrs. Raman Khera as a member (Non Executive Director of the Company).

All the members of the Audit Committee have expertise in financial and general management. The Committee reviews the reports of the Internal financials, periodically meets the Statutory Auditors of the Company and discusses their findings, observations, suggestions, scope of audit etc. and also reviews internal control systems and accounting policies followed by the Company. The Committee also reviews the financial statements with the management, before their submission to the Board.

During the year there were in total 5 (Five) Audit committee Meetings were held i.e. on 20.05.2013, 01.08.2013, 21.10.2013, 04.11.2013 and 01.02.2014. The said meetings were attended by all the committee members. Besides this, another meeting of the Audit Committee was held on 30th May, 2014 at which meeting, the Audited Annual Accounts for the year ended 31st March, 2014, were placed before the Committee for consideration.

Shareholders/Investors Grievance Committee

The terms of reference of the Shareholders'/Investors' Grievances and Share Transfer Committee inter alia includes carrying out such functions for redressal of the shareholders' and investors' complaints, including but not limited to, transfer of shares, non receipt of annual report, non-receipt of dividend and any other grievance that a shareholder or investor of the Company may have against the Company. The Committee also oversees and approves Transfer/Transmission/Dematerialisation of shares, issue of Duplicate/Consolidated/Split Share Certificate(s) etc.

The Company has appointed M/s. Alankit Assignment Limited as its Registrar and Share Transfer Agent (RTA). The Shareholders'/Investors' Grievances and Share Transfer Committee recommends measures for overall improvement in the quality of investor services.

The terms of reference of the Shareholders'/Investors' Grievances and Share Transfer Committee has been revised and the existing Committee is renamed as "Stakeholders Relationship Committee" in the Board Meeting held on June 09,2014 in order to align with Companies Act, 2013 and revised Clause 49 of Listing Agreement as amended from time to time.

The Shareholders'/Investors' Grievances and Share Transfer

Committee comprises of the following three Members and two of them are an Independent Director namely Mr. Rajesh Chawla, Mrs. Vimmi Sachdev and Mr. Arun Khera. During the year under review, the Committee met many times for approving transfer of shares and redressing investors' complaints.

Nomination and Remuneration Committee

In the light of the provisions of Companies Act, 2013, Nomination and Remuneration Committee has been formed by the Board of Directors in its Board Meeting dated 28th May, 2014. The Nomination and Remuneration Committee consists of three directors namely Mr. Rajesh Chawla (Independent Director), Mrs. Monika Jain (Independent Director) and Mr. Arun Khera. Mr. Arun Khera is the Chairman of the Meeting. Nomination and Remuneration Committee has only one meeting on 16th June, 2014 where Mr. Rajesh Chawla and Mrs. Monika Jain were present.

Disclosure on Remuneration of the Directors

Directors were not paid any remuneration during the financial year 2013-14.

Details of fixed component and performance linked incentives, along with the performance criteria - NIL

Service contracts, notice period, severance fees – NIL

Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable - NIL

No such remuneration or sitting fee paid to any Director for the year ended 31st March, 2013.

General Body Meetings

Details of last three Annual General Meetings are given below:

Financial Year	Date and Time	Venue
2010-11	30.09.2011	F-88, IIInd Floor, Industrial Pocket, District Centre, West Delhi, Raja Garden, New Delhi-110027
2011-12	29.09.2012	F-88, IIInd Floor, Industrial Pocket, District Centre, West Delhi, Raja Garden, New Delhi-110027
2012-13	30.09.2013	F-88, IIInd Floor, Industrial Pocket, District Centre, West Delhi, Raja Garden, New Delhi-110027

Apart from the aforesaid, an Extra Ordinary General meeting was held on 18th February, 2014 at the registered office of the Company at 10:00 AM to approve certain disclosures which was missing from the postal ballot notice dated 18th November, 2013 in relation to a resolution passed for issuance of shares to four financial investors on preferential basis.

Disclosures

During the year under review, besides the transactions reported elsewhere in annual report, there were no other related party transactions of material nature with the promoters, Directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the company at large.

There were no instances of Non-compliance on any matter related to the capital market during the past three years and that no penalties or restrictions were imposed on the Company by any Stock Exchange or SEBI.

The details in respect of the Director proposed to be re-appointed are provided in the Directors' Report.

The Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under Clause 49(IV)(F) of the Listing Agreement.

Means of Communication

Quarterly/annual audited financial results are regularly submitted to all the Stock Exchanges where the shares of the Company are listed in accordance with the Listing Agreement and published in a prominent English daily newspaper and in a regional language newspaper.

During the financial year 2012-13, the Company has duly complied with all mandatory requirements of Clause 49 of the Listing Agreement.

General Shareholders Information

AGM

- (i) Date and Time: 30th September, 2014 at 10: 00 A.M.
Venue: F-88, IInd Floor, Industrial Pocket, District Centre, West Delhi, Raja Garden, New Delhi-110027
- (ii) Tentative Financial

The financial year of the Company is from April 1 to March 31 of the following year.

- (iii) Book Closure: Sept 25, 2014 to Sept 29, 2014
- (iv) The Board of Directors have not proposed any dividend for the current Financial Year.
- (v) The Company's shares are listed at the Delhi Stock Exchange and Jaipur Stock Exchange. The Listing Fees for the year 2013-14 for Delhi and Jaipur have not been paid.

- (vi) Company has obtained demat connectivity with both the depositories i.e. NSDL and CDSL and has been allotted INE766D01012
- (vii) Distribution of Shareholdings as on 31st March, 2014

Distribution Table	Share	Holder
	Number	%age
Upto Rs 5000	78	38.81%
5001 - 10000	88	43.78%
10001 - 20000	12	5.97%
20001 - 30000	4	1.99%
30001 - 40000	0	0.00%
40001 - 50000	2	1.00%
50001 - 100000	1	0.50%
100001 and above	16	7.96%
Total	201	100.00%

- (viii) Shareholding Pattern as on 31st March, 2013

Distribution Table	Share	Holder
	Number	%age
Upto Rs 5000	78	38.81%
5001 - 10000	88	43.78%
10001 - 20000	12	5.97%
20001 - 30000	4	1.99%
30001 - 40000	0	0.00%
40001 - 50000	2	1.00%
50001 - 100000	1	0.50%
100001 and above	16	7.96%
Total	201	100.00%

- Includes clearing members (Demat Transit)

(ix) Market Price Data during the financial year ended March 31, 2014.
No quotation price was there as the script is listed on Delhi Stock Exchange and Jaipur Stock Exchange

(xi) Registrar and Share Transfer Agent

Alankit Assignments Limited
Anarkali Complex
Jhandewalan
New Delhi 110055

(xii) Contact information:

Mr. Rajesh Chawla
Smart Finsec Limited
(Formerly Kevalin Securities Limited)
F-88, IIInd Floor, Industrial Pocket,
District Centre, West Delhi, Raja Garden,
New Delhi-110027

(xiii) Share Transfer System

After considering by the Shareholders'/Investors' Grievance Committee, the Share transfer in Physical form are registered and returned within a period of 15 days from the date of receipt in case the documents are completed in all respects

(xiv) Mandatory/Non-Mandatory Requirements

During the financial year 2013-14, the Company has duly complied with all mandatory requirements of Clause 49 of the Listing Agreement.

Compliance on the Code of Conduct:

I hereby confirm, that

The company has obtained from all the Members of the Board and Senior Management Personnel, affirmation that they have complied with the code of conduct for Directors and Senior Management Personnel in respect of financial year 2013-2014.

For Smart Finsec Limited

(Formerly Kevalin Securities Limited)

Sd/-

Arun Khera

(Chairman)

Date: 01.09.2014

Independent Auditor's Report

To the Members of

SMART FINSEC LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SMART FINSEC LIMITED**, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and 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

Management is responsible for the preparation 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Sd/-
(Ashwani Mohan)
Partner
M.No. 082632

Place: New Delhi
Dated: 30.05.2014

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of SMART FINSEC LIMITED on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, 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 fixed assets.
 - (b) These assets have been physically verified by the management at the end of the year and no discrepancies have been noticed.
 - (c) No substantial fixed asset has been disposed off during the year. Therefore does not affect the going concern assumption.

- (ii) In respect of its inventories:
 - The company does not have any inventory during the year.

- (iii) (a) The company has taken Unsecured Loan From 1 Party listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount O/s during the year is Rs. 2 Lacs and the closing balance is NIL but the Company has not granted any loans secured or unsecured to parties listed in the register maintained under section 301 of the Companies Act, 1956.

- (b) In our opinion the rate of interest and other terms & conditions on which the loan has been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie prejudicial to the interest of the Company.

- (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 with regard to purchases of Inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.

- (v) In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered into the register, maintained under the said section have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and the exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- (vi) The company has not accepted any deposit from the public within the meaning of section 58A and 58AA of the Companies Act, 1956.

- (vii) In our opinion and according to the information and explanation given to us, the Company has an adequate Internal Audit System commensurate with its size and nature of its business.

- (viii) As per information given to us, the Central Government has not prescribed maintenance of cost record U/s. 209 (1) (d) of the Companies Act, 1956.
- (ix) In respect of statutory dues:
- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education & protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, cess and other material statutory dues as applicable to it.
 - (b) According to information and explanations given to us there are no disputed dues relating to income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess, which have not been deposited as at 31.03.2014.
- (x) The company does not have any accumulated losses and has not incurred cash losses within the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) The company has not granted loans & advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) As the Company is trading in shares, in our opinion, proper records have been maintained of the transactions and contracts and timely entries have been made therein. Shares have been held by the company in its own name except to the extent of the exemption granted U/s. 49 of the Act.
- (xv) As per information & explanation given to us, the company has not given any guarantees for loans taken by other from banks or financial institution.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.

- (xx) During the period covered by our audit report, the Company has not raised any money by public issues.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

Sd/-
(Ashwani Mohan)
Partner
MNo:082632

Place: New Delhi
Dated: 30.05.2014

SMART FINSEC LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2014**

Particulars	Notes	As at	
		31.03.2014	31.03.2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	3,00,00,000	3,00,00,000
(b) Reserves and Surplus	3	<u>82,19,141</u>	<u>60,07,283</u>
		3,82,19,141	3,60,07,283
(2) Current Liabilities			
(a) Short-term borrowings	4	-	2,00,000
(b) Short-term provisions	5	4,83,106	7,35,836
(c) Other current liabilities	6	<u>7,50,000</u>	<u>7,50,000</u>
		12,33,106	16,85,836
Total Equity & Liabilities		<u>3,94,52,247</u>	<u>3,76,93,119</u>
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible assets	7	86,54,632	87,27,292
(b) Deferred tax assets (net)	8	2,69,615	2,25,747
(c) Long term loans and advances	9	<u>2,52,945</u>	<u>6,15,901</u>
		91,77,192	95,68,940
(2) Current Assets			
(a) Current investments	10	2,25,08,115	2,11,42,056
(b) Cash and bank balances	11	29,41,789	15,20,806
(c) Short-term loans and advances	12	<u>48,25,150</u>	<u>54,61,317</u>
		3,02,75,054	2,81,24,179
Total Assets		<u>3,94,52,247</u>	<u>3,76,93,119</u>
Contingent Liabilities	13		
Significant Accounting Policies	1		
The accompanying notes are an integral part of these financial statements	2-25		

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

Sd/-
(Ashwani Mohan)
Partner
Membership No. : 082632
New Delhi
Dated: 30th May,2014

Sd/-
(Arun Khara)
Managing Director

Sd/-
(Raman Khara)
Director

Sd/-
(Geetika Anand)
Company Secretary

SMART FINSEC LIMITED**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

Sr. No	Particulars	Notes	Year ended 31.03.2014	Year ended 31.03.2013
Income:				
I	Revenue from operations	13	18,18,145	20,12,580
II	Other Income	14	15,00,000	15,93,570
III	Total Revenue (I +II)		33,18,145	36,06,150
IV Expenses:				
	Employee benefit expenses	15	5,18,500	5,58,000
	Other expenses	16	4,00,731	2,37,080
	Total (IV)		9,19,231	7,95,080
V	Profit Before Interest, tax, depreciation and amortisation expense	(III-IV)	23,98,914	28,11,070
	Finance costs	17	358	525
	Depreciation and amortisation expense	18	72,660	1,15,824
VI	Profit before exceptional items & taxes		23,25,896	26,94,720
VII	Exceptional Items		-	-
VIII	Profit before tax	(VI-VII)	23,25,896	26,94,720
IX Tax expense:				
	(1) Current tax		1,57,906	1,47,000
	(2) Deferred tax		-43,868	-45,247
			1,14,038	1,01,753
X	Profit for the year	(VIII-IX)	22,11,858	25,92,967
Earning per equity share:				
	(1) Basic		0.74	0.86
	(2) Diluted		0.74	0.86

Significant Accounting Policies 1

The accompanying notes are an integral part of these financial statements 2-25

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

Sd/-
(Ashwani Mohan)
Partner
Membership No. : 082632
New Delhi
Dated: 30th May,2014

Sd/-
(Arun Khara)
Managing Director

Sd/-
(Raman khara)
Director

Sd/-
(Geetika Anand)
Company Secretary

SMART FINSEC LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2014

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit / (loss) before taxes	23,25,896	26,94,720
Adjustment for:		
Depreciation	72,660	1,15,824
Profit/(loss) on sales of assets	-	(93,570)
Interest Income	(17,98,234)	(19,23,432)
Audit Fees Payable	11,236	11,236
Operating Profit before working capital changes	6,11,558	8,04,779
Adjustment for:		
Receivables and Loans & Advances	4,88,481	(56,31,577)
Trade payable & Other Liabilities	88,770	3,86,264
Cash generated from Operations	11,88,809	(44,40,534)
Income Tax Paid	-	-
Net cash from Operating Activities (I)	11,88,809	(44,40,534)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Investment Purchased	(24,79,740)	(11,13,681)
Sale of Investment	11,13,681	-
Sale of Fixed Assets	-	1,80,000
Acquisition of fixed assets	-	-
Loss on Sale of Asset	-	-
Interest Received	17,98,234	19,23,432
Net Cash used in Investing Activities (II)	4,32,175	9,89,751
Cash Flow after Investing Activities III = (I + II)	16,20,984	(34,50,783)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Unsecured loan	(2,00,000)	-
Secured Loan	-	-
Net Cash Flow from Financing Activities	(2,00,000)	-
Net Increase in cash and cash equivalents (A) + (B) + (C)	14,20,984	(34,50,783)
Cash and cash equivalents - Opening	15,20,806	49,71,588
Cash and cash equivalents - Closing	29,41,789	15,20,805

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

Sd/-
(Ashwani Mohan)
Partner
Membership No. : 082632
New Delhi
Dated: 30th May,2014

Sd/-
(Arun Khara)
Managing Director

Sd/-
(Raman Khara)
Director

Sd/-
(Geetika Anand)
Company Secretary

SMART FINSEC LIMITED

The accompanying notes are an integral part of these financial statements

Particulars	As at 31-03-2014	As at 31-03-2013
<u>NOTE-"2" SHARE CAPITAL</u>		
<u>AUTHORIZED CAPITAL</u>		
32,00,000 Equity Shares of Rs. 10/- each. (Previous Year Rs 32,00,000 Equity Shares)	3,20,00,000	3,20,00,000
<u>ISSUED , SUBSCRIBED & PAID UP CAPITAL</u>		
<i>To the Subscribers of the Memorandum</i>		
30,00,000 Equity Shares of Rs. 10/- each, Fully Paid up (Previous Year 30,00,000 Equity Shares)	3,00,00,000	3,00,00,000
Total	3,00,00,000	3,00,00,000
<u>Notes:</u>		
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	30,00,000	30,00,000
Additions during the year	-	-
Balance at the end of the year	30,00,000	30,00,000
2.4 During the five reporting periods immediately proceeding the reporting period no shares have been issued for consideration other than cash.		
<u>RESERVE & SURPLUS</u>		
(A) Statutory Reserve		
Balance brought forward from previous year	5,37,800	4,34,400
(+) Transfer from Statement of profit & loss	8,57,565	13,95,365
	<u>13,95,365</u>	<u>1,03,400</u>
(B) Surplus in statement of profit & loss		
Balance brought forward from previous year	54,69,483	29,79,916
(+) Net Profit /(Net loss) for the current year	22,11,858	25,92,967
(-) Transfer to statutory reserve for Short fall in last year.	4,15,193.00	
(-) Transfer to statutory reserve for this year	4,42,371.57	1,03,400
	<u>4,42,371.57</u>	<u>1,03,400</u>
Closing Balance	68,23,776	54,69,483
Total	82,19,141	60,07,283
<u>NOTE-"4" SHORT TERM BORROWINGS</u>		
<u>Unsecured Loans</u>		
- From Directors	-	2,00,000
Total	-	2,00,000
<u>NOTE-"5" SHORT TERM PROVISIONS</u>		
Expenses Payable	2,63,836	2,41,336
Provision for Taxation	1,53,000	4,94,500
Contigent Provision against Standard Assets	66,270	-
Total	4,83,106	7,35,836
<u>NOTE-"6" OTHER CURRENT LIABILITIES</u>		
Security deposit against rent	7,50,000	7,50,000
Total	7,50,000	7,50,000

SMART FINSEC LIMITED

The accompanying notes are an integral part of these financial statements

NOTE-"7" FIXED ASSETS**I. Fixed Assets**

Sr. No	Particulars	Gross Block				Depreciaton			Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2014
Tangible Assets										
1	Car	8,50,689	-	-	8,50,689	5,75,555	71,232	6,46,787	2,03,902	2,75,134
2	Furniture & Fixture	48,600	-	-	48,600	46,804	325	47,129	1,471	1,796
3	Office Equipments	86,680	-	-	86,680	78,751	1,103	79,854	6,826	7,929
4	Land & Building	62,42,433	-	-	62,42,433	-	-	-	62,42,433	62,42,433
5	Proprety At Samnik Farms	22,00,000	-	-	22,00,000	-	-	-	22,00,000	22,00,000
	SUB TOTAL (A)	94,28,402	-	-	94,28,402	7,01,110	72,660	7,73,770	86,54,632	87,27,292
Total [A]										
Figures for the Current Year		94,28,402	-	-	94,28,402	7,01,110	72,660	7,73,770	86,54,632	87,27,292
Figures for the Previous Year		1,01,90,439	-	7,62,037	94,28,402	12,60,892	1,15,824	6,75,606	87,27,292	89,29,548

SMART FINSEC LIMITED

The accompanying notes are an integral part of these financial statements

Particulars	As at 31-03-2014	As at 31-03-2013
<u>Note-"8" DEFERRED TAX ASSETS</u>		
<u>Deferred Tax Liability on account of</u>		
- Depreciation	1,11,278	1,20,000
- MAT Credit available	1,58,337	1,05,747
Total (B)	2,69,615	2,25,747
<u>NOTE-"9" LONG TERM LOANS & ADVANCES</u> <u>(unsecured, considered good unless otherwise stated)</u>		
a) Security Deposit	-	15,000
b) Capital advances		
c) Advance Income Tax/Refund Due		
- Income Tax	-	79,260
- TDS	2,52,945	5,21,641
Total	2,52,945	6,15,901
<u>NOTE-"10" CURRENT INVESTMENT</u>		
Investment in shares	-	11,13,681
Tax Free Bonds	2,25,08,115	2,00,28,375
Total	2,25,08,115	2,11,42,056
<u>NOTE-"11" CASH & CASH EQUIVALENTS</u>		
Balances with banks		
In current accounts	23,24,117	7,07,505
Cash on hand	6,17,672	8,13,301
Total	29,41,789	15,20,806
<u>NOTE- "12" SHORT TERM LOANS & ADVANCES</u> <u>(Unsecured and Considered good unless otherwise stated)</u>		
Loans & Advances	40,00,000	-
Advance Recoverable in cash or in kind or for value to be received	8,25,150	54,61,317
Total	48,25,150	54,61,317
<u>NOTE-"13" CONTINGENT LIABILITIES</u>		
	Nil	Nil

SMART FINSEC LIMITED**The accompanying notes are an integral part of these financial statements**

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
<u>Note-"14" REVENUE FROM OPERATIONS</u>		
Loss on Sale of Investments	6,806	
Trading Expense	783	682
STT & Statutory Expense	-	1,113
	<u>7,589</u>	<u>1,794</u>
Less: Closing Stock		-
	<u>7,589.15</u>	<u>1,794.12</u>
Interest	17,98,234	19,23,432
Dividend	27,500	-
Profit from Trading	-	90,943
	<u>18,25,734.00</u>	<u>20,14,374.56</u>
Total	<u>18,18,144.85</u>	<u>20,12,580.44</u>
<u>Note-"15" OTHER INCOME</u>		
Rent received	15,00,000	15,00,000
Profit on sale of assets	-	93,570
	<u>15,00,000</u>	<u>15,93,570</u>
Total	<u>15,00,000</u>	<u>15,93,570</u>
<u>Note-"16" EMPLOYEE BENEFITS EXPENSES</u>		
Salaries, Wages, Bonus etc	3,26,500	3,66,000
Directors Remuneration	1,92,000	1,92,000
	<u>5,18,500</u>	<u>5,58,000</u>
Total	<u>5,18,500</u>	<u>5,58,000</u>
<u>Note-"17" OTHER EXPENSES</u>		
Electricity & Water charges	85,518	-
Communication costs	9,072	9,080
Rent	67,416	67,416
Insurance	6,982	13,223
Auditor's Remuneration	11,236	11,236
Advertising and sales promotion	36,990	44,235
Listing Fee	22,500	22,500
Professional Charges	2,500	2,500
Property Tax	45,627	26,050
ROC Charges	8,120	2,500
Vehicle Maintenance	38,500	38,340
Provision against Standard Assets	66,270	-
	<u>4,00,731</u>	<u>2,37,080</u>
Total	<u>4,00,731</u>	<u>2,37,080</u>

SMART FINSEC LIMITED

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Note-"18" FINANCE COST		
Interest on TDS	-	450
Bank Charges	358	75
Total	358	525

Note-"19" DEPRECIATION & AMORTISATION EXPENSES

Depreciation on tangible assets	72,660	1,15,824
Total	72,660	1,15,824

Note- "20" SEGMENT INFORMATION**Segment Reporting**

	Real Estate		NBFC Activities	
	Current Year	Previous Year	Current Year	Previous Year
Revenue from segment	15,00,000	15,00,000	18,47,000	21,08,000
Segment Result	10,44,000	10,33,000	13,48,000	16,62,000
<i>Other Information</i>				
Segment Assets	53,21,216	53,28,717	3,36,08,471	3,15,37,745
Segment Liabilities	8,81,918	8,70,668	1,31,918	3,20,668
Net	44,39,298	44,58,049	3,34,76,553	3,12,17,077

Note- "21" VALUE OF IMPORTS ON CIF BASIS

NIL

NIL

Note- "22" EXPENDITURE IN FOREIGN CURRENCY

NIL

NIL

Note- "23" EARNING IN FOREIGN CURRENCY

NIL

NIL

Note- "24" EARNINGS PER SHARE

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

Profit/(Loss) for the after taxes before Exceptional / Prior period items.	22,11,858	25,92,967
Basic and diluted Earning per Share - Number of equity shares outstanding during the year	30,00,000	30,00,000
- Earning per share (₹)	0.74	0.86

Note- "25" RELATED PARTY DISCLOSURES**RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD- 18**

(I)	
(A) Enterprises in which the Company has control	Nil
(B) Parties in respect of which the company is a joint venture	Nil
(C) Key Management Personnel	
Managing Director	Mr. Arun Khera
Director	Mrs. Raman Khera
Director	Mrs. Monica Jain
Director	Ms. Vimmi Sachdeva
Director	Mr. Rajesh Chawla

(II) Transactions with and outstanding

(A) Enterprises in which the company has control N.A.

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

(C) Key Management Personnel

		Year ended 31.03.2014	Year ended 31.03.2013
Remuneration Paid			
Mr. Arun Khera	Remuneration	1,92,000	1,92,000
Mr. Arun Khera	- Rent Paid	67,416	66,180
Balance outstanding at year end			
- Receivable		-	-
- Payable		-	2,00,000
Purchase/ Sale of Bonds			
Mr. Arun Khera			
Sale of Shares		10,82,300	-
Purchase of Bonds		21,79,900	-
Mrs. Raman Khera			
Sale of Bonds		10,15,890	-
M/s Arun Khera HUF			
Sale of Bonds		5,07,945	-

(D) Enterprises over which key

NIL	NIL
Year ended 31.03.2014	Year ended 31.03.2013

(III) Auditor's Remuneration

11,236

11,236

The accompanying notes are an integral part of these financial statements

Note- I

NOTES ON ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

(1) METHOD OF ACCOUNTING

- 1.1 The financial statements have been prepared and presented in accordance with the generally accepted accounting principles (GAPP) in india under historical cost convention on accrual basis and comply in all material aspects with the accounting standards and the relevant provisions prescribed in companies act 1956, besides the guidelines of the Institute of chartered accountants of india, except otherwise states.
- 1.2 The Company generally, recognises income and expenditure on an accrual basis except those with significant uncertainties.

(2) USES OF ESTIMATES

- 2.1 The Preparation of financial statements in conformity with generally accepted accounting principles requires management to estimates and assumption to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The actual outcome may be different from the estimates. Differences between actual results and estimates are recognised in the period in which the results are known or materialise.

2.2 Current and non current classification

All assets and liabilities are classified into current and non- current.

2.2.1 Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

An liabilities is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

(3) **FIXED ASSETS**

3.1 Fixed assets (Tangible and Intangible) are stated at original cost including relevant taxes (other than those subsequently recoverable from tax authorities), duties freight and other incidental expenses related to acquisition/ installation of the respective

(4) **DEPRECIATION**

4.1 Depreciation on Fixed Assets is provided on straight line method basis as per rates prescribed under Schedule XIV to the companies Act, 1956 as prevailing except in case of certain assets such as depreciation has been provided at higher rates based on useful life as determined by the management.

4.2 In respect of fixed assets added/disposed off during the year depreciation is provided on pro-rata basis with reference to the month of addition/deduction, however, in case of new projects the depreciation from the date of commencing of such project is changed to the statement of profit and loss.

(5) **REVENUE RECOGNITIONS**

TURNOVER

5.1 Revenue from Property is recognised when legal title passes to the buyer. Rental income & income from NBFC activities are recognised as per terms of contract/ agreement.

(6) **BORROWING COSTS**

Borrowing Costs that are attributable to acquisition, construction or production of qualifying assets are capitalised as part of cost of such assets. A qualifying assets is an assets that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to the profit and loss account.

(7) **TAXES ON INCOME**

7.1 Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961.

7.2 Deferred tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognised only to the extent that there is reasonable certainty that sufficient future taxable profits will be available against which such deferred tax can be realised. Deferred tax assets & liabilities are measured using the tax rates & tax laws that have been enacted or substantially enacted by the Balance Sheet date.

(8) **EVENTS OCCURRING AFTER BALANCE SHEET**

Events Occurring after balance sheet date have been considered in preparation of financial statements.

(10) **PRELIMINARY AND PREOPERATIVE EXPENSES**

Preliminary & Pre-operative expenses are amortised over a period of 5 years on a pro rata basis beginning from the year of incurrence.

SMART FINSEC LIMITED

REGD. OFFICE: F-88, IIND FLOOR, INDUSTRIAL POCKET, DISTRICT CENTRE WEST DELHI, RAJA GARDEN, NEW DELHI-110027

PROXY FORM

Note: Joint holder(s) intending to attend the meeting are requested to obtain additional Admission slip from the Registered/Corporate Office of the Company on or before 28 th September, 2014 avoid inconvenience

.....(Please tear from here).....

PROXY FORM

SMART FINSEC LIMITED

REGD. OFFICE: F-88, IIND FLOOR, INDUSTRIAL POCKET, DISTRICT CENTRE WEST DELHI, RAJA GARDEN, NEW DELHI-110027

L.F.No./DPId/ClientId: _____ **No. of shares held:** _____

I/We _____ of _____ in the district of _____ being a member/member(s) of the above named Company, hereby appoint _____ of _____ in the district of _____ .or failing him/her _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 30TH September, 2014 at the F-88, IIND FLOOR, INDUSTRIAL POCKET, DISTRICT CENTRE WEST DELHI, RAJA GARDEN, NEW DELHI-110027 AND AT ANY ADJOURNMENT THEREOF.

Signature _____

Date _____

Note:

- 1. Proxy Form must reach the Company’s Registered Office at least 48 hours before the scheduled time of the Meeting. The Proxy need not be a member of the Company.
- 2. All alterations made in the Proxy form should be initialed
- 3. In case of multiple proxies, proxy later in time shall be valid and accepted.

SMART FINSEC LIMITED

REGD. OFFICE: F-88, IIND FLOOR, INDUSTRIAL POCKET, DISTRICT CENTRE WEST DELHI, RAJA GARDEN, NEW DELHI-110027

ADMISSION SLIP

Seventeenth Annual General Meeting

PLEASE COMPLETE THE ADMISSION SLIP AND HAND IT OVER AT THE ADMISSION COUNTER

L .F. NO. /DP ID/CLIENT ID	:	
NO. OF SHARES HELD	:	
NAME OF THE MEMBER/PROXY	:	
(in block letters)		

I CERTIFY THAT I AM A REGISTERED SHAREHOLDER / PROXY FOR THE REGISTERED SHAREHOLDER OF THE COMPANY.

I HEREBY RECORD MY PRESENCE AT THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON , 30TH SEPTEMBER, 2014 AT 11.00 A.M. AT THE F-88, IIND FLOOR, INDUSTRIAL POCKET, DISTRICT CENTRE WEST DELHI, RAJA GARDEN, NEW DELHI-110027