

**SMART CAPITAL
SERVICE LIMITED**

ANNUAL REPORT

2016-17

CORPORATE INFORMATION

KEY MANAGERIAL PERSONNEL

Ms. Meena
Mr. Shyam Lal Sharma

Chief Financial Officer and Chief Executive Officer
Company Secretary and Compliance Officer

BOARD OF DIRECTORS

Mr. Pawan Kumar Mittal
Ms. Kiran Mittal
Mr. Rohit Mittal
Ms. Priyanka Mittal
Mr. Prakash Chand Jajoria
Mr. Hitesh Rai Makhija

Director
Director
Director
Additional Director
Independent Director
Independent Director

STATUTORY AUDITORS

V.N. Purohit & Co.
Chartered Accountants
214, New Delhi House, 2nd Floor
27, Barakhamba Road,
New Delhi-110001

Contact Person: Mr. Gaurav Joshi
Ph.: (011) 43596011
E-mail Id: vnpdelhi@vnppaudit.com

SECRETARIAL AUDITOR

Akhilesh Kumar & Associates
Company Secretaries,
Flat-13, Block A-10, Sector-23B
Dwarka, New Delhi-110077
Ph.: 9718403891
E-mail Id: csakhileshkumarjha@gmail.com

INTERNAL AUDITOR

S.K. Goel & Associates
Chartered Accountants
C-1/117, 3rd Floor, Janakpuri
New Delhi-110058
Ph.: (011) 25533400
E-mail Id: info@skgoel.com

BANKERS

Punjab National Bank
HDFC

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Private Limited
D-153A, First Floor, Okhla Industrial Area,
Phase-I, New Delhi-110020
Ph: (011) - 64732681-88
E-mail Id: admin@skylinerta.com

NAME OF THE STOCK EXCHANGE AT WHICH THE COMPANY'S SECURITIES ARE LISTED

Metropolitan Stock Exchange of India Limited (MSEI)
(Formerly known as MCX Stock Exchange Limited]

ANNUAL GENERAL MEETING

Date: 26th September, 2017
Time: 11:00 A.M.
Day: Tuesday
Venue: 325, IIIrd Floor, Aggarwal Plaza, Sector-14,
Rohini, New Delhi-110085

REGISTERED OFFICE

325, IIIrd Floor, Aggarwal Plaza, Sector-14,
Rohini, New Delhi-110085
Ph.: (011) 65360036
Website: www.smartcapitalservices.in
E-mail -Id: smartcap.delhi@gmail.com

SUBJECT: DECLARATION ON AUDITED FINANCIAL RESULTS

(pursuant to the second proviso to Regulation 33(3)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2016

Pursuant to Regulation 33(3)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, by the SEBI (LODR) (Amendments) Regulations, 2016 vide notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 read with Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016, we, the undersigned, on behalf of the Board of Directors of Smart Capital Services Limited ("Company") (CIN: L74899DL1994PLC059877) having its registered office at 325, IIIrd Floor, Aggarwal Plaza, Sector-14, Rohini, New Delhi-110085 hereby confirms that M/s. V.N. Purohit & Co., Chartered Accountants (FRN: 304040E), the Statutory Auditors of the Company have issued their Audit Report with unmodified opinion on Audited Standalone Financial Results of the Company for the quarter and year ended 31st March, 2017.

Kindly take this declaration on your records.

Yours Sincerely

For Smart Capital Services Limited

For Smart Capital Services Limited

Sd/-

Meena

Chief Financial Officer (CFO)

PAN: BTSPM8829F

Sd/-

Pawan Kumar Mittal

Director

DIN: 00749265

Date: 26/05/2017

Place: New Delhi

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Notice of 22nd Annual General Meeting

Notice is hereby given that the 22nd Annual General Meeting of the members of Smart Capital Services Limited will be held on Tuesday, September 26, 2017 at 11:00 A.M. at 325, IIIrd Floor, Aggarwal Plaza, Sector-14, Rohini, New Delhi-110085 to transact the following business:

ORDINARY BUSINESS:**ITEM NO. 1- CONSIDERATION OF FINANCIAL STATEMENTS AND THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITOR REPORT FOR FINANCIAL YEAR ENDED 31ST MARCH,2017**

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017 and the Reports of the Board of Directors and the Auditors thereon.

ITEM NO. 2- APPOINTMENT OF MR. PAWAN KUMAR MITTAL AS A DIRECTOR LIABLE TO RETIRE BY ROTATION.

To appoint a Director in the place of Mr. Pawan Kumar Mittal (DIN:00749265), who retires by rotation and being eligible, offers himself for reappointment.

ITEM NO. 3 – TO RATIFY THE APPOINTMENT OF STATUTORY AUDITORS OF THE COMPANY

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 the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the resolution passed by the members at the AGM held on September 29, 2015, the appointment of M/s V.N. Purohit & Co., Chartered Accountants (FRN: 304040E) as the Statutory Auditor of the Company till the conclusion of 25th AGM be and are hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2018, as may be determined by the Audit Committee in consultation with Statutory Auditors.

SPECIAL BUSINESS:**ITEM NO. 4 - APPOINTMENT OF MS. PRIYANKA MITTAL (FORMERLY PRIYANKA JINDAL) AS DIRECTOR OF THE COMPANY**

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 152, 161 and all other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Priyanka Mittal (Formerly Priyanka Jindal) (DIN: 07471560), who was appointed by the Board of Directors as an Additional Director with effect from August 31, 2017 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a notice in writing from member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation.”

**By the order of the Board of Directors of
Smart Capital Services Limited**

Date: 31/08/2017

Place: New Delhi

Sd/-
(Shyam Lal Sharma)
Company Secretary & Compliance officer
M. No. : 29993

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HEREWITH AND IF INTENDED TO BE USED, IT SHOULD BE DEPOSITED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF ANNUAL GENERAL MEETING.

2. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER

3. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified copy of the relevant Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

4. Pursuant to section 91 of the Companies Act, 2013, the register of members and the share transfer books of the Company will remain closed from Saturday, 16th September, 2017 to Tuesday, 26th September, 2017 (both days inclusive) for the purpose of Annual General Meeting.

5. The ISIN of the Equity Shares of Rs.10/- each is INE980S01017

6. Sections 101 and 136 of the Companies Act, 2013 read with the rules made thereunder, permit the listed companies to send the notice of Annual General Meeting and the Annual Report, including financial statements, board's report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company or for the other whose e-mail id is not registered same shall couriered to them.

7. Members may also note that the Notice of the AGM and the Annual Report for FY 201 6-17 will also be available on the Company's website [http:// www.smartcapitalservices.in/](http://www.smartcapitalservices.in/).

8. The following Statutory Registers are open for inspection of members and others at the registered office of the Company as prescribed in the respective sections of the Companies Act, 2013 as specified below:

- a. Register of contracts with related party and contracts and bodies etc. in which directors are interested under section 189 of the Companies Act, 2013 shall be open for inspection on all working days during business hours.
- b. Register of directors and key managerial personnel and their shareholding under section 170 of the Companies Act, 2013 shall be open for inspection on all working days during business hours.

The aforesaid registers shall be kept open for inspection at the Annual General Meeting by any person attending the meeting.

9. Members are requested to notify change in address, if any, to the Share Transfer Agent and to the Company quoting their Folio Numbers, number of shares held etc.

10. Members are requested to register their e-mail addresses for receiving communications including Annual Reports, Notices, and Circulars etc. by the Company electronically.

11. Members/proxies/ Authorised Representatives are requested to bring to the Meeting necessary details of their Shareholding, attendance slip(s) and copies of their Annual Reports.

12. Members holding shares in demat form are requested to submit their Permanent Account Number (PAN) to their respective Depository Participant and those holding shares in physical form are requested to submit their PAN details to the company in order to comply with the SEBI guidelines.

13. Members are requested to bring along their Attendance Slip in the meeting, as enclosed with the Notice.

14. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.

15. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, the Company is pleased to provide the Members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by NSDL. Details and Instructions for e-Voting are enclosed along with the Notice.

16. All documents referred to in accompanying Notice shall be open for inspection and shall be available at the registered office of the Company on all working days during business hours from the date of this Notice up to the date of AGM.

17. Members are requested to get their securities in dematerialize form at the earliest through their DP as Per the SEBI Circular no. SEBI/Cir /ISD/1/2010 dated September 2,2010 read with Circular No. SEBI/cir/ ISD/2/2010 dated october 26,2010 and SEBI Circular no. SEBI/cir/ ISD/1/2012 dated March 30,2012.

Voting through Electronic Means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the Members, facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The e- Voting facility is available at the link <https://www.evoting.nsdl.com>

The e- Voting facility will be available during the following voting period:

Commencement of e- Voting	23 rd September, 2017 at 9:00 A.M.
End of e- Voting	25 th September, 2017 at 5:00 P.M.

INSTRUCTIONS FOR E-VOTING

1. The Notice of the 22nd Annual General Meeting (AGM) of the Company, inter-alia, indicating the process and manner of e-Voting is being sent to all the Members.
2. NSDL shall be sending the User ID and Password to those Members whose shareholding is in the dematerialized format and whose e-Mail addresses are registered with the Company/Depository Participants. For Members who have not registered their e-Mail Address, can use the details as provided in this document.
3. Launch internet browser by typing the following URL:https://www.evoting.nsdl.com
4. Click on Shareholder – Login
5. Put User ID and Password as provided in this document and click Login. If you are already registered with NSDL for e-Voting then you can use your existing User ID and Password for the Login.
6. If you are logging in for the first time, the Password change menu will appears. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
7. Once the home page of e-voting opens. Click on e-voting: **Active Voting Cycles**.
8. Select “EVEN (Electronic Voting Event Number)” of Smart Capital Services Limited.
9. Once you enter the **Cast Vote page** will open. Now you are ready for e-voting.

10. Cast your Vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
11. Upon confirmation, the message “**Vote cast successfully**” will be displayed.
12. Once you have voted on the resolution, you will not be allowed to modify your vote.
13. 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 the attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at amitkumar_cs@hotmail.com with a copy marked to evoting@nsdl.co.in.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that 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 “Forget Password” option available on the site to reset the same.

GENERAL INSTRUCTIONS:

1. In case of any queries, you may refer the Frequently Asked Question (FAQs) for Shareholders and e-Voting user manual for Shareholders available to the Downloads section of <https://www.evoting.nsdl.com>
2. You can also update your mobile number and e-mail id in the profile details of the folio which may be used for sending future communication(s).
3. The e-voting period commences on Saturday, 23rd September, 2017 (09:00 a.m. IST) and ends on Monday, 25th September, 2017 (05:00 p.m. IST). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date (record date) of Tuesday, 19th September, 2017 may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
4. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 19th September, 2017.
5. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of Tuesday, September 19, 2017.
6. A person who is not a member as on the cut-off date should treat this notice for information purpose only.

7. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding either in physical form or in dematerialized form, as on the cut-off date of Tuesday, 19th September, 2017 and not casting their vote electronically, may only cast their vote at the 22nd Annual General Meeting.
8. Mr. Amit Kumar, Practising Company Secretary (Membership No.: ACS F5917; C.P No.: 6184) has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
9. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the voting cast at the meeting, thereafter unblock the votes cast through remote e-Voting in the presence of at least two (2) witnesses not in the employment of the Company and make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, and to submit the same to the Chairman of the AGM not later than three working days from the conclusion of the AGM.
10. The Results shall be declared forthwith after the submission of Consolidated Scrutinizer's Report either by Chairman of the Company or by any person authorized by him in writing and the resolutions shall be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company www.smartcapitalservices.in and on the website of NSDL immediately after the declaration of the results by the Chairman

**By the order of Board of Directors of
Smart Capital Services Limited**

Date: 31/08/2017
Place: New Delhi

Sd/-
(Shyam Lal Sharma)
Company Secretary & Compliance officer
M. No. : 29993

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**ITEM NO. 4****APPOINTMENT OF MS. PRIYANKA MITTAL (FORMERLY PRIYANKA JINDAL) AS A DIRECTOR OF THE COMPANY.**

Ms. Priyanka Mittal (Formerly Priyanka Jindal) was appointed as an Additional Director by the Board of Directors on August 31, 2017. In terms of Section 161(1) of the Companies Act, 2013, Ms. Priyanka Mittal (Formerly Priyanka Jindal) hold the office up to the date of the ensuing Annual General Meeting of the Company.

The Company has received notices in writing under the provisions of Section 160 of the Act along with required deposit from the member proposing the candidature of Ms. Priyanka Mittal (Formerly Priyanka Jindal) for the office of Director of the Company.

Further, Ms. Priyanka Mittal (Formerly Priyanka Jindal) , aged about 28 years, is a Promoter of the Company ("**Smart capital Services Limited**") and has completed Master in Computer Application (MCA). Ms. Priyanka Mittal (Formerly Priyanka Jindal) has experience of no. of years in the field of general administration. She can help in growth of the Company by giving innovative ideas .

On recommendation of the Nomination & Remuneration Committee of the Company, the Board of Directors has decided to appoint Ms. Priyanka Mittal (Formerly Priyanka Jindal) as a Non-Executive Director of the Company .

The Board of Directors of the Company believes that her abilities and analytical skills will help the Company in directing its strategies towards its profitable growth and operation and will help the Company walk along the path of success and achieve its vision and mission.

Information about the appointees:**Brief Resume of Ms. Priyanka Mittal (Formerly Priyanka Jindal) is as under:**

Name:	Priyanka Mittal (Formerly Priyanka Jindal)
Age:	28 Years
Name of the other Companies in which Directorship held	NIL
Name of the other Companies in which Committee Membership held	N.A.
Shareholding in the Company	284900

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except, Ms. Priyanka Mittal (Formerly Priyanka Jindal) is a wife of Mr. Rohit Mittal and is daughter in law of Mr. Pawan Kumar Mittal and Mrs. Kiran Mittal, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board recommends the Ordinary Resolutions set forth in Item No. 4 of the Notice for approval of the Members.

**By the order of Board of Directors of
Smart Capital Services Limited**

Date: 31/08/2017

Place: New Delhi

**Sd/-
(Shyam Lal Sharma)
Company Secretary & Compliance officer
M. No. : 29993**

Directors' Report

To the Shareholders,

Your Directors take pleasure in presenting the 22nd Annual Report on the business and operations of your Company along with the Audited Standalone Financial Statements for the year ended March 31, 2017.

BACKGROUND

Smart Capital Services Limited was incorporated under Companies Act, 1956 on 28th June, 1994. The Equity shares of the company are listed on the **Metropolitan Stock Exchange of India Limited (MSEI)** (formerly known as MCX Stock Exchange Limited) .

FINANCIAL SUMMARY/HIGH LIGHTS/PERFORMANCE OF THE COMPANY (SATANDALONE)

The Company's financial results are as under:

Particular	(Amount in Rs.)	
	Current Year 2016-17	Previous Year 2015-16
Revenue from Operations	7,904,049	77,25,793
Total Revenue (Including Other Income)	9,987,181	7,725,793
Total Expenses:	9,806,471	7,445,747
Profit before tax	180,710	280,046
Tax Expenses:		
Less: Current tax	55,800	86,500
Deferred tax	2,541	-
Profit after tax	122,369	1,93,546

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR

The Company is dealing in Trading in fabrics and Financial consultancy in all its aspects. These activities is beneficial for the company by taking up these figure into consideration i.e the total revenue from operations of your Company for the year ended March 31, 2017 stood at Rs. 7,904,049 as against Rs. 7,725,793 for the year ended March 31, 2016. The Profit before tax stood at Rs. 1,80,710 as compared to Rs. 280,046 in the previous year. The Profit after tax for the year ended March 31, 2017 stood at Rs. 122,369 as compared to Rs. 193,546 in the previous year ended March 31, 2016.

STATE OF COMPANY'S AFFAIR

With the expected positive momentum in the Indian economy, the Company is focused on growth and achieving profitability along with a renewed commitment to customer service. Innovations, investment and positive modifications are expected in the near future, boosting the Company's revenue. Together with forward looking strategy, the Company is also focusing extensively on expanding the business and operational improvements through various strategic projects for operational excellence.

RESERVES

Your Company has not transferred any amount to general reserve out of the profits of the year.

DIVIDEND

The Company needs further funds to enhance its business operations, to upgrade the efficiency and to meet out the deficiencies in working capital. The Directors, therefore, do not recommend any dividend on Equity Shares for the financial year 2016-17.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

In the opinion of the Board, there has been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

During the year under review, there is no change in share capital of the Company.

RISK MANAGEMENT

While the business risk associated with operating environment, ownership structure, Management, System & Policy, the financial risk lies in Asset Quality, Liquidity, Profitability and Capital Adequacy. The company recognizes these risks and makes best effort to mitigate them in time. Risk Management is also an integral part of the Company's business strategy.

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risk as also identify business opportunities.

INTERNAL CONTROL SYSTEMS

The Company's Internal Control System is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficiency of the Company's internal controls, including its systems and processes and compliance with regulations and procedures.

VIGIL MECHANISM

The Company believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Company is committed to develop a culture in which every employee feels free to raise concerns about any poor or unacceptable practice and misconduct. In order to maintain the standards has adopted lays down this Whistle Blower Policy to provide a framework to promote responsible and secure whistle blowing. The Board of Directors of your Company has adopted the Vigil Mechanism and Whistle Blower Policy in compliance of Companies Act, 2013.

HUMAN RESOURCES

People remain the most valuable asset of your Company. Your Company follows a policy of building strong teams of talented professionals. Your Company continues to build on its capabilities in getting the right talent to support different products and geographies and is taking effective steps to retain the talent. It has built an open, transparent and meritocratic culture to nurture this asset.

The Company recognizes people as its most valuable asset and the Company has kept a sharp focus on Employee Engagement. The Company's Human Resources is commensurate with the size, nature and operations of the Company.

COMPLIANCE

The Company has complied and continues to comply with all the applicable regulations, circulars and guidelines issued by the Ministry of Corporate Affairs (MCA), Stock Exchange(s), Securities and Exchange Board of India Limited (SEBI) etc.

The Company has complied with all applicable provisions of the Companies Act, 2013, Listing Agreement executed with the Stock Exchanges, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules/regulations/guidelines issued from time to time.

DEPOSITS

During the year under review, the Company has not accepted any deposits from the public under Section 73 of the Companies Act, 2013 and rules made there under. There is no unclaimed or unpaid deposit lying with the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**Key Managerial Personnel(KMP)**

1. Mr. Abhinav Dora has resigned from the Position of Company Secretary and Compliance officer of the Company.

2. Mr. Ishant (Membership No.: ACS 46044) who was appointed as a Company Secretary and Compliance Officer w.e.f July 07, 2016 has resigned from the Post of Company Secretary and Compliance Officer w.e.f November 10, 2016.
3. Mr. Harish Kumar has resigned from the post of Managing Director of the Company w.e.f. 02.01.2017.

After March 31,2017

1. The Board of Directors of the Company has appointed Mr. Shyam Lal Sharma (Membership No.: ACS 29993) as Company Secretary and Compliance Officer of the Company w.e.f May 26, 2017.
2. The Board of Directors of the Company has appointed Ms. Meena as Chief Executive Officer (CEO) w.e.f May 26, 2017,

Board of Director

1. Mr. Jitendra Kumar Agarwal and Ms. Vandana Gupta has resigned from the post of directorship of the Company w.e.f. May 28, 2016.
2. Mr. Prem Prakash Gandhi has been Appointed as the Additional (Independent) director of the Company w.e.f. May 28, 2016 and has been regularize in the AGM held on September 23, 2016.
3. Mr. Hitesh Rai Makhija has been appointed as Additional Director of the Company w.e.f. May, 28, 2016 and he has regularised as Independent Director of the Company in the Annual General Meeting held on September 23, 2016.
4. Mr. Pawan Kumar Mittal, Ms. Kiran Mittal and Mr. Rohit Mittal has been regularised in the Annual General Meeting held on September 23, 2016

After March 31,2017

1. Mr. Prem Prakash Gandhi has resigned from the directorship of the Company w.e.f 07th July, 2017.

BOARD EVALUATION

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

PARTICULAR OF EMPLOYEES AND RELATED DISCLOSURES

The information required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

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

Directors	Ratio to median remuneration*
Mr. Harish Kumar	N.A.
Mr. Jitendra Kumar Agarwal	N.A.
Ms. Vandana Gupta	N.A.
Mr. Prakash Chand Jajoria	N.A.
Mr. Hitesh Rai Makhija	N.A.
Mr. Prem Prakash Gandhi	N.A.
Mr. Pawan Kumar Mittal	N.A.
Mr. Rohit Mittal	N.A.
Ms. Kiran Mittal	N.A.

No Remuneration was paid to directors during the year under review Except Managing Director:

ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the Financial Year: There is only increase in remuneration of Chief Financial officer of the company by 11.11%. No remuneration is paid to managing director in the Year 2015-2016.

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 company. 04

v) 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: Nil

vi) **Affirmation that the remuneration is as per the remuneration policy of the company:** It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

DISCLOSURE UNDER RULE 5 (2) & (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OR MANAGERIAL PERSONNEL) RULES, 2014

A. Details of Top ten employees in terms of remuneration drawn:

Name & Designation	Age (in Years)	Remuneration Received	Nature of Employment (Contractual or otherwise)	Qualification & Experience	Date of commencement of Employment	Last Employment of	% of Equity Share held	Whether related to Director or Manager
Abhinav Dora	26	36000	Permanent	C.S., Fresher	13-07-2015	Fresher	NA	No
Harish Kumar	36	4,73,958	Permanent	Graduation	06-12-2014	Dolf Leasing Limited	NA	No
Ishant	24	44,344	Permanent	CS, Fresher	07-07-2016	Fresher	NA	No
Meena	36	12,00,000	Permanent	C.F.O	01-03-2016	Dolf Leasing Limited	NA	No

B. Names of employees who are in receipt of aggregate remuneration of not less than rupees one crore and two lakh if employed throughout the financial year 2016-17:

Name & Designation	Age (in Years)	Remuneration Received	Nature of Employment (Contractual or otherwise)	Qualification & Experience	Date of commencement of Employment	Last Employment of	% of Equity Share held	Whether related to Director or Manager
NIL								

C. Name of employee whose remuneration in aggregate was not less than eight lakh and fifty thousand per month if employed for part of the financial year 2016-17:

Name & Designation	Age (in Years)	Remuneration Received	Nature of Employment (Contractual or otherwise)	Qualification & Experience	Date of commencement of Employment	Last Employment Ent	% of Equity Share held	Whether related to Director or Manager
NIL								

DIRECTOR'S APPOINTMENT AND REMUNERATION POLICY

The Company's policy on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub section (3) of Section 178 of the Companies Act, 2013, as is adopted by the Board.

The Company has adopted a comprehensive policy on Nomination and Remuneration of Directors on the Board. As per such policy, candidates proposed to be appointed as Directors on the Board shall be first reviewed by the Nomination and Remuneration Committee in its duly convened Meeting. The Nomination and Remuneration Committee shall formulate the criteria for determining the qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the Remuneration for the Directors, Key Managerial Personnel and other employees. The Nomination and Remuneration Committee shall ensure that—

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) Remuneration to directors and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. During the year under review, none of the Directors of the company receive any remuneration.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTOR OF THE COMPANY

All the Independent Directors are well appointed on the Board of Company in compliance with the Companies Act, 2013. The Company has received declarations from all the Independent Directors of

the Company confirming that they meet the criteria of Independence under sub-section (6) of section 149 of the Act.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

In due compliance with the provisions of the Companies Act, 2013 read with the rules made there under a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole was evaluated, taking into account the views of directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the Board, its committees and individual directors was discussed.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE U/S 186

Particulars of Loans and Guarantee are Provided in the Financial Statement (please refer the Note 9 to the financial Statements)

PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTIES U/S 188

Company has not entered into any contract or arrangement with Related party.

MEETINGS

The agenda and Notice for the Meetings is prepared and circulated in advance to the Directors. The Board of Directors of the Company met Six (06) times during the financial year 2016-17 i.e. 28th May, 2016, 07th July 2016, 13th August 2016, 10th November, 2016, 02nd January, 2017, 30th January, 2017.

Details of attendance of board meetings by directors of the Company are as follows:

Name of the Director	Nos. of meetings attended
Mr. Harish Kumar	04
Mr. Pawan Kumar Mittal	06
Mr. Rohit Mittal	03
Ms. Kiran Mittal	05
Mr. Prakash Chand Jajoria	03
Mr. Prem Prakash Gandhi	03
Mr. Hitesh Rai Makhija	05

The necessary quorum was present in all the meetings. The intervening gap between any two meetings was not more than one hundred and twenty days as prescribed by the Companies Act, 2013.

COMPOSITION/COMMITTEES OF THE BOARD:

AUDIT COMMITTEE:

The Board has constituted an Audit Committee in accordance with the requirement of Companies Act, 2013 and other applicable provisions. All members of Audit Committee are financially literate and 2 Directors out of 3 members have financial management expertise. This Committee comprises of the following Directors as on date:

S. No.	Name of the Director	Category
1.	Mr. Hitesh Rai Makhija (DIN: 07509495)	Chairman
2.	Mr. Prakash Chand Jjoria(DIN: 07020057)	Member
3.	Ms. Kiran Mittal (DIN: 00749457)	Member

The Audit Committee met Four (04) times during the financial year 2016-17 on May 27, 2016, August 12, 2016, November 08, 2016, January 19, 2017 . Details of attendance of meetings of Committee by members are as follows:

Name of the Member	Nos. of meetings attended
Vandna Gupta*	01
Prakash Chand Jajoria	02
Harish Kumar#	03
Hitesh Rai Makhija	03
Prem Prakaash Gandhi	03

#Audit Committee was reconstituted in the board Meeting held on May 28, 2016, where Mr. Hitesh Rai Makhija and Mr. Prem Prakash Gandhi was inducted in place of Mr. Prakash Chand Jajoria and Ms. Vandana Gupta.

#Audit Committee was reconstituted in the board Meeting held on January 02, 2017, where Mr. Prakash Chand Jajoria was inducted in place of Mr. Harish Kumar.

After March,2017, the Committee was reconstituted in the board meeting held on August 31, 2017, where Ms. Kiran Mittal was inducted in place of Mr. Prem Prakash Gandhi .

During the year under review, the Board accepted all the recommendations made by the Audit Committee of the Board.

NOMINATION AND REMUNERATION COMMITTEE:

The Company has constituted the Nomination and Remuneration Committee to decide and fix payment of remuneration and sitting fees to the Directors of the Company as per provisions u/s 178 of the Companies Act, 2013. This committee will look after the functions as enumerated u/s 178 of the Companies Act, 2013. As on date, this Committee comprises of the following Directors:

S. No.	Name of the Director	Category
1.	Mr. Hitesh Rai Makhija (DIN: 07509495)	Chairperson
2.	Ms. Kiran Mittal (DIN: 07062091)	Member
3.	Mr. Prakash Chand Jajoria (DIN: 07020057)	Member

The Nomination and Remuneration Committee met Three (3) times during the financial year 2016-17 on May 25, 2016, July 05, 2016, August 12, 2016. Details of attendance of meetings of committee by directors are as follows:

Name of the Member	Nos. of meetings attended
Vandana Gupta	01
Prakash Chand Jajoria	03
Jitendra Kumar Agarwal	01
Hitesh Rai Makhija	02
Prem Prakash Gandhi	02

#Nomination and Remuneration Committee was reconstituted effective from May 28, 2016, where Mr. Hitesh Rai Makhija and Prem Prakash Gandhi was inducted in place of Ms. Vandana Gupta and Mr. Jitendra Kumar Agarwal.

After March,2017, the Committee was reconstituted in the board meeting held on August 31, 2017, where Ms. Kiran Mittal was inducted in place of Mr. Prem Prakash Gandhi .

During the year under review, the Board accepted all the recommendations made by the Nomination and Remuneration Committee of the Board.

STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee looks into the redressal of the shareholders complaints in respect of any matter including transfer of shares, non receipt of annual report, non receipt of declared dividend etc. As on date, This Committee comprises of the following Directors as on date:

S. No.	Name of the Director	Category
1.	Mr. Hitesh Rai Makhija(DIN: 07509495)	Chairman
2.	Mr. Prakash Chand Jajoria (DIN: 07020057)	Member
3.	Ms.. Kiran Mittal (DIN: 00749457)	Member

The Stakeholder Relationship Committee has not met during the financial year 2016-17.

Stakeholder Relationship Committee was reconstituted effective from May 28, 2016, where Mr. Hitesh Rai Makhija and Prem Prakash Gandhi was inducted in place of Ms. Vandana Gupta and Mr. Harish Sharma.

After March,2017, the Committee was reconstituted in the board meeting held on August 31, 2017, where Ms. Kiran Mittal was inducted in place of Mr. Prem Prakash Gandhi .

AUDITORS

STATUTORY AUDITORS

M/s V.N. Purohit & Co., Chartered Accountants were appointed as Statutory Auditors of the Company to hold office until the conclusion of the 25th AGM which was subject to the ratification at every AGM.

As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Statutory Auditors is required to be ratified by members at every Annual General Meeting. Accordingly, the appointment of M/s. V.N. Purohit & Co., Chartered Accountants, as Statutory Auditor of the Company is placed for ratification by the shareholders.

STATUTORY AUDITORS' REPORT

The Auditors Report has been annexed with this report; Auditors' observations are self explanatory, which do not call for any further clarifications. There has been no qualification, reservation or adverse remarks made by the Auditor in their report for the financial year ended 31st March, 2017 Except:

- (i) According to information and explanations given to us, the Company has complied with the provisions of Section 185 of the Companies Act, 2013. *However, the company has not passed special resolution of members in respect of loans, investments, guarantees and security given above the limit as prescribed under section 186 of the Companies Act, 2013 and accordingly has not complied with such provisions.*

Board Justification: The Board assures that it will take necessary steps to comply with the Provision of Section 186 of Companies Act, 2013 at the earliest.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/S. Akhilesh & Associates, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report is annexed herewith as "**Annexure I**".

SECRETARIAL AUDITORS' REPORT

The Secretarial Auditors Report has been annexed with this report; Auditors' observations are not self explanatory and call for further clarifications from the directors of the company. There has been no qualification, reservation or adverse remarks made by the Auditors in their report:

INTERNAL AUDITORS

Pursuant to the provision of Section 138 of the Companies Act, 2013 has mandated the appointment of Internal Auditor in the Company. Accordingly, the Board had appointed M/s S.K. Goel & Associates, Chartered Accountants, as the Internal Auditors of the Company for the financial year 2016-17.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in Form MGT 9 is annexed herewith as “Annexure II”.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of the activities carried out by the Company, Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy and technology absorption, are not applicable to the Company. However, the Company makes all efforts towards conservation of energy, protection of environment and ensuring safety. During the year under review, the Company had no earnings and expenditure in foreign exchange.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, your directors hereby confirm that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts for the financial year ended March 31, 2017, on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company.

CORPORATE GOVERNANCE

Since, the paid- up capital of the Company is less than Rs. 10 Crores and Net worth is less than Rs. 25 Crores, as stipulated under Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the applicability of provisions of the Corporate Governance as stipulated under 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company. However, your Company has made every effort to comply with the provisions of the Corporate Governance and to see that the interest of the Shareholders and the Company are properly served. It has always been the Company's endeavor to excel through better Corporate Governance and fair & transparent practices, many of which have already been in place even before they were mandated by the law of land.

The management of Company believes that it will further enhance the level of Corporate Governance in the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to spend any amount in respect of Corporate Social Responsibility as provisions relating to Corporate Social Responsibility under Section 135 of Companies Act, 2013 is not applicable to Company.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013 READ WITH RULES

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules there under, the Company has not received any complaint of sexual harassment during the year under review

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There has been no significant and material order passed by any regulator, courts or tribunals impacting the going concern status and operations of the Company in future.

DISCLOSURE OF FRAUDS IN THE BOARD'S REPORT U/S 143 OF THE COMPANIES ACT, 2013

During the year under review, your Directors do not observe any transactions which could result in a fraud. Your Directors hereby declares that the Company has not been encountered with any fraud or fraudulent activity during the Financial Year 2016-2017.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed Management Discussion and Analysis Report has been appended separately, which forms part of this report and the Annual Report.

ACKNOWLEDGMENT

Your Directors wish to express their sincere appreciation for the support and cooperation, which the Company continues to receive from its clients, Banks, Government Authorities, Financial Institutions and associates and are grateful to the shareholders for their continued support to the Company. Your Directors place on record their appreciation for the contributions made and the efforts put in by the management team and employees of the Company at all levels.

**By the order of the Board of Directors of
Smart Capital Services Limited**

Date: 31/08/2017

Place: New Delhi

Sd/-
Pawan Kumar Mittal
Director
DIN: 00749265

Sd/-
Rohit Mittal
Director
DIN: 02527072

Annexure-I**Form MR-3****SECRETARIAL AUDIT REPORT**

For the financial year ended March 31, 2017

[Pursuant to Section 204, 9(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Member,

SMART CAPITAL SERVICES LIMITED

325, IIIrd Floor,
Aggarwal Plaza, Sector- 14,
Rohini, New Delhi- 110085

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SMART CAPITAL SERVICES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2017** 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 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 the Company for the financial year ended on **March 31, 2017** according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;**(Not Applicable)**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India , 1992 (' SEBI Act');

- (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; **(Not Applicable)**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines , 1999; **(Not Applicable)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable)**
- (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable)**

6. **OTHER LAWS** applicable to the Company;

We have examined the framework, processes and procedures of compliance of laws applicable on the Company in detail. We have examined reports, compliances with respect to applicable laws on test basis

Other Miscellaneous and state laws.

- a) Income Tax Act, 1961;
- b) Service Tax Act, 1994;
- c) The Indian Stamp Act 1899
(The Company has paid Stamp Duty on various instruments according to stamp rate prescribed by respective states)

We have also examined compliance with the applicable clause of the following;

- I. The Secretarial Standards issue by the Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with **Metropolitan Stock Exchange of India Limited (MSEI)**

1- The Company has made application for listing of 45,01,170 Equity Shares of Rs. 10/- each to Metropolitan Stock Exchange of India (Formerly Known as MCX Stock Exchange) on 29th March, 2016 and listed on 25th July, 2016 vide letter no MSEI/LIST/4368/2016-dated 25-07-2016.

- 2- *The Company was listed on Delhi Stock Exchange and Jaipur Stock Exchange since 1996 and, thereafter, its recognition was withdrawn vide order No WTM/PS/45/MDR/DSA/NOV/2014 dated 19th November, 2014 and Order No WTM/RKA/MDR/20/2015 dated 23rd March, 2015 respectively. The Company was thereafter shifted to the Dissemination Board (“DB”) of BSE Limited (“BSE”)*
- 3- *In reference to above (point no 2), the Company has made application to BSE Limited for removal of name of the Company from Dissemination Board of BSE Limited vide letter dated 5th January, 2017.*
- 4- *The name of the company has been removed from Dissemination Board of BSE Limited vide letter no DCS/DB/SR/REMOV/876-22/2016-17 dated 17th March, 2017 in pursuance to SEBI Circular No SEBI/HO/MRD/DSA/CIR/P/2010/110 dated 10th October, 2016”*

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above and found that:-

- 1- *A Notice received from Registrar of Companies on 3rd October, 2016 for default in filling u/s 137/92/96 of the Companies Act, 2013. In response, the Company confirmed vide its letter dated 13th October, 2016 that the Company held its Annual General Meeting on 29th September, 2015 and adopted its Balance sheet and its annexure ended on 31st March, 2015.*
- 2- *The Company further confirmed that the form MGT-7 was filed on 25th October, 2016 and AOC – 4 XBRL was filed on 18th October, 2016 with additional fees.*

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(except where the shorter notice was applicable), and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

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 the Company had no events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc

For **AKHILESH & ASSOCIATES**

Sd/

(Akhilesh Kumar Jha)

Proprietor

FCS: 9031,CP: 18250

Place: Delhi

Date: 04/08/2017

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

"ANNEXURE A"

To,
The Member,
SMART CAPITAL SERVICES LIMITED
325, IIIrd Floor,
Aggarwal Plaza, Sector- 14,
Rohini, New Delhi- 110085

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **AKHILESH & ASSOCIATES**

Sd/-

(Akhilesh Kumar Jha)

Proprietor

FCS: 9031,CP: 18250

Place: Delhi

Date: 04/08/2017

Annexure-II

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION & OTHER DETAILS:

I	CIN	L74899DL1994PLC059877
II	Registration Date	28/06/1994
III	Name of the Company	Smart Capital Services Limited
IV	Category/Sub-category of the Company	Company Limited by shares
V	Address of the Registered office and contact details	325, IIIrd Floor, Aggarwal Plaza, Sector-14, Rohini, New Delhi-110085
VI	Whether listed Company	Yes
VII	Name, Address and Contact details of Registrar and Transfer Agent, if any:-	Skyline Financial Services Private Limited Address: D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Ph.: 011-64732681

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No	Name and Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1.	Trading of Fabrics	99612310	90.51%
2.	Commission Income	99715910	9.49%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
NOT APPLICABLE					

IV SHAREHOLDING PATTERN (Equity Share capital Break up as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year#
	Dema t	Physical	Total	% of Total Shares	Dema t	Physic al	Total	% of Total Shares #	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	569,800	569,800	12.66%	0	569,800	569,800	12.66%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	-	569,800	569,800	12.66%	0	569,800	569,800	12.66%	0.00%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	569,800	569,800	12.66%	0	569,800	569,800	12.66%	0.00%
B. Public Shareholding									
1. Institutions									

a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	764260	764260	16.98%	0	764260	764260	16.98%	1.09%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	3063010	3063010	68.05%	0	3063010	3063010	68.05%	0%
c) Others (HUF)	-	104100	104100	2.31%	0	104100	104100	2.31%	0%
Non Resident	-	-	-	0.00%	0	0	-	0.00%	0.00%

Indians									
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	-	3931370	3931370	87.34%	0	3931370	3931370	87.34%	0.00%
Total Public (B)	-	3931370	3931370	87.34%	0	3931370	3931370	87.34%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	-	4501170	4501170	100.00%	-	4501170	4501170	100.00%	0.00%

(ii) SHARE HOLDING OF PROMOTERS

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year#
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company#	% of Shares Pledged / encumbered to total shares	
1	Rohit Mittal	284900	6.33%	0	284900	6.33%	0	0%
2	Priyanka Mittal	284900	6.33%	0	284900	6.33%	0	0%
	Total	569800	12.66%	0	569800	12.66%	0	0%

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (please specify if there is no change)

There is no change in shareholdings of Promoters

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

SN	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Chandra Dhar Sharma				
	At the beginning of the year	142500	3.17%	142500	3.17%
	Shares acquired/sold	-	-	142500	3.17%
	At the end of the year	-	-	142500	3.17%
2	Dileep Kumar Agarwal				
	At the beginning of the year	142500	3.17%	142500	3.17%
	Shares acquired/sold	-	-	142500	3.17%
	At the end of the year	-	-	142500	3.17%
3	Mohini Devi				
	At the beginning of the year	133210	2.96%	133210	2.96%
	Shares acquired/sold	-	-	133210	2.96%
	At the end of the year	-	-	133210	2.96%
4	Manoj Kumar				
	At the beginning of the year	130000	2.89%	130000	2.89%
	Shares acquired/sold	-	-	130000	2.89%
	At the end of the year	-	-	130000	2.89%
5	Mukesh Kumar Jha				
	At the beginning of the year	130000	2.89%	130000	2.89%
	Shares acquired/sold	-	-	130000	2.89%
	At the end of the year	-	-	130000	2.89%
6	Sudesh Sabarwal				
	At the beginning of the year	129000	2.87%	129000	2.87%
	Shares acquired/sold	-	-	129000	2.87%
	At the end of the year	-	-	129000	2.87%
7	Ajay Kumar				
	At the beginning of the year	120000	2.67%	120000	2.67%
	Shares acquired/sold	-	-	120000	2.67%
	At the end of the year	-	-	120000	2.67%
8	Vinesh Kumar				
	At the beginning of the year	116500	2.59%	116500	2.59%
	Shares acquired/sold	-	-	116500	2.59%
	At the end of the year	-	-	116500	2.59%

9	Deepak Raj				
	At the beginning of the year	111600	2.48%	111600	2.48%
	Shares acquired/sold	-	-	111600	2.48%
	At the end of the year	-	-	111600	2.48%
10	Ajay Batra				
	At the beginning of the year	110000	2.44%	110000	2.44%
	Shares acquired/sold	-	-	110000	2.44%
	At the end of the year	-	-	110000	2.44%

(v) Shareholding of Directors and Key Managerial Personnel

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	ROHIT MITTAL				
	At the beginning of the year	284900	6.33%	284900	6.33%
	Shares acquired/sold	-	-	284900	6.33%
	At the end of the year			284900	6.33%

Except the above, no other directors or KMPs are holding any shares in the Company as on 31st March, 2017.

(vi) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	0.306	-	.306
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	.306	-	.306
Change in Indebtedness during the financial year				

* Addition	-	39.189	-	-
* Reduction	-	30.325	-	-
Net Change	-	8.864	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	9.00	-	9.00
ii) Interest due but not paid	-	0.17	-	0.17
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	9.17	-	9.17

(Vii) Remuneration of Directors and Key Managerial Personnel**a. Remuneration to Managing Director, Whole time Director and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount (Rs.)
		Mr. Harish Kumar	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax 1961 (Rs.)	Rs. 355,808/-	Rs. 355,808/-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 (Rs.)	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961(Rs.)	-	-
2	Stock option(Rs.)	-	-
	Sweat Equity	-	-
	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

b. Remuneration to Other Directors:

Sl. No.	Particulars of Remuneration					Total Amount
1	Independent Directors	Prakash Chand Jajoria	Hitesh Rai Makhija	Jitendra Kumar Agarwal	Vandana Gupta	

	(a) Fee for attending board committee meetings	18,000	14,000	4000	6000	42,000
	(b) Commission			-		-
	(c) Others, please specify			-		-
	Total (1)			-		-
2	Other Non Executive Directors			-		-
	(a) Fee for attending board committee meetings			-		-
	(b) Commission			-		-
	(c) Others, please specify.			-		-
	Total (2)			-		-
	Total (B)=(1+2)			-		-
	Total Managerial Remuneration			-		-
	Overall Ceiling as per the Act.	18,000	14,000	4000	6000	42,000

c. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		C.E.O	Company Secretary	CFO		
			Abhinav Dora	Ishant	Meena	
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	36000	44,344	12,00,000	12,80,344
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-		0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-		0	0	0
2	Stock Option	-		0	0	0
3	Sweat Equity	-		0	0	0
4	Commission as % of profit others, specify	-		0	0	0

5	Others, please specify	-		0	0	0
	Total	0	36000	44,344	12,00,000	12,80,344

Viii PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B. DIRECTORS					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment			N.A.	N.A.	N.A.
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.

**By the order of the Board of Directors of
Smart Capital Services Limited**

Date : 31/08/2017

Place: New Delhi

Sd/-
Pawan Kumar Mittal
Director
DIN: 00749265

Sd/-
Rohit Mittal
Director
DIN: 02527072

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENT

The past year has been a challenging year for our Industry with lots of ups and downs. In spite of the above, the industry has been able to maintain its steady performance during the year under review. The Fabrics/Textile Industry has played a key role in the country's progress over the years and the situation is likely to gain momentum in the times ahead. The Industry continues to hold a dominant position in country's economic structure because of its huge contribution towards employment generation.

The recovery of the fabrics industry seems to be round the corner as domestic demand is expected to pick up this year on account of improved economic sentiments. In spite of the adverse market conditions prevailing in various businesses in which the Company operates, the overall performance of the Company during the year has improved compared to that of the previous year.

Your Company's performance for the year 2016-17 has to be viewed in the context of aforesaid economic and market environment.

2. OPPORTUNITIES

There is confidence of a revival in global the economic outlook in the coming years though this view is not presently supported by economic fundamentals driven by higher economic growth in the advance economies and constrained by moderate growth in emerging markets.

A 'Make in India' campaign has been veiled by the Prime Minister. The 'Make in India' scheme also puts in place the systems to address in a timely manner queries of potential investors. At present, the Government of India allows 100% Foreign Direct Investment (FDI) under the automatic route in the textile sector, subject to all applicable regulations and laws, which effectively backs the 'Make in India' program for the textile and garment industry. Under the 'Make in India' initiative, investment opportunities for foreign companies and entrepreneurs are available across the entire value chain of synthetics, value-added and specialty fabrics, fabric processing set-ups for all kinds of natural and synthetic textiles, technical textiles, garments, and retail brands.

Changes in China's Textile Policy severely affected the country's export to that country. In spite of the above, we are of the firm opinion that the future of the Textile Industry is quite promising. We hope that with the recoveries in economies of U.S.A and European Union will propel the growth of the Textile Industry. Ever growing retailing sector and increased purchasing power of both urban and rural people, are still present in the economy and will lead to the growth of the Industry. The shifting of orders from China to India, due to various favorable factors will also help the Industry to increase its global share.

3. THREATS

Major threat faced by Smart Capital Services Limited would be circumstances of not being able to raise funds for its future business operations.

4. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE OF THE COMPANY

The Company is engaged in a single segment i.e trading of fabrics. Details of performance have been provided in this Directors' report.

5. OUTLOOK:

Smart Capital Services Limited expects to improve its performance in financial year 2017- 18 and hopes to grow at rate faster than the growth of bank credit. The approach would be to continue with the growth momentum while balancing risk.

6. RISK MANAGEMENT:

Risk Management is an integral part of our Company's business strategy. A dedicated team is a part of the management processes governed by the senior management team. This team reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyzes risk exposure related to specific issues and provides oversight of risk across the organization. The team nurtures a healthy and independent risk management function to avoid any kind of misappropriations in the Company. As part of the Risk Management framework, the management of Credit Risk, Market Risk, Operational Risk and Fraud Risk are placed under the Head – Risk. The Credit Risk management structure includes separate credit policies and procedures for various businesses. The risk policies define prudential limits, portfolio criteria, exceptional approval metrics, etc. and cover risk assessment for new product offerings. Concentration Risk is managed by analyzing counter-party, industry sector, geographical region, single borrower and borrower group. Retail Finance credit approval is based on product / programs and monitoring is primarily done at the portfolio level across products and programs. Causal analysis is carried out and corrective actions are implemented on key risk indicators. A Senior Management oversight committee meets periodically to review the operational risk profile of the organization. Fraud risks are mitigated through a fraud risk management team.

7. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficiency of the Company's internal controls, including its systems and processes and compliance with regulations and procedures. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company. The Company's internal control system is commensurate with the size, nature and operations of the Company.

8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED::

We recognize people as our most valuable asset and we have built an open, transparent and meritocratic culture to nurture this asset. Talent Management is a key people planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within our Organization. Attrition has been managed well and has been below industry benchmarks. Delta Industrial Resources Limited has kept a sharp focus on Employee Engagement. We follow 360 degree feedback to ensure the satisfaction of our people. We have a strong system of grievance handling too. No concern of our people goes without addressing. We strive for excellence by thriving on Delta Industrial Resources Limited's positivity. As on March 31, 2017, total number of employee on the pay roll of the Company is 3.

9. COMPLIANCE

The Company has complied and continues to comply with all the applicable regulations, circulars and guidelines issued by the Ministry of Corporate Affairs (MCA), Stock Exchange(s), Securities and Exchange Board of India (SEBI) etc.

The Company has complied with all applicable provisions of the Companies Act, 2013, Listing Agreement executed with the Stock Exchanges, SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and other applicable rules/regulations/guidelines issued from time to time

**By the order of the Board of Directors of
Smart Capital Services Limited**

Date: 31/08/2017

Place: New Delhi

Sd/-
Pawan Kumar Mittal
Director
DIN: 00749265

Sd/-
Rohit Mittal
Director
DIN: 02527072

INDEPENDENT AUDITOR'S REPORT

To the Members of

SMART CAPITAL SERVICES LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of **SMART CAPITAL SERVICES LIMITED**, which comprise the Balance Sheet as at 31st March, 2017 and 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 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 there under.

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 the 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 a 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 the adequate internal financial control system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:

- i. In case of the Balance Sheet, of the **state of affairs** of the company as at 31st March 2017;
- ii. In case of Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- iii. In case of Cash Flow Statement, of the **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 2016 (the Order), as amended, 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**, a statement on the matters specified in paragraphs 3 and 4 of the said Order.
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 the 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 the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The observation of financial transactions does not reveal any matter which has any adverse effect on the functioning of the company.
- g) With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure- B**.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations in its financial statements;
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses. However, company does not enter into any long-term contracts including derivative during the specified period;
 - iii) The Company is not required to transfer any amount to the Investor Education and Protection Fund.
 - iv) The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

Signed for the purpose of identification

FOR V.N. PUROHIT & CO.

Chartered Accountants

Firm Regn. No. 304040E

Sd/-

O.P. Pareek

Partner

Membership No. 014238

New Delhi, the 26th day of May 2017

ANNEXURE- A TO THE AUDITOR'S REPORT

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date to the members of **Smart Capital Services Limited** (the Company) for the year ended on 31st March 2017.

- (ii) (a) As per information and explanation given to us, the Company is maintaining proper records showing full disclosures of the fixed assets;
- (b) As per information and explanation given to us, physical verification of fixed assets has been conducted once in a year by the management and no material discrepancies were noticed during the course of verification;
- (c) According to information and explanation given to us, the title deeds of the immovable properties are held in the name of the company;
- (iii) As per information and explanation given to us, physical verification of inventory has been conducted once in a year by the management and no material discrepancies were noticed during the course of verification;
- (iv) According to information and explanations given to us, the Company has not granted unsecured loans to parties covered in register maintained under section 189 of the Companies Act, 2013 and hence provisions of this sub- clause are not applicable;
- (v) According to information and explanations given to us, the Company has complied with the provisions of Section 185 of the Companies Act, 2013. *However, the company has not passed special resolution of members in respect of loans, investments, guarantees and security given above the limit as prescribed under section 186 of the Companies Act, 2013 and accordingly has not complied with such provisions*
- (vi) According to information and explanations given to us, the Company has not accepted public deposits and the provision of section 73 to 76 or other relevant provisions of the Companies Act, 2013 and rules framed thereunder are not applicable to the Company;
- (vii) According to information and explanations given to us, the Company is not liable to maintain cost records as prescribed under section 148(1) of the Companies Act, 2013;
- (viii) (a) According to information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including income-tax and any other applicable statutory dues to the appropriate authorities and there are no outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable;
- (b) According to information and explanations given to us, there are no outstanding statutory dues on the part of Company which is not deposited on account of dispute;

- (ix) According to information and explanations given to us, the company has not obtained any loans and borrowings from any financial institution, bank, government or dues to debenture holders, and hence question of default of repayment does not arise;
- (x) According to information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer. The Company has not taken any term loans and hence question of its utilization does not arise;
- (xi) According to information and explanations given to us, there is no noticed or unreported fraud on or by the Company during the year under audit;
- (xii) According to information and explanations given to us, the Company has paid managerial remuneration in accordance with applicable provisions of the Companies Act, 2013;
- (xiii) As per information, the Company is not a Nidhi Company, hence provisions of sub- clause (xii) of the Paragraph 3 of the Order are not applicable;
- (xiv) According to information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards;
- (xv) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- (xvi) According to information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him;
- (xvii) According to information and explanations given to us, the Company is not a Non- Banking Financial Company and does not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Signed for the purpose of identification

FOR V.N. PUROHIT & CO.

Chartered Accountants

Firm Regn. No. 304040E

Sd/-

O. P. Pareek

Partner

Membership No. 014238

New Delhi, the 26th day of May 2017

ANNEXURE- B TO THE AUDITOR'S REPORT**Report on the Internal Financial Controls under Clause (i) of Sub- section (3) of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of **Smart Capital Services Limited**(the Company) as on 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for the Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that: -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and the receipt and expenditures of the Company are being only in accordance with authorisations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on "the internal financial controls over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

FOR V.N. PUROHIT & CO.

Chartered Accountants

Firm Regn. No. 304040E

Sd/-

O. P.Pareek

Partner

Membership No. 014238

New Delhi, the 26th day of May 2017

SMART CAPITAL SERVICES LIMITED**CIN: L74899DL1994PLC059877**

BALANCE SHEET AS AT 31ST MARCH 2017

	Notes	31st March 2017 (Rupees)	31st March 2016 (Rupees)
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Fund			
Share capital	2	45,011,700	45,011,700
Reserves and surplus	3	(38,359,353)	(38,511,894)
Non- Current Liabilities			
Long-Term borrowings	4	900,000	30,600
Deferred tax liability (net)		2,541	-
Current Liabilities			
Other Current Liabilities	5	-	6,698,108
Short term Provisions	6	-	6,600
Other Current Liabilities	7	205,387	203,900
Total		7,760,275	13,439,014
<u>ASSETS</u>			
Non- current assets			
Fixed Assets :-			
Tangible Assets	8	18,262	-
Long term loans and advances	9	6,700,000	-
Current Assets			
Trade Receivables	10	-	7,645,893
Cash and Cash Equivalents	11	448,484	5,749,391
Short Term Loans and advances	12	222,421	-
Other Current Assets	13	371,108	43,730
Total		7,760,275	13,439,014
Summary of significant accounting polices	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR V. N. Purohit & CO.
Chartered Accountants
Firm Regn. No. 304040E

For and on behalf of the Board of Directors of
Smart Capital Services Limited

Sd/-
O.P. Pareek
Partner
Membership No. 014238

sd/
Kiran Mittal
Director
DIN: 00749457

sd/
Pawan Kumar Mittal
Director
DIN: 00749265

New Delhi, the 26th day of May 2017

sd/
Meena
CFO
PAN: BTSPM8829F

sd/
Shyam Lal Sharma
Company secretary
PAN:ADSPL0029K

SMART CAPITAL SERVICES LIMITED

CIN: L74899DL1994PLC059877

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**1. SIGNIFICANT ACCOUNTING POLICIES****a. Basis of preparation of Financial Statements**

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles (Indian GAAP), including Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies not specifically referred, are consistently applied from the past accounting periods.

b. Investments

Current investments are carried at lower of cost and quoted/ fair value, computed category-wise. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

c. Inventories

Inventories if any are stated at Cost or Market Value, whichever is lower.

d. Revenue Recognition

Having regard to the size, nature and level of operation of the business, the company is applying accrual basis of accounting for recognition of income earned and expenses incurred in the normal course of business.

e. Tax Expenses

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

**For and on behalf of the Board of Directors of
Smart Capital Services Limited**

Sd/-
Kiran Mittal
Director
DIN: 00749457

Sd/-
Pawan Kumar Mittal
Director
DIN: 00749265

Sd/-
Meena
CFO
PAN:BTSPM8829F

Sd/-
Shyam Lal Sharma
Company Secretary
PAN: ADSPL0029K

SMART CAPITAL SERVICES LIMITED**CIN: L74899DL1994PLC059877**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

f. Fixed assets

Fixed Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Fixed Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of Fixed Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance

g. Depreciation

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. However, no Depreciation is being charged on asset depreciated upto 95% of its historical cost.

h. Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**For and on behalf of the Board of Directors of
Smart Capital Services Limited**

Sd/-
Kiran Mittal
Director
DIN: 00749457

Sd/-
Pawan Kumar Mittal
Director
DIN: 00749265

Sd/-
Meena
CFO
PAN:BTSPM8829F

Sd/-
Shyam Lal Sharma
Company Secretary
PAN: ADSPL0029K

SMART CAPITAL SERVICES LIMITED**CIN: L74899DL1994PLC059877****NOTES TO THE FINANCIAL STATEMENTS****2. Share Capital**

	As at 31st March 2017 (Rupees)	As at 31st March 2016 (Rupees)
Authorised Shares Capital		
55,00,000 (31 March 2016 : 55,00,000) Equity shares of Rs. 10/- each	55,000,000	55,000,000
Issued, Subscribed and Paid up Share Capital		
45,01,170(31 March 2016: 45,01,170) Equity shares of Rs.10/- each	45,011,700	45,011,700
Consideration received in cash		
Total issued, subscribed and fully paid- up share capital	45,011,700	45,011,700

a. Reconciliation of Shares outstanding at the beginning and at the end of reporting period

	As at 31st March 2017		As at 31st March 2016	
	No.	(Rupees)	No.	(Rupees)
Equity shares at the beginning of the period	4,501,170	45,011,700	4,501,170	45,011,700
Issued during the year	-	-	-	-
Outstanding at the end of the period	4,501,170	45,011,700	4,501,170	45,011,700

b. Terms and rights attached to equity shares

The company has issued only one class of equity share having a par value of Rs. 10 per share. Each holder of equity shares is entitled to vote per share. The company declares and pays dividend if any, in Indian Rupees. The dividend proposed by the Board

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all the preferential amount. The distribution will be in proportion to the number of equity shares

c. Details of shareholders holding more than 5% shares in the company

	As at 31st March 2017		As at 31st March 2016	
	Nos.	% holding	Nos.	% holding
Priyanka Jindal	284,900	6.33%	284,900	6.33%
Rohit Mittal	284,900	6.33%	284,900	6.33%

As per records, registers and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

3. Reserves and Surplus

	As at 31st March 2017 (Rupees)	As at 31st March 2016 (Rupees)
Surplus/(Deficit) in Statement of Profit and Loss		
Opening Balance	(38,511,894)	(24,669,204)
Add: Profit & Loss for the year	122,369	193,546
Add:- Excess provision for tax	30,172	-
Less: Balances written off	-	(14,036,236)
	(38,359,353)	(38,511,894)

4. Long term borrowings

	As at 31st March 2017 (Rupees)	As at 31st March 2016 (Rupees)
Loan From Related Parties (Unsecured)	900,000	30,600
	900,000	30,600

For and on behalf of the Board of Directors of
Smart Capital Services Limited

Sd/-
Kiran Mittal
Director
DIN: 00749457

Sd/-
Pawan Kumar Mittal
Director
DIN: 00749265

Sd/-
Meena
CFO
PAN: BTSPM8829F

Sd/-
Shyam Lal Sharma
Company secretary
PAN:ADSPL0029K

SMART CAPITAL SERVICES LIMITED

CIN: L74899DL1994PLC059877

NOTES TO THE FINANCIAL STATEMENTS

5. Other Current Liabilities	As at 31st March 2017	As at 31st March 2016
	(Rupees)	(Rupees)
Sundry Creditors	-	6,698,108
	<u>-</u>	<u>6,698,108</u>
6. Short term Provisions	As at 31st March 2017	As at 31st March 2016
	(Rupees)	(Rupees)
For Income tax (Net of Advances)	-	6,600
	<u>-</u>	<u>6,600</u>
7. Other Current Liabilities	As at 31st March 2017	As at 31st March 2016
	(Rupees)	(Rupees)
Audit Fees Payable	43,270	34,670
Salary Payable	123,909	90,000
TDS Payable	21,165	-
Interest payable	17,043	-
Other expenses payable	-	79,230
	<u>205,387</u>	<u>203,900</u>
9 Long term loans and advances	As at 31st March 2017	As at 31st March 2016
	(Rupees)	(Rupees)
<u>Unsecured, considered good</u>		
Recoverable in cash or in kind or value to be received		
Loans to Body Corporates	5,800,000	-
Loan to others	900,000	-
	<u>6,700,000</u>	<u>-</u>
10 Trade Receivables	As at 31st March 2017	As at 31st March 2016
	(Rupees)	(Rupees)
<u>Unsecured, considered good</u>		
Outstanding for period exceeding six months	-	6,926,793
Other Receivables	-	719,100
	<u>-</u>	<u>7,645,893</u>
11 Cash and Cash Equivalents	As at 31st March 2017	As at 31st March 2016
	(Rupees)	(Rupees)
Bank balance in current accounts	311,878	1,342,625
Cheque in hand	47,408	-
Cash in hand (as certified)	89,198	4,406,766
	<u>448,484</u>	<u>5,749,391</u>
12 Short term loans and advances	As at 31st March 2017	As at 31st March 2016
	(Rupees)	(Rupees)
Advance Income Tax (net of provision)	222,421	-
	<u>222,421</u>	<u>-</u>

For and on behalf of the Board of Directors of
Smart Capital Services Limited

Sd/-
Kiran Mittal
Director
DIN: 00749457

Sd/-
Pawan Kumar Mittal
Director
DIN: 00749265

Sd/-
Meena
CFO
PAN: BTSPM8829F

Sd/-
Shyam Lal Sharma
Company secretary
PAN: ADSPL0029K

SMART CAPITAL SERVICES LIMITED

CIN: L74899DL1994PLC059877

NOTES TO THE FINANCIAL STATEMENTS

13 Other Current Assets	As at 31st March 2017	As at 31st March 2016
	<u>(Rupees)</u>	<u>(Rupees)</u>
Prepaid Expenses	18,240	36,480
MAT Credit	4,282	7,250
Accrued interest on loan	348,362	-
Balance with revenue authorities	224	-
	<u>371,108</u>	<u>43,730</u>
14 Revenue from Operations	For the year ended	For the year ended
	31st March 2017	31st March 2016
	<u>(Rupees)</u>	<u>(Rupees)</u>
Sale of Handloom Cotton Fabrics	7,154,049	6,926,793
Commission income	750,000	799,000
	<u>7,904,049</u>	<u>7,725,793</u>
15 Other Income	For the year ended	For the year ended
	31st March 2017	31st March 2016
	<u>(Rupees)</u>	<u>(Rupees)</u>
Interest on loan	403,505	-
Interest on income tax refund	830	-
Miscellaneous Income	33,797	-
Consultancy fees	1,645,000	-
	<u>2,083,132</u>	<u>-</u>
16 Purchases	For the year ended	For the year ended
	31st March 2017	31st March 2016
	<u>(Rupees)</u>	<u>(Rupees)</u>
Purchase of Handloom Cotton Fabrics	6,912,534	6,698,378
	<u>6,912,534</u>	<u>6,698,378</u>
17 Changes in Inventories	For the year ended	For the year ended
	31st March 2017	31st March 2016
	<u>(Rupees)</u>	<u>(Rupees)</u>
Opening Stock of Shares and Securities	-	191,332
Closing Stock of Shares and Securities	-	-
Changes in Inventories	<u>-</u>	<u>191,332</u>
18 Employee Benefit Expenses	For the year ended	For the year ended
	31st March 2017	31st March 2016
	<u>(Rupees)</u>	<u>(Rupees)</u>
Director remuneration (Note 30)	1,760,302	90,000
Salaries & Wages	36,000	281,000
	<u>1,796,302</u>	<u>371,000</u>

For and on behalf of the Board of Directors of
Smart Capital Services Limited

Sd/-
Kiran Mittal
Director
DIN: 00749457

Sd/-
Pawan Kumar Mittal
Director
DIN: 00749265

Sd/-
Meena
CFO
PAN: BTSPM8829F

Sd/-
Shyam Lal Sharma
Company secretary
PAN: ADSPL0029K

SMART CAPITAL SERVICES LIMITED

CIN:L74899DL1994PLC059877

NOTES TO THE FINANCIAL STATEMENTS

19 Finance Cost

	For the year ended 31st March 2017 (Rupees)	For the year ended 31st March 2016 (Rupees)
Bank Charges	9,065	1067
Interest paid on loan	18,937	-
	28,002	1,067

20 Other Administrative Expenses

	For the year ended 31st March 2017 (Rupees)	For the year ended 31st March 2016 (Rupees)
Advertising Expenses	104,590	40,668
Auditor's Remuneration	44,000	24,610
Conveyance	3,175	14,400
Courier & Postage Expenses	6,112	1,130
Listing Fees	551,902	41,852
Legal & Professional Charges	291,000	25,800
Filing Fees	28,814	18,067
Misc. Expenses	996	277
Printing & Stationery	5,795	-
Telephone Expenses	9,312	2,275
Website Expenses	1,599	3,891
Freight & Cartage	15,500	11,000
	1,062,795	183,970

For and on behalf of the Board of Directors of
Smart Capital Services Limited

Sd/-
Kiran Mittal
Director
DIN: 00749457

Sd/-
Pawan Kumar Mittal
Director
DIN: 00749265

Sd/-
Meena
CFO
PAN: BTSPM8829F

Sd/-
Shyam Lal Sharma
Company secretary
PAN: ADSPL0029K

SMART CAPITAL SERVICES LIMITED**CIN: L74899DL1994PLC059877**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

21. There is no Micro, Small and Medium Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 to which Company owes dues which are outstanding for a period more than 45 days as on Balance Sheet Date.

The above information regarding Micro, Small and Medium Enterprises has been determined on the basis of information availed with the Company and has been duly relied by the auditors of the Company

22. Provisions of Accounting Standard (AS) – 17 on ‘Segment Reporting’ are not been applicable to the Company.
23. Disclosure of Specified Bank Notes pursuant to notification no. G.S.R 308(E) dated 30th March, 2017 :

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing Cash in Hand as on 8th November 2016	2,80,000	99,982	3,79,982
Add: Permitted Receipts	Nil	Nil	Nil
Less: Permitted Payments	Nil	3,500	3,500
Less: Amount Deposited in Banks	2,80,000	Nil	2,80,000
Closing Cash in Hand as on 30th December 2016	Nil	96,482	96,482

24. Necessary disclosures as per requirements of Accounting Standard (AS)- 18 on ‘Related Party Disclosure’ are made as under: -

(a) Related Parties Covered: -

(i)	Key Management Personnel	Mr. Harish Kumar (Managing Director) Ms. Pamela Wassan (Past Director) Mr. Pawan Kumar Mittal (Director) Ms. Kiran Mittal (Director) Mr. Rohit Mittal (Director) Mr. Prem Prakash Gandhi (Director) Ms. Meena (CFO) Mr. Ishant (Past Company Secretary)
-----	--------------------------	--

(ii)	Relatives of Key Management Personnel	None
(iii)	Enterprises owned or significantly influenced by Key Management Personnel or their Relatives	Gulmohar Investments and Holdings Limited Shree Worstex Limited

**For and on behalf of the Board of Directors of
Smart Capital Services Limited**

Sd/-
Kiran Mittal
Director
DIN: 00749457

Sd/-
Pawan Kumar Mittal
Director
DIN: 00749265

Sd/-
Meena
CFO
PAN:BTSPM8829F

Sd/-
Shyam Lal Sharma
Company Secretary
PAN: ADSPL0029K

SMART CAPITAL SERVICES LIMITED**CIN: L74899DL1994PLC059877**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(b) Transaction with Related Parties :-

	Transaction with	Nature of Transaction	31/03/2017 (Rs.)	31/03/2016 (Rs.)
(i)	Key Management Personnel: -			
	Mr. Harish Kumar	Remuneration	4,73,958	Nil
	Ms. Meena	Remuneration	12,00,000	90,000
	Mr. Ishant	Remuneration	44,344	Nil
(ii)	<u>Relatives of Key Management Personnel :-</u> None			
(iii)	<u>Enterprises in which Key Management Personnel and Relatives are having significant influences: -</u> None			

25. Balance shown under head Sundry Debtors, Creditors and Advances are subject to confirmation.

26. There are no outstanding balances which were outstanding since long time.

27. In the opinion of Board of Directors and to the best of their knowledge and belief, the realisable value of Current Assets, Loans and Advances would not be less than the amount at which they are stated in the Balance Sheet.

28.	Particulars	31/03/2017 (Rs.)	31/03/2016 (Rs.)
	Earnings/ Remittances and/ or Expenditure in Foreign Currency	Nil	Nil

29.	Particulars	31/03/2017 (Rs.)	31/03/2016 (Rs.)
	Contingent Liability provided for	Nil	Nil

**For and on behalf of the Board of Directors of
Smart Capital Services Limited**

Sd/-
Kiran Mittal
Director
DIN: 00749457

Sd/-
Pawan Kumar Mittal
Director
DIN: 00749265

Sd/-
Meena
CFO
PAN: BTSPM8829F

Sd/-
Shyam Lal Sharma
Company Secretary
PAN: ADSPL0029K

SMART CAPITAL SERVICES LIMITED**CIN: L74899DL1994PLC059877**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

30. Break-up of Payments made to Directors is disclosed as under:-

Transaction with	Nature of Transaction	31/03/2017 (Rs.)	31/03/2016 (Rs.)
Mr. Harish Kumar	Remuneration	4,73,958	Nil
Ms. Meena	Remuneration	12,00,000	90,000
Mr. Ishant	Remuneration	44,344	Nil
Mr. Prakash Chand Jajoria	Sitting Fee	18,000	Nil
Mr. Jitendra Kumar Agarwal	Sitting Fee	4,000	Nil
Ms. Vandana Gupta	Sitting Fee	6,000	Nil
Mr. Hitesh Rai Makhija	Sitting Fee	14,000	Nil
TOTAL		17,60,302	90,000

31. Previous Year's Figures have been re- arranged or re- grouped wherever considered necessary.

32. Figures have been rounded off to the nearest rupees.

33. Figures in brackets indicate negative (-) figures.

FOR V. N. Purohit & CO.**Chartered Accountants**

Firm Regn. No. 304040E

**For and on behalf of the Board of Directors of
Smart Capital Services Limited****Sd/-****Kiran Mittal**
Director
DIN: 00749457**Sd/-****Pawan Kumar Mittal**
Director
DIN: 00749265**Sd/-****O.P. Pareek**

Partner

Membership No. 014238

Sd/-**Meena**

CFO

PAN:BTSPM8829F

Sd/-**Shyam Lal Sharma**

Company Secretary

PAN: ADSPL0029K

New Delhi, the 26th day of May 2017

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name	
Address	
DP-ID/CLIENT-ID*	
Regd. Folio No.	
No. of shares held	
Whether the member is attending the meeting in person or by proxy or by authorized representative.	
Name of the proxy (to be filed in if proxy attends instead of the member).	

**Applicable for investors holding shares in Electronic form.*

I certify that I am a registered Shareholders/Proxy for the registered Shareholder of the Company. I/we hereby record my/our presence at the Annual General Meeting of the Company held on Tuesday, the 26th day of September, 2017 at 11:00 A.M., at the Registered Office of the Company situated at 325, IIIrd Floor, Aggarwal Plaza, Sector-14, Rohini, New Delhi-110085.

Signature of the Member/Proxy

(To be signed at the time of handing over the slip)

Form No. 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]

CIN: L74899DL1994PLC059877

Name of the Company: **Smart Capital Services Limited**

Venue of the Meeting: **325, IIIrd Floor, Aggarwal Plaza, Sector-14, Rohini, New Delhi-110085**

Date and Time: **26th September, 2017 at 11:00 A.M.**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name	
Address	
DP-ID/CLIENT-ID*	
Regd. Folio No.	
No. of shares held	

**Applicable for investors holding shares in Electronic form.*

I/We, being the member(s) of shares of the above named company, hereby appoint the following as my/our Proxy to attend vote (for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Tuesday, 26th September, 2017 at 11:00 A.M. at 325, IIIrd Floor, Aggarwal Plaza, Sector-14, Rohini, New Delhi-110085 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Name: _____
 Address: _____
 E-mail ID: _____
 Signature: _____, or failing him/her

2. Name: _____
 Address: _____
 E-mail ID: _____
 Signature: _____, or failing him/her

3. Name: _____
 Address: _____
 E-mail ID: _____
 Signature: _____, or failing him/her

** I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

S. No.	Resolutions	Number of shares held	For	Against
ORDINARY BUSINESS:				
1	Consideration of financial statements and the reports of the board of directors and auditor report for financial year ended 31st March,2017			
2.	Appointment of Mr. Pawan Kumar Mittal as a Director Liable To Retire By Rotation.			
3.	To ratify the appointment of Statutory Auditors of the Company.			
SPECIAL BUSINESS:				
4.	To appoint Ms. Priyanka Mittal (formerly			

	Priyanka Jindal) as a Director of the company.			
--	--	--	--	--

** This is optional. Please put a tick mark (✓) in the appropriate column against the resolutions indicated in the box. If a member leaves the “For” or “Against” column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write “Abstain” across the boxes against the Resolution.

Signature of shareholder

Affix One Rupee Revenue Stamp

Signature of Proxy holder(s)

Signed this Day of 2017

Note:

- a. 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.
- b. A Proxy need not be a member of the Company.
- c. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

Route Map to the AGM Venue

