



RAJENDRA CHAUHAN & CO.

Chartered Accountants

83, (IInd Floor), Shyam Lal Road, Darya Ganj, New Delhi-110002
Ph. : Off. : 91-11-43613161 Direct : 91-11-23268239 Mobile : +91-9810332111
E-mail : rcnco.delhi@gmail.com, ca.rajendrachauhan@gmail.com

Independent Auditor's Report

To the Members of SMC Comtrade Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **SMC Comtrade Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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



Information Other than the Financial Statements and Auditor's Report thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

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

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

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



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

Report on Other Legal and Regulatory Requirements


- 1 As required by the Companies (Auditor's Report) Order, 2020 ("hereinafter referred as the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in the paragraph 3 and 4 of the said order.
- 2 As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS 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 March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The company has not paid any remuneration to its directors during the year.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations, if any on its financial position in its financial statements.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses, and
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv) a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any



- other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The company has not declared any interim or final dividend.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

For Rajendra Chauhan & Co.
Chartered Accountants
Firm Registration No.: 013214N


Rajendra Chauhan
Partner
Membership No.: 089108



Place : New Delhi
Date : May 17th, 2023
UDIN : 23089108BGQLHD4313

Annexure - A to the Auditors' Report
Reg.: SMC Comtrade Limited

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March 2023, we report that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- (a) (A). The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Company has regular programme of physical verification of its Property, Plant & Equipment by which Property, Plant & Equipment are physically verified by rotation every year, so that all the assets are covered. In accordance with this programme, Property, Plant & Equipment verified during the year and no material discrepancies were noticed on such verification. In our opinion the periodicity of physical verification and procedure followed is reasonable having regard to size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and the record examined by us, the title deed in respect of immovable property is in the name of the company, and in case where the company is a lessee, the lease agreements are duly executed in favour of the company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including right of use assets) and Intangible Assets during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) (a) The Company has system to physically verify and to reconcile its inventories at reasonable intervals which in our opinion is reasonable having regard to the nature of business and its inventories. No discrepancy has been found on such physical verification.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during any point of time of the year under our audit, the company has not been sanctioned any working capital limit in excess of five crores in aggregate from any bank or financial institution, accordingly requirements of clause 3(ii)(a) are not applicable to the company.
- (iii) According to the information and explanation given to us, and on the basis of our examination of the records of the company, the Company has not made any investments, provided any guarantee, or security during the year under report. Further the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to



Companies, Firms, Limited Liability Partnerships or any other parties. During the year the company has granted unsecured demand loans to companies, however no loan has been granted to firms, limited liability partnership or to other parties, and we report as under:

- a) The Company has provided demand loans during the year, and details of which are given below:

Description	Aggregate amount granted during the year (Amount in thousands)	Balance outstanding as on 31.03.2023 (Amount in thousands)
i) To fellow subsidiaries	32607.43	32,607.43
ii) To Parent Company	7,52,254.43	NIL

- b) In our opinion, the terms and conditions of the granting of demand loans to companies, during the year are, prima facie, not prejudicial to the interest of the company.
- c) In respect of loans granted by the Company, we have been informed that the loans are repayable on demand and though the payment of interest has been stipulated and receipts of interest and principal as demanded are generally been regular as per stipulation.
- d) In respect of demand loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) No demand loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f) The company has not granted any secured or unsecured loans to promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.
- (iv) According to the information and explanation given to us, and on the basis of our examination of the records of the company, In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, wherever applicable with respect to the loans, investments, guarantee and security made. The company has not given any loan to its directors, hence provision of section 185 are not applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of section 73 to 76 of the Companies Act, 2013 and rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for business activities carried out by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is regular in depositing undisputed statutory dues including Good and Service tax, provident fund, employee state insurance, income-tax, sales tax, service tax, value added tax, duty of customs, duty of excise, value added tax and any other statutory dues, as applicable. As per our our examination of record, there is no arrear of outstanding statutory dues as on the last day of the financial year for more than six months from the date it becomes payable.



- (b) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, there are no amount of statutory dues in respect of Good and Service tax, provident fund, employee state insurance, income-tax, sales tax, service tax, value added tax, duty of customs, duty of excise, value added tax and any other statutory which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:-

Financial Year	Statue	Amount of demand in dispute	Forum under which disputed
2015-16	Value Added Tax	14,11,688/-	Assistant Commissioner commercial tax, Ahmedabad, Gujarat

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
 (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
 (c) In our opinion and according to the information and explanations given to us by the management, the company has not taken any term loans, accordingly clause 3(ix)(c) of the Order is not applicable.
 (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
 (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, joint ventures or associate companies, accordingly clause 3(ix)(e) of the Order is not applicable.
 (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, accordingly clause 3(ix)(f) of the order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (Including Debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
 (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made preferential allotment on right basis to its parent company and company has complied with provision of applicable sections of companies act 2013.No private placement of shares or fully or partly convertible debentures have been made during the year.



- (xi) (a) Based on examination of the books and records of the Company and according to the information and Explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) We have taken into consideration and observed that no whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in Note no. 33 of the financial statements as required by the applicable accounting standards.
- (xiv) Based on information and explanations provided to us, the requirements of having Internal audit system as required under sec 138 of The Companies Act, 2013 is not applicable to the company, Accordingly, clause 3(xiv) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, and based on the examination of records, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not conducting any non-banking financial activities therefore is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, accordingly the requirement of clause 3(xvi) (a) and (b) are not applicable to the company.
(b) The company is neither a Core Investment Company, nor has any other core Investment Company in its group, accordingly the requirement of clause 3(xvi) (c) and (d) are not applicable to the company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year, accordingly the requirement of clause 3(xvii) are not applicable to the company.
- (xviii) There is no resignation of the statutory auditors during the year, accordingly the requirement of clause 3(xviii) are not applicable to the company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a



period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) According to the information and explanations given and according to examination of records by us, there is no unspent amount of Corporate Social Responsibilities (CSR) under section 135 of The Companies Act, 2013, requires to be transferred to a fund specified in Schedule VII to the Companies Act, 2013. It is further stated that the provisions of sec 135 on Corporate Social Responsibilities (CSR) are not applicable to the company during the year.
- (xxi) According to the information and explanations given to us, the company does not have any of its subsidiary, and no accounts are being incorporated in the financial statement, accordingly, clauses 3(xxi) of the Order are not applicable.

For Rajendra Chauhan & Co.
Chartered Accountants
Firm Registration No.: 013214N



Rajendra Chauhan

Partner

Membership No.: 089108

Place : New Delhi

Date : May 17th, 2023

UDIN : 23089108BGQLHD4313



Annexure - B to the Auditors' Report
Reg.: SMC Comtrade Limited

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

We have audited the internal financial controls over financial reporting of SMC Comtrade Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company'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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.


Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Rajendra Chauhan & Co.
Chartered Accountants
Firm Registration No.: 013214N


Rajendra Chauhan
Partner
Membership No.: 089108



Place : New Delhi
Date : May 17th, 2023
UDIN : 23089108BGQLHD4313

SMC COMTRADE LIMITED

Balance Sheet

₹ in Thousands

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Assets			
Financial assets			
Cash and cash equivalents	2	4,511.26	569.29
Other bank balances	3	20.27	40.27
Receivables			
Trade receivables	4	775.34	50,926.81
Other receivables	5	4,943.07	6,423.32
Loans	6	32,607.44	-
Investments	7	3,500.00	26,632.23
Other financial assets	8	3.00	3.00
Non-financial assets			
Inventories	9	50,469.34	1,08,544.59
Current tax assets (net)	28	2,345.17	1,509.43
Deferred tax assets (net)	28	6,102.64	6,084.44
Property, plant and equipments	10	3,815.05	4,017.56
Other intangible assets	11	441.40	5.69
Intangible asset under development	11.1	185.00	-
Other non-financial assets	12	2,181.29	3,779.45
Total assets		1,11,900.27	2,08,536.08
Liabilities and equity			
Liabilities			
Financial liabilities			
Payables	13		
Trade payables			
- to micro and small enterprises		-	-
- to other than micro and small enterprises		2,494.62	465.05
Borrowings	14	7,701.76	1,41,277.59
Other financial liabilities	15	998.45	38,393.30
Non-financial liabilities			
Provisions	16	243.51	235.35
Other non-financial liabilities	17	86.81	334.95
Equity			
Equity share capital	18	95,000.00	25,000.00
Other equity		5,375.12	2,829.84
Total liabilities and equity		1,11,900.27	2,08,536.08

The accompanying notes form an integral part of the standalone financial statements.

In terms of our Audit Report of even date attached

For Rajendra Chauhan & Co.

Chartered Accountants

Firm Registration No.: 013214N


Rajendra Chauhan
Partner
Membership No.: 089108
UDIN:-23089108BGGQLHD4313



For and on behalf of the Board


D.K. Aggarwal
Director

(DIN : 00003215)


Himanshu Gupta
Director

(DIN : 03187614)

Place: New Delhi

Date: May 17, 2023



SMC COMTRADE LIMITED
Statement of Profit and Loss

₹ in Thousands

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Interest income	19	89.58	56.24
Net gain on proprietary trading	20	5,980.38	8,443.01
Total revenue from operations		6,069.96	8,499.25
Other income	21	5,214.69	3,314.21
Share in profit of LLP/Firm		-	3,235.92
Total income		11,284.65	15,049.38
Expenses			
Fees and commission expenses	22	299.03	194.96
Employee benefits expenses	23,30	1,933.08	1,420.84
Finance costs	24	3,305.72	4,313.90
Depreciation and amortisation	25	308.41	239.34
Impairment on financial instruments	26	8.40	0.76
Other expenses	27	2,043.84	4,618.15
Total expenses		7,898.48	10,787.95
Profit/(loss) before tax		3,386.17	4,261.43
Tax expense:			
Current tax	28	878.63	1,397.63
Deferred tax	28	(23.12)	261.99
Total tax expense		855.51	1,659.62
Profit/(loss) after tax		2,530.66	2,601.81
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset		19.54	-
Tax effect of items that will not be reclassified subsequently to profit and loss		(4.92)	-
Total other comprehensive income, net of tax		14.62	-
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		2,545.28	2,601.81
Earnings per equity share			
Basic & Diluted (Face value ₹ 10)	29	0.27	1.04

The accompanying notes form an integral part of the standalone financial statements.

In terms of our Audit Report of even date attached.

For Rajendra Chauhan & Co.

Chartered Accountants

Firm Registration No.: 013214N


Rajendra Chauhan

Partner

Membership No.: 089108

UDIN:-23089108BGQLHD4313



For and on behalf of the Board


D.K. Aggarwal

Director

(DIN : 00003215)



Himanshu Gupta

Director

(DIN : 03187614)



Place: New Delhi

Date: May 17, 2023

SMC COMTRADE LIMITED
Statement of Changes in Equity

A. Equity share capital (Refer note 18)

₹ in Thousands

Particulars	Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as on April 1, 2020	Changes in equity share capital during the period	Balance as at March 31, 2022
Equity share capital	25,000.00	-	-	-	25,000.00

₹ in Thousands

Particulars	Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as on April 1, 2021	Changes in equity share capital during the period	Balance as at March 31, 2023
Equity share capital	25,000.00	-	-	70,000.00	95,000.00

B. Other equity

₹ in Thousands

Particulars	Reserves & surplus		Other comprehensive income		Total
	Retained earnings		Remeasurement of the net defined benefit liability / asset	Tax effect of other component of equity	
Balance as of April 1, 2021		228.03	-	-	228.03
Changes in equity for the year ended March 31, 2021					
Profit for the year	2,601.81				2,601.81
Balance as of March 31, 2022	2,829.84				2,829.84
Balance as of April 1, 2022	2,829.84				2,829.84
Changes in equity for the year ended March 31, 2022					
Profit for the year	2,530.66				2,530.66
Other comprehensive income for the year			14.62		14.62
Balance as of March 31, 2023	5,360.50		14.62		5,375.12

Nature and purpose of reserves :

(A) Retained earnings

Retained earnings are the profits (after tax) that the company has earned till date, less any transfers to generate reserve, dividends or other distributions paid to shareholders.

In terms of our Audit Report of even date attached
For Rajendra Chauhan & Co.
Chartered Accountants
Firm Registration No.: 033214N

Rajendra Chauhan
Partner
Membership No.: 089108
UDIN: 230891088GQLHD4313



Place: New Delhi
Date: May 17, 2023

For and on behalf of the Board

O.K. Aggarwal
Director
(DIN: 00003215)

Himanshu Gupta
Director
(DIN: 03187614)



SMC COMTRADE LIMITED
Statement of cash flows

₹ in Thousands

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Cash flow from operating activities:		
Profit after tax	2,530.66	2,601.81
Adjustments to reconcile net profit to net cash provided by operating activities:		
Tax expense	855.51	1,659.62
Depreciation and amortization	308.41	239.34
Interest expense	3,305.72	4,313.90
Interest income other than from financing business	(2,376.60)	(866.21)
Allowance for impairment of trade receivables	8.40	0.76
Operating profit / (loss) before working capital changes	4,632.10	7,949.21
Changes in assets and liabilities		
Other bank balances	20.00	501.28
Trade receivables	50,143.07	(49,916.91)
Other receivables	1,480.25	(6,423.32)
Loans	(32,607.44)	8,407.29
Investments	23,132.23	(20,382.23)
Other financial assets	-	1,489.95
Inventories	58,075.25	(1,08,487.21)
Other non-financial assets	1,598.16	(1,522.00)
Trade payables	2,029.57	(5,524.02)
Other financial liabilities	(37,394.86)	37,995.52
Other non-financial liabilities	(248.15)	260.41
Provisions	22.78	62.65
Cash generated from / (used in) operations	70,882.96	(1,35,589.37)
Income taxes paid	(1,709.44)	(2,861.90)
Net cash generated from / (used in) operating activities	(A) 69,173.52	(1,38,451.27)
Cash flow from investing activities:		
Payments to acquire financial assets		
Expenditure on property, plant and equipment including intangible assets	(103.13)	(168.18)
Expenditure on intangible assets	(623.47)	-
Interest received	2,376.60	866.21
Net cash generating from / (used in) investing activities	(B) 1,650.00	698.03
Cash flow from financing activities:		
Payment of interest	(3,305.72)	(4,313.90)
Borrowings	(1,33,575.83)	1,41,277.59
Proceed from fresh issue of equity	70,000.00	-
Net cash generating from / (used in) financing activities	(C) (66,881.55)	1,36,963.69
Net increase / (decrease) in cash and cash equivalents	(A+B+C) 3,941.97	(789.55)
Cash and cash equivalents at the beginning	569.29	1,358.84
Cash and cash equivalents at the end (refer note 2)	4,511.26	569.29

Contd...



SMC COMTRADE LIMITED
Statement of cash flows

Notes :

1. Changes in liabilities arising from financing activities

₹ in Thousands

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Opening balance	1,41,277.59	-
Addition during the year	-	1,41,277.59
Repayments during the year	(1,33,575.83)	-
Closing balance	7,701.76	1,41,277.59

2. The above statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 notified u/s 133 of the Companies Act, 2013.
3. Figures in brackets indicate cash outflow.
4. The significant accounting policies and notes to the financial statement form an integral part of the financial statements.

In terms of our Audit Report of even date attached

For Rajendra Chauhan & Co.

Chartered Accountants

Firm Registration No.: 013214N


Rajendra Chauhan

Partner

Membership No.: 089108

UDIN:-23089108BGQLHD4313



For and on behalf of the Board



D.K. Aggarwal

Director

(DIN : 00003215)



Himanshu Gupta

Director

(DIN : 03187614)

Place: New Delhi

Date: May 17, 2023



1 Significant accounting policies and measurement basis

1.01 Company overview

SMC Comtrade Limited (CIN- U67120DL1997PLC188881) ("the company" or "SMC Comtrade"), a wholly owned subsidiary of SMC Global Securities Limited, is a limited liability company is domiciled in India incorporated in the year 1997 having its registered office at 11/68, Shanti Chambers Pusa Road New Delhi-110005. The company is engaged in business of proprietary trading of commodities.

1.02 Statement of compliance

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

1.03 Basis of preparation

These financial statements are prepared under the historical cost convention on the accrual basis except for certain assets and liabilities which are measured at fair value / amortised cost / transaction price as stated in respective accounting policies / notes.

The financial statements are presented in Indian Rupees rounded off in thousands to the nearest two decimal except otherwise stated.

The holding company is required to prepare its financial statements in accordance with Division III of Schedule III of the Companies Act, 2013, accordingly these financial statements are also prepared as per Division III of Schedule III of the Companies Act, 2013.

1.04 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.05 Income taxes

The income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognised in statement of profit and loss and the corresponding impact is taken to the current tax asset/ liability and deferred tax asset/liability respectively in balance sheet. The tax impact on the item of OCI are recognised in OCI.

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognised in the balance sheet as current income tax assets / liabilities.

Deferred tax is recognised based on the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.



1.06 Revenue recognition

The company derives its revenue primarily from the proprietary trading. The company follows Ind AS 115 Revenue from Contract with Customer, which prescribed the core principle to recognise revenue. This core principle is delivered in a five-step model framework:

- (a) Identify the contract(s) with a customer.
- (b) Identify the performance obligations in the contract.
- (c) Determine the transaction price
- (d) Allocate the transaction price to the performance obligations in the contract
- (e) Recognise revenue when (or as) the entity satisfies a performance obligation.

Based on the above principle the company recognises the revenue as follows:

(i) **Proprietary trading:** Ind AS 115 Revenue from Contract with Customer is not applicable on this business and hence the revenue is recognised as per Ind AS 109 Financial Instrument.

(ii) **Interest income:** Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

1.07 Inventories

The Company mainly have inventory of non-agri commodities, which is held for the purpose of trading. The Company follows Ind AS - 2 "Inventories" for valuation of inventory held in trade, accordingly, the company value its inventory held at fair market value less cost to sell.

1.08 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Cost includes taxes, duties, identifiable direct expenses, expense on installation and applicable net of GST credit thereon. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The company depreciates property, plant and equipment over their estimated useful lives on written down value method. The estimated useful lives of assets are as follows:

Building	60 years
Computer equipment	3-6 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8-10 years

The useful lives for these assets is in accordance with the useful lives as indicated under Part C of Schedule II of the Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed at each year end.

Addition to the, property plant and equipment have been accounted for on the date of installation and its use irrespective of date of invoice.

Depreciation on asset added/sold/discarded during the year is being provided on prorata basis from/upto the date on which such assets are added/sold/discarded.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in net profit in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.



1.09 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost includes taxes, duties, identifiable direct expenses, expense on installation and net of GST credit thereon. Intangible assets are amortized on a written down value basis, from the date that they are available for use. The rates used are as follows :

Computer software	40%
Trade mark logo	40%

1.10 Impairment of tangible , intangible assets and right of use assets

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment, intangible assets and right of use assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash generating Units ('CGUs'). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

1.11 Financial Instruments

(a) Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

(b) Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Advances, security deposits, rental deposits, cash and cash equivalents etc. are classified for measurement at amortised cost.

(ii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. All investment held for trading, derivative financial instruments are valued at fair value through profit and loss.

(iii) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(c) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(d) Impairment

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.



1.12 Foreign currency translations

The functional and presentation currency of the Company is Indian Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains / losses arising on settlement as also on translation of monetary items are recognised in the statement of profit and loss.

1.13 Employee benefits

(a) Defined contribution plans

Obligations for contributions to defined contribution plans (provident fund and employees state insurance) are recognized as a personnel expense in statement of profit or loss in the years during which services are rendered by employees.

(b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity scheme is a defined benefit plan and in accordance with Payment of Gratuity Act, 1972. As per the plan, employee is entitled to get 15 days of basic salary for each completed year of service with a condition of minimum tenure of 5 years subject to a maximum amount of INR 20.00 lakhs.

(c) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(d) Other long-term employee benefits

Liability for long service leave

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior years. Remeasurements are recognised in statement of profit or loss in the year in which they arise.

1.14 Borrowing costs

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

1.15 Cash and cash equivalents

Cash and cash equivalents comprises cash in hand, demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. Bank deposits having maturity more than 3 months have been classified as other bank balances.

1.16 Provision, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- (a) Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- (b) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are disclosed where an inflow of economic benefit is probable.



1.17 Statement of cash flows

Cash flows are reported using the indirect method where by the profit after tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

1.18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted-average number of equity shares outstanding during the year. The weighted-average number of equity shares outstanding during the year is adjusted for events including a bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted-average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.19 Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 vide notification no. G.S.R 242(E) dated 31st March 2023. Given below are the amendment made in brief and their possible impact on the financial statements of the company. The company will apply the amendments from 1 April 2023 being the effective date of the amendments:

Ind AS 1 – Presentation of Financial Statements:

The amendment changes words in paragraph 10, in item (e), for the words "significant accounting policies", the words "material accounting policy" information. Further it has been amended to focus more on material accounting policy and its disclosures in the financials. The company shall also disclose other policy information/notes that the management has applied in process of applying the policies and have significant effect on the financial Statements. Consequential amendment have been made in Ind AS 34 and Ind AS 107. The amendment is applicable for entities adopting Ind AS from 1 April 2023. As the company has already adopted Ind AS, there is no impact of this amendment on the company.

Ind AS 107-Financial Instruments Disclosures:

The amendments provide for disclosure of material accounting policy information and the measurement basis for the financial instruments. The amendment is applicable for modification / exchange of financial liabilities on or after 1 April 2022. The amendment has no impact on the financial statements of the company.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:

The amendment brings a change in the definition of change in accounting estimate from "A change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors" to "Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. Further changes has been made in the INDAS to streamline the same with the above change. The amendment has no impact on the financial statements of the company.

Ind AS 12– Income Tax:

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

At the beginning of the earliest comparative period presented, a deferred tax asset and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.



SMC COMTRADE LIMITED
Notes to financial statements

2	Cash and cash equivalents	₹ in Thousands	
		As at	
		March 31, 2023	March 31, 2022
Particulars			
At amortised cost			
	Cash in hand	72.25	53.82
Balances with banks			
	In current and deposit accounts	4,439.01	356.23
	Cheques in hand	-	159.24
	Total cash and cash equivalents	4,511.26	569.29

3	Other bank balances	₹ in Thousands	
		Total	
		March 31, 2023	March 31, 2022
Particulars			
At amortised cost			
	FDR Placed under lien with statutory authority	20.00	40.00
	Interest accrued but not due	0.27	0.27
	Total other bank balances	20.27	40.27

4	Trade receivables	₹ in Thousands	
		Total	
		March 31, 2023	March 31, 2022
Particulars			
At amortised cost			
	Unsecured considered good	775.85	50,927.57
	Unsecured credit impaired	25,156.18	25,147.53
	Less: Provision for impairment	(25,156.69)	(25,148.29)
	Total trade receivables	775.34	50,926.81

Trade receivables ageing schedule as on March 31, 2023						₹ in Thousands
Particulars	Outstanding for following periods from due date of payment / transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	775.85	-	-	-	-	775.85
Undisputed Trade receivables - considered credit impaired	-	-	8.65	400.00	466.81	875.46
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered credit impaired	-	-	-	-	24,280.72	24,280.72
	775.85	-	8.65	400.00	24,747.53	25,932.03
Less: Provision for impairment						(25,156.69)
						775.34



SMC COMTRADE LIMITED
Notes to financial statements

Trade receivables ageing schedule as on March 31, 2022

₹ in Thousands

Particulars	Outstanding for following periods from due date of payment / transaction					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables - considered good	50,927.57	-	-	-	-	50,927.57
Undisputed Trade receivables - considered credit impaired	-	-	400.00	-	466.81	866.81
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered credit impaired	-	-	-	-	24,280.72	24,280.72
	50,927.57	-	400.00	-	24,747.53	76,075.10
Less: Provision for impairment						(25,148.29)
						50,926.81

5 Other receivables

₹ in Thousands

Particulars	Total	
	March 31, 2023	March 31, 2022
At amortised cost		
Margin receivable from broker	4,753.73	6,237.46
Others	189.34	185.86
Total other receivables	4,943.07	6,423.32

6 Loans

₹ in Thousands

Particulars	Total	
	March 31, 2023	March 31, 2022
At amortised cost		
Unsecured		
Loans to related party*	32,607.44	-
Total loans	32,607.44	-
In India	32,607.44	-
Outside India	-	-

*Refer note 32.03



SMC COMTRADE LIMITED
Notes to financial statements

7 Investments	Particulars	₹ in Thousands	
		Total	
		March 31, 2023	March 31, 2022
Quoted			
Investments carried at fair value through profit & loss			
Held for trade			
Equity instruments		-	23,132.23
	A	-	23,132.228
Unquoted			
Investments carried at fair value through profit & loss			
*Equity instruments		3,500.00	3,500.00
	B	3,500.00	3,500.00
Total investments	(A+B)	3,500.00	26,632.23
In India:		3,500.00	26,632.23
Outside India		-	-

*Note:-The company has given its consent for merger of Investee Company, Petition filed before NCLT Delhi which is pending for its approval.

8 Other financial assets	Particulars	₹ in Thousands	
		As at	
		March 31, 2023	March 31, 2022
Interest accrued but not due		-	-
Security deposits		1,753.00	1,753.00
		1,753.00	1,753.00
Less: Provision for impairment		(1,750.00)	(1,750.00)
Total other financial assets		3.00	3.00
Financial assets carried at amortized cost		3.00	3.00

9 Inventories	Particulars	₹ in Thousands	
		As at	
		March 31, 2023	March 31, 2022
Commodities		50,469.34	1,08,544.59
Total inventories		50,469.34	1,08,544.59



SMC COMTRADE LIMITED
Notes to financial statements

12 Other non-financial assets	₹ in Thousands	
	Particulars	Total
		March 31, 2023
Prepaid expenses	40.07	108.47
Balances with revenue authorities	1,863.73	3,537.20
Advance payment to vendors for supply of goods	277.49	133.78
Total other non financial assets	2,181.29	3,779.45

13 Trade payables	₹ in Thousands	
	Particulars	Total
		March 31, 2023
At amortised cost		
Trade payables - Clients	-	77.42
Trade payables - Expenses	2,494.61	387.63
Total trade payables	2,494.61	465.06

Ageing schedule as at March 31, 2023					₹ in Thousands
Particulars	Outstanding for following periods from due date of payment /				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	-	-	-	-
Others	554.94	-	-	-	554.94
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	554.94	-	-	-	554.94
Accrued expenses					1,939.67
					2,494.61

Ageing schedule as at March 31, 2022					₹ in Thousands
Particulars	Outstanding for following periods from due date of payment /				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	-	-	-	-
Others	116.28	-	-	-	116.28
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	116.28	-	-	-	116.28
Accrued expenses					348.77
					465.05



SMC COMTRADE LIMITED
Notes to financial statements

14	Borrowings	₹ in Thousands	
		Total	
		March 31, 2023	March 31, 2022
	Particulars		
	Borrowings from related party*	7,701.76	1,41,277.59
	Total borrowings	7,701.76	1,41,277.59
	Borrowings in India	7,701.76	1,41,277.59
	Borrowings outside India	-	-
	* Refer note 32.03		
15	Other financial liabilities	₹ in Thousands	
		Total	
		March 31, 2023	March 31, 2022
	Particulars		
	Bank overdraft from banks	-	37,377.97
	Security deposits received	612.00	612.00
	Employee benefit payable	25.16	42.05
	Margin received from client	361.28	361.28
	Total other financial liabilities	998.45	38,393.30
	Financial liability carried at amortized cost	998.45	38,393.30
16	Provisions	₹ in Thousands	
		Total	
		March 31, 2023	March 31, 2022
	Particulars		
	Provision for employee benefits		
	Gratuity	186.78	188.37
	Leave Encashment	56.73	46.98
	Total provisions	243.51	235.35
17	Other non-financial liabilities	₹ in Thousands	
		Total	
		March 31, 2023	March 31, 2022
	Particulars		
	Withholding taxes and other taxes payable	66.94	334.95
	Others	19.87	-
	Total other non-financial liabilities	86.81	334.95



SMC COMTRADE LIMITED
Notes to financial statements

18 Equity share capital

18.01 Authorised issued and subscribed capital Particulars	₹ in Thousands	
	March 31, 2023	March 31, 2022
Authorised		
1,00,00,000 (P.Y: 1,00,00,000) equity shares of ₹ 10/- each	1,00,000.00	1,00,000.00
	1,00,000.00	1,00,000.00
Issued, Subscribed & Fully Paid up		
95,00,000 (P.Y: 25,00,000) equity shares of ₹ 10/- each	95,000.00	25,000.00
	95,000.00	25,000.00

18.02 Reconciliation of number of equity shares outstanding Particulars	(In numbers)	
	March 31, 2023	March 31, 2022
At the beginning of the year	25,00,000	25,00,000
Issued during the year	70,00,000	-
Buyback/forfeiture during the year	-	-
At the end of the year	95,00,000	25,00,000

The Company has only one class of Equity Shares having a par Value of ₹ 10 per share. 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 preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

18.03 Shares held by shareholders holding more than 5% shares Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% held	No. of Shares held	% held
SMC Global Securities Limited*	95,00,000	100.00	25,00,000	100.00

* Includes shares of nominee shareholders as beneficial interest has been transferred to SMC Global Securities Limited

18.04 Shareholding of Promoters Shares held by promoters as at March 31, 2023	No. of Shares % of total shares		% Change during the year
	Promoter Name		
SMC Global Securities Limited*	95,00,000	100.00%	0.00%

Shares held by promoters as at March 31, 2022	No. of Shares % of total shares		% Change during the year
	Promoter Name		
SMC Global Securities Limited*	25,00,000	100.00%	0.00%

* Includes shares of nominee shareholders as beneficial interest has been transferred to SMC Global Securities Limited



SMC COMTRADE LIMITED
Notes to financial statements

10 Property, plant and equipment					₹ in Thousands
Particular	Office Building	Computer equipment	Furniture and fixtures	Office equipment	Total
Opening gross carrying value as at April 1, 2021	7,425.26	83.43	162.72	28.70	7,700.11
Additions during the year	-	-	-	159.18	159.18
Deletions during the year	-	-	-	-	-
Closing gross carrying value as at March 31, 2022	7,425.26	83.43	162.72	187.88	7,859.29
Opening gross carrying value as at April 1, 2022	7,425.26	83.43	162.72	187.88	7,859.29
Additions during the year	-	38.22	-	64.91	103.13
Deletions during the year	-	-	-	-	-
Closing gross carrying value as at March 31, 2023	7,425.26	121.65	162.72	252.79	7,962.42
Opening accumulated depreciation as at April 1, 2021	3,347.16	82.66	147.45	28.43	3,605.70
Depreciation for the year	198.16	-	5.63	32.24	236.03
Accumulated depreciation on deletions	-	-	-	-	-
Closing accumulated depreciation as at March 31, 2022	3,545.32	82.66	153.08	60.67	3,841.73
Opening accumulated depreciation as at April 1, 2022	3,545.32	82.66	153.08	60.67	3,841.73
Depreciation for the year	172.68	21.60	3.55	107.81	305.64
Accumulated depreciation on deletions	-	-	-	-	-
Closing accumulated depreciation as at March 31, 2023	3,718.00	104.26	156.63	168.48	4,147.37
Carrying value as at March 31, 2022	3,879.94	0.77	9.64	127.21	4,017.56
Carrying value as at March 31, 2023	3,707.26	17.39	6.09	84.31	3,815.05

11 Other intangibles assets				₹ in Thousands
Particulars	Trademark	Computer Software	Total	
Opening gross carrying value as at April 1, 2021	-	-	-	
Additions during the year	9.00	-	9.00	
Deletions during the year	-	-	-	
Closing gross carrying value as at March 31, 2022	9.00	-	9.00	
Opening gross carrying value as at April 1, 2022	9.00	-	9.00	
Additions during the year	-	438.46	438.46	
Deletions during the year	-	-	-	
Closing gross carrying value as at March 31, 2022	9.00	438.46	447.46	
Opening accumulated amortization as at April 1, 2021	-	-	-	
Amortization for the year	3.31	-	3.31	
Accumulated amortization on deletions	-	-	-	
Closing accumulated amortization as at March 31, 2022	3.31	-	3.31	
Opening accumulated amortization as at April 1, 2022	3.31	-	3.31	
Amortization for the year	2.27	0.48	2.75	
Accumulated amortization on deletions	-	-	-	
Closing accumulated amortization as at March 31, 2023	5.58	0.48	6.06	
Carrying value as at March 31, 2021	5.69	-	5.69	
Carrying value as at March 31, 2022	3.42	437.98	441.40	

11.1 Intangible assets under development			₹ in Thousands
Particulars	As at		
	March 31, 2023	March 31, 2022	
Intangible assets under development	185.00	-	
Total intangible assets under development	185.00	-	



SMC COMTRADE LIMITED
Notes to financial statements

19	Interest income	₹ in Thousands	
		For the year ended	
		March 31, 2023	March 31, 2022
	Particulars		
	On financial assets measured at amortised cost		
	Interest on deposits with banks	0.54	15.14
	Other Interest income	89.04	41.10
	Total interest income	89.58	56.24
20	Net gain on proprietary trading	₹ in Thousands	
		For the year ended	
		March 31, 2023	March 31, 2022
	Particulars		
	Sales	17,30,305.45	12,31,217.53
	Closing Stock	50,469.34	1,31,676.82
		17,80,774.79	13,62,894.35
	Less/(Add):-		
	Opening Stock	1,31,676.82	57.38
	Purchases	16,58,710.27	13,32,873.02
	Direct Expenses	1,554.16	2,615.84
	Share Account	17,146.84	(18,905.11)
	Total net gain on proprietary trading	5,980.38	8,443.01
21	Other income	₹ in Thousands	
		For the year ended	
		March 31, 2023	March 31, 2022
	Particulars		
	Interest Income	2,376.60	866.21
	Liability no longer required	20.09	-
	Rent	2,448.00	2,448.00
	Miscellaneous Income	370.00	-
	Total other income	5,214.69	3,314.21
22	Fees and commission expenses	₹ in Thousands	
		For the year ended	
		March 31, 2023	March 31, 2022
	Particulars		
	Client introduction charges	25.90	19.44
	Exchange & other regulatory charges	273.13	175.52
	Total fees and commission expenses	299.03	194.96
23	Employee benefits expenses	₹ in Thousands	
		For the year ended	
		March 31, 2023	March 31, 2022
	Particulars		
	Salaries and incentives	1,815.18	1,309.95
	Staff welfare	68.04	34.44
	Contribution to provident and other funds	31.92	35.08
	Gratuity	17.94	41.37
	Total employee benefits expenses	1,933.08	1,420.84



SMC COMTRADE LIMITED
Notes to financial statements

24	Finance costs	₹ in Thousands	
		For the year ended	
		March 31, 2023	March 31, 2022
Particulars			
On financial liabilities measured at amortised cost			
	Interest-others	3,305.72	4,313.90
	Total finance costs	3,305.72	4,313.90
25	Depreciation and amortisation	₹ in Thousands	
		For the year ended	
		March 31, 2023	March 31, 2022
Particulars			
	Depreciation on tangible assets	307.93	236.03
	Amortisation of intangible assets	0.48	3.31
	Total depreciation and amortisation	308.41	239.34
26	Impairment on financial assets	₹ in Thousands	
		For the year ended	
		March 31, 2023	March 31, 2022
Particulars			
On financial assets measured at amortised cost/transaction price			
	Trade receivables	8.40	0.76
	Total impairment on financial assets	8.40	0.76
27	Other expenses	₹ in Thousands	
		For the year ended	
		March 31, 2023	March 31, 2022
Particulars			
	Advertisement and Publicity	(28.72)	5.70
	Business promotion	50.00	14.42
	Information Technology Expenses	153.12	498.59
	Conveyance & traveling expenses	265.99	81.05
	Insurance	189.26	44.05
	Legal & professional charges	352.18	299.32
	Bank charges	0.42	6.37
	Repair & Maintenance	46.94	99.22
	Printing and stationery	86.83	2.97
	Rent	97.09	157.09
	Membership fees & subscription	66.29	64.62
	Communication expenses	43.84	17.51
	Net loss on financial instruments at fair value through profit or loss		
	Realised loss	-	2,329.30
	Vehicle running & maintenance	260.26	184.67
	Rates & taxes	175.16	117.98
	Miscellaneous expenses	185.18	564.29
	Auditor's fees and expenses		
	as statutory auditor	75.00	50.00
	as tax auditor	25.00	25.00
	as fee for other services	-	56.00
	Total other expenses	2,043.84	4,618.15



28 Income Taxes

28.01 Income tax expense in the statement of profit and loss

Particulars	₹ in Thousands	
	For the year ended	
	March 31, 2023	March 31, 2022
Current tax expense		
For the year	878.63	-
Change in estimates relating to prior years	-	1,397.63
	<u>878.63</u>	<u>1,397.63</u>
Deferred tax charge/(benefit)		
Origination and reversal of temporary differences	(23.12)	261.99
Minimum alternate tax	-	-
	<u>(23.12)</u>	<u>261.99</u>
Total income tax expense	855.51	1,659.62

28.02 Reconciliation of the income tax expense to the amount computed by applying the statutory income tax rate to the profit before tax

Particulars	₹ in Thousands	
	For the year ended	
	March 31, 2023	March 31, 2022
Profit before income taxes	3,386.17	4,261.43
Enacted tax rates in India	25.168%	25.168%
Computed expected tax expense	852.23	1,072.52
Change in estimates relating to prior years	-	1,397.63
Non deductible permanent difference	3.28	3.89
Income exempt from tax	-	(814.41)
Income tax expense	855.51	1,659.62

The applicable Indian statutory tax rates for fiscal 2022 and fiscal 2021 is 25.168% and 25.168%, respectively.

28.03 Details of current tax assets and current tax liabilities

Particulars		₹ in Thousands	
		As at	
		March 31, 2023	March 31, 2022
Current tax assets pertaining to current year		1,796.68	1,332.35
Current tax liabilities pertaining to current year		(878.63)	-
Net current tax assets/ (liability) pertaining to current year	(A)	918.05	1,332.35
Current tax assets pertaining to previous years	(B)	1,427.12	177.08
Total current tax assets / (liability)	(A+B)	2,345.17	1,509.43



28.04 Movement in the deferred tax asset

Particulars	₹ in Thousands						
	Balance as on April 1, 2021	Recognised in profit or loss during 2021-22	Recognised in other comprehensive Income	Balance as on March 31, 2022	Recognised in profit or loss during 2022-23	Recognised in other comprehensive Income	Balance as on March 31, 2023
Employee benefits	43.47	15.77	-	59.24	2.05	-	61.29
ICDS		(1,176.18)		(1,176.18)	357.46		(818.72)
Provisions	440.44	-	-	440.44	-	-	440.44
Property and equipment and intangible asset	(494.75)	1.99	-	(492.76)	(5.28)	-	(498.04)
Provision for impairment on receivable from clients	6,329.37	-	-	6,329.37	2.11	-	6,331.48
Origination and reversal of temporary differences	6,318.53	(1,158.42)	-	5,160.11	356.34	-	5,516.45
Carried forward of tax losses and unabsorbed depreciation (Net of addition on account of tax losses)	27.90	896.43	-	924.33	(338.14)	-	586.19
Total	6,346.43	(261.99)	-	6,084.44	18.20	-	6,102.64

29 Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share

Particulars	₹ in Thousands except otherwise stated	
	For the year ended March 31, 2023	March 31, 2022
Profit attributable to equity share holders	2,530.66	2,601.81
Weighted average number of share out-standing during the year	95,00,000	25,00,000
Nominal Value per share (₹)	10.00	10.00
Basic & Diluted (₹)	0.27	1.04



30 Employee benefits

(a) Gratuity

30.01 Breakup of amount recognised in statement of profit and loss

Particulars	₹ in Thousands	
	For the year ended	
	March 31, 2023	March 31, 2022
Current service cost	17.94	41.37
Total expense recognized in the statement of profit and loss	17.94	41.37

30.02 Break up of amount recognised in the statement of other comprehensive income:

Particulars	₹ in thousands	
	For the year ended	
	March 31, 2023	March 31, 2022
Remeasurements of the net defined benefit liability/ (asset)	-	-
Opening amount recognised in OCI outside profit and loss account	-	-
Actuarial (gains) / losses	(19.54)	-
Closing amount recognised in OCI outside profit and loss account	(19.54)	-

30.03 Breakup of the amount recognised in balance sheet

Particulars	₹ in Thousands	
	As at	
	March 31, 2023	March 31, 2022
Present value of the obligation as at the end of the year	186.77	188.37
Fair value of plan assets as at the end of the year	-	-
Net liability recognised in balance sheet	186.77	188.37

30.04 Reconciliation of defined benefit obligation and plan asset

Particulars	₹ in Thousands	
	As at	
	March 31, 2023	March 31, 2022
Change in benefit obligations		
Present Value of the Obligation as at the beginning of the year	188.37	147.00
Current Service Cost	17.94	41.37
Actuarial (gain)/loss on obligations	(19.54)	-
Net Liability recognised in Balance Sheet	186.77	188.37

30.05 Sensitivity of significant assumptions used for DBO valuation*

	₹ in thousands	
	For the year ended	
	March 31, 2023	March 31, 2022
Effect on DBO due to 0.5% increase in discount rate	(1.53)	-
Effect on DBO due to 0.5% decrease in discount rate	1.63	-
Effect on DBO due to 0.5% increase in salary escalation rate	1.61	-
Effect on DBO due to 0.5% decrease in salary escalation rate	(1.52)	-

30.06 Maturity profile of defined benefit obligation*

	₹ in thousands	
	For the year ended	
	March 31, 2023	March 31, 2022
With in one year	154.27	-
One to five year	25.66	-
More than five year	89.11	-



SMC COMTRADE LIMITED
Notes to financial statements

30.07 Assumptions to determine the defined benefit obligations*

	As at March 31, 2023	As at March 31, 2022
Discount rate	7.10%	-
Salary Escalation Rate (p.a.)	8.50%	-

*The Last year comparative figures are not available as the company has made provision as per actuarial report first time from current year. Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by 50bps, keeping all other actuarial assumptions constant.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

(b) Compensated absences

30.08 Breakup of the amount recognised in balance sheet

Particulars	₹ in Thousands	
	As at	
	March 31, 2023	March 31, 2022
Present Value of the Obligation as at the end of the year	56.73	46.98
Net Liability recognised in Balance Sheet	56.73	46.98

30.09 Number of compensated leave absences outstanding

Particulars	As at	
	March 31, 2023	March 31, 2022
	Total leave balance (days)	66.60

The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

31 Contingent liabilities and commitments

31.01 Contingent liabilities not provided in the financial statements:

Amount of contingent liabilities not provided in the financial statements:

Particulars	₹ in Thousands	
	As at	
	March 31, 2023	March 31, 2022
VAT demand	1,563.89	1,563.89
Total amount paid under protest Rs. 152.20 Thousands (2022: 152.20 Thousands)		

31.02 Estimated amount of contracts remaining to be executed on capital accounts and not provided for : Nil (PY : Nil)



32 Financial Instruments

32.01 Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2023 were as follows: ₹ in Thousands

Particulars	Amortised cost	Financial assets/ liabilities carried at fair value through profit and loss	Total carrying value	Total fair value
Assets:				
Cash and cash equivalents	4,511.26	-	4,511.26	4,511.26
Other bank balances	20.27	-	20.27	20.27
Trade receivables	775.34	-	775.34	775.34
Other receivables	4,943.07	-	4,943.07	4,943.07
Investments	-	3,500.00	3,500.00	3,500.00
Other financial assets	3.00	-	3.00	3.00
Total	10,252.94	3,500.00	13,752.94	13,752.94
Liabilities:				
Trade payables	2,494.62	-	2,494.62	2,494.62
Borrowings	7,701.76	-	7,701.76	7,701.76
Other financial liabilities	998.45	-	998.45	998.45
Total	11,194.83	-	11,194.83	11,194.83

The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows: ₹ in Thousands

Particulars	Amortised cost	Financial assets/ liabilities carried at fair value through profit and loss Mandatorily required	Total carrying value	Total fair value
Assets:				
Cash and cash equivalents	569.29	-	569.29	569.29
Other bank balances	40.27	-	40.27	40.27
Trade receivables	50,926.81	-	50,926.81	50,926.81
Loans	6,423.32	-	6,423.32	6,423.32
Investments	-	26,632.23	26,632.23	26,632.23
Other financial assets	3.00	-	3.00	3.00
Total	57,962.69	26,632.23	84,594.92	84,594.92
Liabilities:				
Trade payables	465.05	-	465.05	465.05
Borrowings	1,41,277.59	-	1,41,277.59	1,41,277.59
Other financial liabilities	38,393.30	-	38,393.30	38,393.30
Total	1,80,135.95	-	1,80,135.95	1,80,135.95

32.02 Collateral

(A) Assets pledged as collateral

The company has pledged its certain assets as collateral for liabilities for the contingent liabilities. The below table set out the assets held as collateral:

₹ in Thousands

Particulars	As at	
	March 31, 2023	March 31, 2022
Assets:		
Other bank balance	20.00	40.00
Total	20.00	40.00

(B) Asset taken as collateral

The Company does not hold any collateral and other credit enhancements against certain of its credit exposures.



32.03 Fair value hierarchy

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2023:

Particulars	As at March 31, 2023	Fair value measurement at end of the reporting year using		
		₹ in Thousands		
		Level 1	Level 2	Level 3
Assets				
Investments				
Equity instruments	3,500.00	-	-	3,500.00

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022:

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting year using		
		₹ in Thousands		
		Level 1	Level 2	Level 3
Assets				
Investments				
Equity instruments	26,632.23	23,132.23	-	3,500.00

Valuation techniques used to determine fair value

Following valuation techniques has been used for fair valuation off the assets:

- (a) For Mutual Fund Investments net asset value (NAV) is used as the fair value of investment.
- (b) For Equity instrument quoted the market value is taken as the fair value.
- (c) For certain other assets discounted cash flow technique is used for fair valuation.

32.04 Financial risk management

Financial risk factors

This note presents the information about the Company's exposure to financial risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk,
- Liquidity risk, and
- Market risk

Financial Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Financial risk management within the Company is governed by policies and guidelines approved by the management. Company policies and guidelines cover areas such as cash management, investment of excess funds and raising of debt and are managed by segregated functions within the Company.

The Company's risk management policies and procedures are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees and stakeholders understand their roles and obligations.

Different types of risks arising from financial instruments as identified by the Company above have been explained below:



(i) Credit risk

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from clients, loan and advances, investments other than the quoted securities given. Credit risk in respect of quoted securities is expected to have a direct correlation with the quoted market prices and risk.

The Company is exposed to the risk that third parties that owe money or securities will not perform their obligations. Such third parties include clients and other financial intermediaries. These parties may default on their obligations owed to the Company due to insolvency, lack of liquidity, operational failure, government or other regulatory intervention or other reasons. Significant failures by third parties to timely perform their obligations owed could materially and adversely affect the Company's financial position, and ability to borrow in the credit markets and ability to operate the business.

For the risk management purposes, the Company considers and consolidates all elements of credit risk exposures such as individual obligator default risk, country and sector risk.

Credit Exposure:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particular	₹ in Thousands	
	As at	
	March 31, 2023	March 31, 2022
Trade receivables	775.34	50,926.81
Loans	32,607.44	-
Other financial assets	3.00	3.00
Total	33,385.78	50,929.81

The Company monitors all the receivables, investments other than quoted securities and other financial assets continuously, if there are any indicators of impairment on management assessment of these receivables, investments other than quoted securities and other financial assets, these are provided for. The Company uses ECL method of impairment and the prudential norms for income recognition for the purpose of impairment.

Following are the reconciliations of the provision for impairment of financial assets

Particular	₹ in Thousands					
	As at					
	March 31, 2023			March 31, 2022		
	Trade receivable	Other financial asset	Total	Trade receivable	Other financial asset	Total
Opening balance as at the beginning of the year	25,148.29	1,750.00	26,898.29	25,148.47	1,750.00	26,898.47
Addition during the year	8.40	-	8.40	0.76	-	0.76
Written off	-	-	-	(0.94)	-	(0.94)
Closing balance at the end of the year	25,156.69	1,750.00	26,906.70	25,148.29	1,750.00	26,898.29

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company require sufficient liquidity to meet their obligations. Individual companies are generally responsible for their own fund management, including the short-term investment of surpluses and the raising of loans to cover deficits from third parties/companies.

The Company's primary liquidity requirements are to finance the working capital needs, which are typically towards margin maintenance at various exchanges. The principal portion of the working capital requirement is utilized by:

- (a) payment towards purchase of various trading assets;
- (b) meeting expenses incurred for operations.

Management of liquidity risk

Working capital requirements fluctuate on a regular basis depending on the business requirements. The Company's approach to managing liquidity is to ensure, as far as possible to have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The company has given loans to group companies which is payable on demand, as such liquidity risk is adequately managed.



Maturity analysis for financial assets

March 31, 2023

₹ in Thousands

Particulars	Carrying amount	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
Assets:							
Cash and cash equivalents	4,511.26	4,511.26	-	-	-	-	-
Other bank balance	20.27	0.27	-	-	20.00	-	-
Trade receivables	775.34	775.34	-	-	-	-	-
Other receivable	4,943.07	4,943.07	-	-	-	-	-
Investments	3,500.00	3,500.00	-	-	-	-	-
Other financial assets	3.00	3.00	-	-	-	-	-
Total	13,752.94	13,732.94	-	-	20.00	-	-
Liabilities:							
Trade payables	2,494.62	2,494.62	-	-	-	-	-
Borrowings	7,701.76	-	7,701.76	-	-	-	-
Other financial liabilities	998.45	998.45	-	-	-	-	-
Total	11,194.83	3,493.07	7,701.76	-	-	-	-

March 31, 2022

₹ in Thousands

Particulars	Carrying amount	1-90 days	91-180 days	181-365 days	1-2 years	2-5 years	More than 5 years
Assets:							
Cash and cash equivalents	569.29	569.29	-	-	-	-	-
Other bank balance	40.27	0.27	-	-	40.00	-	-
Trade receivables	50,926.81	50,926.81	-	-	-	-	-
Other receivable	6,423.32	6,423.32	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Investments	26,632.23	26,632.23	-	-	-	-	-
Other financial assets	3.00	3.00	-	-	-	-	-
Total	84,594.92	84,554.92	-	-	40.00	-	-
Liabilities:							
Trade payables	465.05	465.05	-	-	-	-	-
Borrowings	1,41,277.59	-	-	1,41,277.59	-	-	-
Other financial liabilities	38,393.30	38,393.30	-	-	-	-	-
Total	1,80,135.94	38,858.35	-	1,41,277.59	-	-	-

(iii) Market risk

The Company participates in trading of commodities and investing in equity securities. These financial assets experience volatility due to economic growth levels, inflation, prices, interest rates, foreign exchange rates and other macro-economic factors. Any changes in market prices of these asset classes will affect the Company's income or the value of its holdings of financial instruments. The Company segregates its exposure to market risks between price risk, interest rate risk and

Management of market risks:

The objective of market risk management is to manage and minimize market risk exposures within acceptable parameters, while optimizing the return on risk. The Company's exposure to market risk is determined by a number of factors, including size, composition and diversification of positions held and market volatility.

(a) Price risk

The Company trades in commodity, those are exposed to market risk. All financial assets are measured at fair value. The Company manages market risk with central oversight, analysis and formation of risk policy, specific maximum risk levels to which the individual trader must adhere to and real time continuous monitoring by the senior management.

In respect of the proprietary positions, the Company is exposed to volatility in the price of the underlying commodities. Although, there is no inventory as on balance sheet date.

(b) Interest rate risk

Interest rate risk arises from movements in interest rates which could have effects on the Company's net income or financial position. Changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities. Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk relates to the investment in term deposits placed with banks and certain loans. Term deposits placed with banks are generally for short term on fixed interest rates. The company is exposed to interest rate risk but company does not hedge them specifically.

(c) Currency risk

The company neither operate internationally nor has any foreign currency exposure, as such the company is not exposed to currency risk.



SMC COMTRADE LIMITED
Notes to financial statements

Exposure

The table below sets out the assets and liabilities subject to price risk.

₹ in Thousands

Particular	As at	
	March 31, 2023	March 31, 2022
Assets subject to price risk		
Equity instrument fair value through profit and loss	-	23,132.23
Total	-	23,132.23

Sensitivity Analysis

Below table shows the sensitivity analysis for different financial instrument

₹ in Thousands except otherwise stated

Particular	Risk category	As at	As at	% change increase	% change decrease	For the year ended		For the year ended	
		March 31, 2023	March 31, 2022			March 31, 2023	March 31, 2022	Impact on profit before tax due to increase in parameter	Impact on profit before tax decrease in parameter
Investment in equity other than fair value through profit and loss	Price risk	-	23,132.23	5%	5%	-	-	1,156.61	(1,156.61)



33 Related Party Disclosures

As per Ind AS 24, the disclosures of transactions with related parties are given below :

33.01 List of related parties where control exists and also other related parties with whom transactions have taken place and relationships :

Sr. No.	Name of Related Party	Relationship
1	SMC Global Securities Limited	Holding company
2	SMC Insurance Brokers Private Limited	Fellow subsidiary
3	SMC Comex International DMCC, Dubai	Fellow subsidiary
4	Moneywise Financial Services Private Limited	Fellow subsidiary
5	SMC Capitals Limited	Fellow subsidiary
6	Moneywise Finvest Limited	Fellow subsidiary
7	SMC Investment & Advisors Limited	Fellow subsidiary
8	SMC Global USA Inc	Fellow subsidiary
9	SMC Global IFSC Private Limited	Fellow subsidiary
10	SMC Real Estate Advisors Private Limited	Fellow subsidiary
11	SMC & IM Capitals Investment Manager LLP	Jointly controlled entity
12	Mr. Damodar Krishan Aggarwal	Director
13	Mr. Himanshu Gupta	Director
14	Ms. Nidhi Bansal (till 05.09.2022)	Director
15	Ms. Akashna Gupta (w.e.f 27.07.2022)	Additional Director

Note : Related party relationship is as identified by the company and relied upon by the auditors.

33.02 Disclosure of Transactions between the Company & Related Parties:-

₹ in Thousands

Sr. No.	Particulars of Transactions	Relationship	For the year ended	
			March 31, 2023	March 31, 2022
1	Interest received			
	SMC Global Securities Limited	Holding company	337.07	64.02
	SMC Real Estate Advisors (P) Ltd.	Fellow subsidiary	178.31	-
	Moneywise Financial Services (P) Ltd.	Fellow subsidiary	1,764.98	-
	SMC Investors and Advisors Ltd.	Fellow subsidiary	83.00	-
2	Interest paid			
	SMC Global Securities Limited	Holding company	3,073.06	4,298.45
	Moneywise Financial Services (P) Ltd.	Fellow subsidiary	160.20	-
	SMC Capitals Limited	Fellow subsidiary	68.63	-
3	Interest Income			
	SMC Global Securities Limited	Holding company	89.04	41.10
4	Equity Share Issued			
	SMC Global Securities Limited	Holding company	70,000.00	-
5	Rent Received			
	SMC Global Securities Limited	Holding company	2,448.00	2,448.00
6	Brokerage Paid			
	SMC Global Securities Limited	Holding company	263.51	231.97
7	Demat Charges paid			
	SMC Global Securities Limited	Holding company	1.50	-
8	Reimbursement of expenses paid			
	SMC Global Securities Limited	Holding company	180.23	164.00
9	Loans and advances given			
	SMC Real Estate Advisors (P) Ltd.	Fellow subsidiary	21,104.81	-
	SMC Investors and advisors Ltd.	Fellow subsidiary	11,502.62	-
	SMC Global Securities Limited	Holding company	7,52,254.43	-
10	Loans and advances recovered			
	SMC Global Securities Limited	Holding company	7,52,254.43	-
	Moneywise Financial Services (P) Ltd.	Fellow subsidiary	7,40,000.00	-



SMC COMTRADE LIMITED
Notes to financial statements

₹ in Thousands

Sr. No.	Particulars of Transactions	Relationship	For the year ended	
			March 31, 2023	March 31, 2022
10	Borrowing taken (Net)			
	SMC Global Securities Limited	Holding company	-	2,32,122.86
	SMC Capitals Limited	Fellow subsidiary	7,701.56	-
	Moneywise Financial Services (P) Ltd.	Fellow subsidiary	7,40,000.00	-
11	Borrowing repaid (net)			
	SMC Global Securities Limited	Holding company	1,41,277.59	82,437.98

33.03 **Balance outstanding**

Sr. No.	Particulars	Relationship	As at	
			March 31, 2023	March 31, 2022
1	Loans			
	SMC Real Estate Advisors (P) Ltd.	Fellow subsidiary	21,104.81	-
	SMC Investors and advisors Ltd.	Fellow subsidiary	11,502.62	-
2	Borrowing			
	SMC Global Securities Limited	Holding company	-	1,41,277.59
	SMC Capitals Limited	Fellow subsidiary	7,701.56	-
3	Trade receivables			
	SMC Global Securities Limited	Holding company	575.14	3,943.60
4	Other receivables			
	SMC Global Securities Limited	Holding company	4,753.73	6,237.46
5	Trade Payable			
	SMC Global Securities Limited	Holding company	1,582.89	-
	Moneywise Financial Services (P) Ltd.	Fellow subsidiary	7.74	-
6	Other Financial liabilities			
	SMC Global Securities Limited	Holding company	612.00	812.00

34 **Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006.**

The Company has sent letters to vendors to confirm whether they are covered under micro, small and medium enterprise development act 2006 as well as they have filed required memorandum with prescribed authority. Out of the letter sent to the party, no confirmation have been received till the date of finalisation of balance sheet. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

₹ in Thousands

Particulars	As at	
	March 31, 2023	March 31, 2022
The Principal amount remaining unpaid at the year end	-	-
The Interest amount remaining unpaid at the year end	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
The amount of interest accrued and remaining unpaid at the year end	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-

35 **Operating Segments**

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along industry classes and geographic segmentation of customers, industry being the primary segment. Secondary segmental reporting is performed on the basis of the geographical location of customers. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the note on significant accounting policies. As the holding company of the company reports the segments in the consolidated financial statements and there is not segment for the company hence no disclosure under Ind AS 108 is provided.



36 Additional regulatory information

- a Additional regulatory information/disclosures as required by general instructions to Division-III of Schedule III to the Companies Act, 2013 are furnished to the extent applicable to the Company.
- b Disclosure for loans and advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013)

Type of Borrower	₹ in Thousands			
	As at			
	March 31, 2023		March 31, 2022	
	Amount	% to total	Amount	% to total
Fellow Subsidiaries	32,607.44	100%	-	-
	32,607.44	100%	-	-

- c Additional regulatory information required under (WB) (xiv) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is not a NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.
- d Additional regulatory information required under (WB) (xi) of Division III of Schedule III amendment, disclosure of relationship with Struck off companies, is not applicable to the Company as there is no transaction and balance outstanding with any such company in financial year 2022-23 and 2021-22.
- e Corporate Social Responsibility: The company is not covered under section 135 of the Companies Act, 2013.
- f The company has not traded or invested in Crypto Currency or Virtual currency during the year.
- 37 Previous year figures have been regrouped / reclassified wherever necessary to confirm to the current year presentation in accordance with amendments in Schedule III to the Companies Act, 2013.

(Non-Ind AS Information)

37 Additional Regulatory disclosures

- i. During the year the company has not revalued its property, plant and Equipment.
- ii. During the year the company has not revalued its intangible assets.

ii. Intangible assets under development ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment / transaction				₹ in Thousands Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
	Website development project	-	185.00	-	

Intangible assets under development ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment / transaction				₹ in Thousands Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
	Website development project	-	-	-	

In terms of our Audit Report of even date attached
For Rajendra Chauhan & Co.
Chartered Accountants
Firm Registration No.: 013214N


Rajendra Chauhan
Partner
Membership No.: 089108
UDIN: 23089108BGLHD4313



Place: New Delhi
Membership No.: 089108

Place: New Delhi
Date: May 17, 2023

For and on behalf of the board


D.K. Aggarwal
Director
(DIN : 00003215)


Himanshu Gupta
Director
(DIN : 03187614)

