

FORM NO. MGT-7

[Pursuant to sub-Section(1) of section 92 of the Companies Act, 2013 and sub-rule (1) of rule 11of the Companies (Management and Administration) Rules, 2014]



Annual Return (other than OPCs and Small Companies)

Form language English Hindi

Refer the instruction kit for filing the form.

I. REGISTRATION AND OTHER DETAILS

(i) * Corporate Identification Number (CIN) of the company

U65910KL1996PLC010648

Pre-fill

Global Location Number (GLN) of the company

* Permanent Account Number (PAN) of the company

AADC52801F

(ii) (a) Name of the company

S M L FINANCE LIMITED

(b) Registered office address

EL/XV652KMC BETHANI COMPLEX
KUNNAMKULAM
THRISSUR
Kerala
680503

(c) *e-mail ID of the company

smlkkm@gmail.com

(d) *Telephone number with STD code

04885223007

(e) Website

www.smlfinance.com

(iii) Date of Incorporation

13/08/1996

(iv)	Type of the Company	Category of the Company	Sub-category of the Company
	Public Company	Company limited by shares	Indian Non-Government company

(v) Whether company is having share capital

Yes No

(vi) *Whether shares listed on recognized Stock Exchange(s)

Yes No

(b) CIN of the Registrar and Transfer Agent

U74140MH1998PLC366529

Pre-fill

Name of the Registrar and Transfer Agent

S K D C CONSULTANTS LIMITED

Registered office address of the Registrar and Transfer Agents

C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West),

(vii) *Financial year From date (DD/MM/YYYY) To date (DD/MM/YYYY)

(viii) *Whether Annual general meeting (AGM) held Yes No

(a) If yes, date of AGM

(b) Due date of AGM

(c) Whether any extension for AGM granted Yes No

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

*Number of business activities

S.No	Main Activity group code	Description of Main Activity group	Business Activity Code	Description of Business Activity	% of turnover of the company
1	K	Financial and insurance Service	K5	Financial and Credit leasing activities	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

*No. of Companies for which information is to be given

Pre-fill All

S.No	Name of the company	CIN / FCRN	Holding/ Subsidiary/Associate/ Joint Venture	% of shares held
1	VANCHINAD FINANCE PRIVATE	U65910KL1987PTC004722	Subsidiary	100

IV. SHARE CAPITAL, DEBENTURES AND OTHER SECURITIES OF THE COMPANY

(i) *SHARE CAPITAL

(a) Equity share capital

Particulars	Authorised capital	Issued capital	Subscribed capital	Paid up capital
Total number of equity shares	130,000	60,302	60,302	60,302
Total amount of equity shares (in Rupees)	130,000,000	60,302,000	60,302,000	60,302,000

Number of classes

Class of Shares	Authorised capital	Issued capital	Subscribed capital	Paid up capital
EQUITY				
Number of equity shares	130,000	60,302	60,302	60,302
Nominal value per share (in rupees)	1,000	1,000	1,000	1,000
Total amount of equity shares (in rupees)	130,000,000	60,302,000	60,302,000	60,302,000

(b) Preference share capital

Particulars	Authorised capital	Issued capital	Subscribed capital	Paid-up capital
Total number of preference shares	20,000	0	0	0
Total amount of preference shares (in rupees)	20,000,000	0	0	0

Number of classes

1

Class of shares	Authorised capital	Issued capital	Subscribed capital	Paid up capital
PREFERENCE SHARE				
Number of preference shares	20,000	0	0	0
Nominal value per share (in rupees)	1,000	1,000	1,000	1,000
Total amount of preference shares (in rupees)	20,000,000	0	0	0

(c) Unclassified share capital

Particulars	Authorised Capital
Total amount of unclassified shares	0

(d) Break-up of paid-up share capital

Class of shares	Number of shares			Total nominal amount	Total Paid-up amount	Total premium
	Physical	DEMAT	Total			
Equity shares						
At the beginning of the year	0	60,302	60302	60,302,000	60,302,000	
Increase during the year	0	0	0	0	0	0
i. Public Issues	0	0	0	0	0	0
ii. Rights issue	0	0	0	0	0	0
iii. Bonus issue	0	0	0	0	0	0
iv. Private Placement/ Preferential allotment	0	0	0	0	0	0

v. ESOPs	0	0	0	0	0	
vi. Sweat equity shares allotted	0	0	0	0	0	
vii. Conversion of Preference share	0	0	0	0	0	0
viii. Conversion of Debentures	0	0	0	0	0	0
ix. GDRs/ADRs	0	0	0	0	0	0
x. Others, specify				0	0	
NIL						
Decrease during the year	0	0	0	0	0	0
i. Buy-back of shares	0	0	0	0	0	0
ii. Shares forfeited	0	0	0	0	0	0
iii. Reduction of share capital	0	0	0	0	0	0
iv. Others, specify				0	0	
NIL						
At the end of the year	0	60,302	60302	60,302,000	60,302,000	

Preference shares

At the beginning of the year	0	0	0	0	0	
Increase during the year	0	0	0	0	0	0
i. Issues of shares	0	0	0	0	0	0
ii. Re-issue of forfeited shares	0	0	0	0	0	0
iii. Others, specify				0	0	
NIL						
Decrease during the year	0	0	0	0	0	0
i. Redemption of shares	0	0	0	0	0	0
ii. Shares forfeited	0	0	0	0	0	0
iii. Reduction of share capital	0	0	0	0	0	0
iv. Others, specify				0	0	
NIL						
At the end of the year	0	0	0	0	0	

ISIN of the equity shares of the company

(ii) Details of stock split/consolidation during the year (for each class of shares)

0

Class of shares		(i)	(ii)	(iii)
Before split / Consolidation	Number of shares			
	Face value per share			
After split / Consolidation	Number of shares			
	Face value per share			

(iii) Details of shares/Debentures Transfers since closure date of last financial year (or in the case of the first return at any time since the incorporation of the company) *

Nil

[Details being provided in a CD/Digital Media]

Yes No Not Applicable

Separate sheet attached for details of transfers

Yes No

Note: In case list of transfer exceeds 10, option for submission as a separate sheet attachment or submission in a CD/Digital Media may be shown.

Date of the previous annual general meeting		<input type="text"/>	
Date of registration of transfer (Date Month Year)		<input type="text"/>	
Type of transfer	<input type="text"/>	1 - Equity, 2- Preference Shares,3 - Debentures, 4 - Stock	
Number of Shares/ Debentures/ Units Transferred	<input type="text"/>	Amount per Share/ Debenture/Unit (in Rs.)	<input type="text"/>
Ledger Folio of Transferor		<input type="text"/>	
Transferor's Name	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Surname	middle name	first name
Ledger Folio of Transferee		<input type="text"/>	

Transferee's Name	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Surname	middle name	first name

Date of registration of transfer (Date Month Year)	<input type="text"/>
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Type of transfer	<input type="text"/>	1 - Equity, 2- Preference Shares,3 - Debentures, 4 - Stock
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Number of Shares/ Debentures/ Units Transferred	<input type="text"/>	Amount per Share/ Debenture/Unit (in Rs.)	<input type="text"/>
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Ledger Folio of Transferor	<input type="text"/>
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Transferor's Name	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Surname	middle name	first name

Ledger Folio of Transferee	<input type="text"/>
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Transferee's Name	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Surname	middle name	first name

(iv) *Debentures (Outstanding as at the end of financial year)

Particulars	Number of units	Nominal value per unit	Total value
Non-convertible debentures	632,562	1000	632,562,000
Partly convertible debentures	0	0	0
Fully convertible debentures	0	0	0
Total			632,562,000

Details of debentures

Class of debentures	Outstanding as at the beginning of the year	Increase during the year	Decrease during the year	Outstanding as at the end of the year
Non-convertible debentures	862,587,000	2,525,000	232,550,000	632,562,000
Partly convertible debentures	0	0	0	0
Fully convertible debentures	0	0	0	0

(v) Securities (other than shares and debentures)

0

Type of Securities	Number of Securities	Nominal Value of each Unit	Total Nominal Value	Paid up Value of each Unit	Total Paid up Value
Total					

V. *Turnover and net worth of the company (as defined in the Companies Act, 2013)

(i) Turnover

360,530,740

(ii) Net worth of the Company

542,956,395

VI. (a) *SHARE HOLDING PATTERN - Promoters

S. No.	Category	Equity		Preference	
		Number of shares	Percentage	Number of shares	Percentage
1.	Individual/Hindu Undivided Family				
	(i) Indian	60,302	100	0	
	(ii) Non-resident Indian (NRI)	0	0	0	
	(iii) Foreign national (other than NRI)	0	0	0	
2.	Government				
	(i) Central Government	0	0	0	
	(ii) State Government	0	0	0	
	(iii) Government companies	0	0	0	
3.	Insurance companies	0	0	0	
4.	Banks	0	0	0	
5.	Financial institutions	0	0	0	

6.	Foreign institutional investors	0	0	0	
7.	Mutual funds	0	0	0	
8.	Venture capital	0	0	0	
9.	Body corporate (not mentioned above)	0	0	0	
10.	Others	0	0	0	
	Total	60,302	100	0	0

Total number of shareholders (promoters)

7

(b) *SHARE HOLDING PATTERN - Public/Other than promoters

S. No.	Category	Equity		Preference	
		Number of shares	Percentage	Number of shares	Percentage
1.	Individual/Hindu Undivided Family				
	(i) Indian	0	0	0	
	(ii) Non-resident Indian (NRI)	0	0	0	
	(iii) Foreign national (other than NRI)	0	0	0	
2.	Government				
	(i) Central Government	0	0	0	
	(ii) State Government	0	0	0	
	(iii) Government companies	0	0	0	
3.	Insurance companies	0	0	0	
4.	Banks	0	0	0	
5.	Financial institutions	0	0	0	
6.	Foreign institutional investors	0	0	0	
7.	Mutual funds	0	0	0	
8.	Venture capital	0	0	0	
9.	Body corporate (not mentioned above)	0	0	0	
10.	Others	0	0	0	

	Total	0	0	0	0
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Total number of shareholders (other than promoters)

0

**Total number of shareholders (Promoters+Public/
Other than promoters)**

7

**VII. *NUMBER OF PROMOTERS, MEMBERS, DEBENTURE HOLDERS
(Details, Promoters, Members (other than promoters), Debenture holders)**

Details	At the beginning of the year	At the end of the year
Promoters	7	7
Members (other than promoters)	0	0
Debenture holders	5,093	3,860

VIII. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) *Composition of Board of Directors

Category	Number of directors at the beginning of the year		Number of directors at the end of the year		Percentage of shares held by directors as at the end of year	
	Executive	Non-executive	Executive	Non-executive	Executive	Non-executive
A. Promoter	1	2	2	2	28.74	2.51
B. Non-Promoter	1	3	1	3	0	0
(i) Non-Independent	1	1	1	1	0	0
(ii) Independent	0	2	0	2	0	0
C. Nominee Directors representing	0	0	0	0	0	0
(i) Banks & FIs	0	0	0	0	0	0
(ii) Investing institutions	0	0	0	0	0	0
(iii) Government	0	0	0	0	0	0
(iv) Small share holders	0	0	0	0	0	0
(v) Others	0	0	0	0	0	0
Total	2	5	3	5	28.74	2.51

Number of Directors and Key managerial personnel (who is not director) as on the financial year end date

10

(B) (i) *Details of directors and Key managerial personnel as on the closure of financial year

Name	DIN/PAN	Designation	Number of equity share(s) held	Date of cessation (after closure of financial year : If any)
CHUNGATH CHERU S	00074163	Director	1,208	
GRIGER CHERRY WIL	00145586	Managing Director	17,311	
CHERUVATHOOR KUF	00135500	Director	23	
SUSANNA ISAAC	03296118	Director	309	
JOJO JOSEPH NJEZHI	07538990	Director	0	
KOCHERIL ITTOP VAR	08291568	Director	0	
KADAPURAM MATHEV	08212342	Director	0	
ABIN M BEHANAN	08712671	Director	0	
SHAJAN ALOOR DEVA	BQKPS8714A	CFO	0	
NAVEENA P THAMPI	BCZPT7387M	Company Secretar	0	

(ii) Particulars of change in director(s) and Key managerial personnel during the year

2

Name	DIN/PAN	Designation at the beginning / during the financial year	Date of appointment/ change in designation/ cessation	Nature of change (Appointment/ Change in designation/ Cessation)
CHERUVATHOOR KUF	00135500	Director	31/12/2020	Appointment
ABIN M BEHANAN	08712671	Additional director	31/12/2020	Change in Designation

IX. MEETINGS OF MEMBERS/CLASS OF MEMBERS/BOARD/COMMITTEES OF THE BOARD OF DIRECTORS**A. MEMBERS/CLASS /REQUISITIONED/NCLT/COURT CONVENED MEETINGS**

Number of meetings held

1

Type of meeting	Date of meeting	Total Number of Members entitled to attend meeting	Attendance	
			Number of members attended	% of total shareholding
AGM	31/12/2020	7	6	99.98

B. BOARD MEETINGS

*Number of meetings held

4

S. No.	Date of meeting	Total Number of directors associated as on the date of meeting	Attendance	
			Number of directors attended	% of attendance
1	09/06/2020	7	7	100
2	29/09/2020	7	7	100
3	22/12/2020	7	6	85.71
4	16/03/2021	8	8	100

C. COMMITTEE MEETINGS

Number of meetings held

4

S. No.	Type of meeting	Date of meeting	Total Number of Members as on the date of the meeting	Attendance	
				Number of members attended	% of attendance
1	AUDIT COMM	09/06/2020	3	3	100
2	AUDIT COMM	22/12/2020	3	2	66.67
3	NOMINATION	22/12/2020	3	2	66.67
4	AUDIT COMM	16/03/2021	3	3	100

D. *ATTENDANCE OF DIRECTORS

S. No.	Name of the director	Board Meetings			Committee Meetings			Whether attended AGM held on
		Number of Meetings which director was entitled to attend	Number of Meetings attended	% of attendance	Number of Meetings which director was entitled to attend	Number of Meetings attended	% of attendance	30/09/2021
								(Y/N/NA)
1	CHUNGATH C	4	4	100	0	0	0	Yes
2	GRIGER CHE	4	4	100	4	4	100	Yes
3	CHERUVATH	1	1	100	0	0	0	Yes
4	SUSANNA ISA	4	4	100	0	0	0	Yes
5	JOJO JOSEPH	4	4	100	0	0	0	Yes
6	KOCHERIL IT	4	4	100	0	0	0	Yes
7	KADAPURAM	4	4	100	4	4	100	Yes
8	ABIN M BEHA	4	3	75	4	2	50	Yes

X. *REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL Nil

Number of Managing Director, Whole-time Directors and/or Manager whose remuneration details to be entered

1

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/ Sweat equity	Others	Total Amount
1	GRIGER CHERRY	Managing Director	900,000	0	0	0	900,000
	Total		900,000	0	0	0	900,000

Number of CEO, CFO and Company secretary whose remuneration details to be entered

2

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/ Sweat equity	Others	Total Amount
1	SHAJAN ALOOR D	CFO	539,196	0	0	0	539,196
2	NAVEENA P THAM	COMPANY SEC	640,459	0	0	0	640,459
	Total		1,179,655	0	0	0	1,179,655

Number of other directors whose remuneration details to be entered

3

S. No.	Name	Designation	Gross Salary	Commission	Stock Option/ Sweat equity	Others	Total Amount
1	SUSANNA ISAAC	DIRECTOR	570,000	0	0	0	570,000
2	JOJO JOSEPH NJE	DIRECTOR	1,200,000	0	0	0	1,200,000
3	CHERUVATHOOR	DIRECTOR	600,000	0	0	0	600,000
	Total		2,370,000	0	0	0	2,370,000

XI. MATTERS RELATED TO CERTIFICATION OF COMPLIANCES AND DISCLOSURES

* A. Whether the company has made compliances and disclosures in respect of applicable provisions of the Companies Act, 2013 during the year Yes No

B. If No, give reasons/observations

XII. PENALTY AND PUNISHMENT - DETAILS THEREOF(A) DETAILS OF PENALTIES / PUNISHMENT IMPOSED ON COMPANY/DIRECTORS /OFFICERS Nil

Name of the company/ directors/ officers	Name of the court/ concerned Authority	Date of Order	Name of the Act and section under which penalised / punished	Details of penalty/ punishment	Details of appeal (if any) including present status

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(B) DETAILS OF COMPOUNDING OF OFFENCES Nil

Name of the company/ directors/ officers	Name of the court/ concerned Authority	Date of Order	Name of the Act and section under which offence committed	Particulars of offence	Amount of compounding (in Rupees)

XIII. Whether complete list of shareholders, debenture holders has been enclosed as an attachment

Yes No

XIV. COMPLIANCE OF SUB-SECTION (2) OF SECTION 92, IN CASE OF LISTED COMPANIES

In case of a listed company or a company having paid up share capital of Ten Crore rupees or more or turnover of Fifty Crore rupees or more, details of company secretary in whole time practice certifying the annual return in Form MGT-8.

Name

Whether associate or fellow Associate Fellow

Certificate of practice number

I/We certify that:

- (a) The return states the facts, as they stood on the date of the closure of the financial year aforesaid correctly and adequately.
- (b) Unless otherwise expressly stated to the contrary elsewhere in this Return, the Company has complied with all the provisions of the Act during the financial year.

Declaration

I am Authorised by the Board of Directors of the company vide resolution no. .. dated

(DD/MM/YYYY) to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. I further declare that:

1. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the company.
2. All the required attachments have been completely and legibly attached to this form.

Note: Attention is also drawn to the provisions of Section 447, section 448 and 449 of the Companies Act, 2013 which provide for punishment for fraud, punishment for false statement and punishment for false evidence respectively.

To be digitally signed by

Director

DIN of the director

To be digitally signed by

Company Secretary

Company secretary in practice

Membership number

50675

Certificate of practice number

Attachments

1. List of share holders, debenture holders
2. Approval letter for extension of AGM;
3. Copy of MGT-8;
4. Optional Attachment(s), if any

Attach

Attach

Attach

Attach

List of attachments

Shareholders List-SML.pdf

Remove attachment

Modify

Check Form

Prescrutiny

Submit

This eForm has been taken on file maintained by the Registrar of Companies through electronic mode and on the basis of statement of correctness given by the company



ANNUAL REPORT FOR THE FY 2020-21

S M L FINANCE LIMITED
CIN: U65910KL1996PLC010648
Website - www.smlfinance.com

Registered Office:

**EL/XV652KMC, Bethani Complex, Thrissur Road,
Kunnamkulam, Thrissur - 680503
E-mail: smlkkm@gmail.com
Ph: 04885 - 214000**

Corporate Office:

**SML Building, Edappally,
Toll Junction, Ernakulam -682024
E-mail: info@smlfinance.com
Ph: 0484 254 0610**

S M L FINANCE LIMITED

BOARD OF DIRECTORS

Dr. Griger Cherry Williams (Managing Director)

Shri. Simon Cheru (Director)

Shri. Appumon C.K (Director)

Smt. Susanna Isaac (Director)

Shri. Jojo. N.J (Director)

Shri. K. I. Varghese (Director)

Adv. K. Mathews Mathai (Independent Director)

CA Abin M Behanan (Independent Director)

AUDITORS

Mr. Damodaran P Namboodiri
Chartered Accountant
2/280, Paravattathu Mana, East Kadungalloor
U C College P O, Aluva - 683 102

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SML FINANCE LIMITED

EL/ XV 652 KMC, Bethani Complex, Thrissur Road, Kunnankulam, Thrissur, Kerala - 680503

CIN: U65910KL1996PLC010648

Email – smlkkm@gmail.com, Website – www.smlfinance.com

Telephone No: 04885 - 214000

NOTICE OF THE 25TH ANNUAL GENERAL MEETING

To

All Members, Directors and Auditors

Notice is hereby given that the 25th Annual General Meeting of the members of **SML FINANCE LIMITED** will be held at the registered office of the company at EL/ XV 652 KMC, Bethani Complex, Thrissur Road, Kunnankulam, Thrissur, Kerala - 680503 on Thursday, 30th September, 2021, at 9.30 AM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the standalone and consolidated audited Balance Sheet as at 31st March 2021 and Profit and Loss Statement and Cash Flow Statement for the year ended as on that date, together with Auditor's Report and Directors Report thereon.
2. To appoint a director in place of Mrs. Susanna Isaac who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a director in place of and Mr. Chungath Cheru Simon, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

4. Issue and allotment of Non-Convertible Debentures on private placement basis

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 42, 71 and other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any amendment, modification, variation or re-enactment to any of the forgoing), and applicable circulars issued by Reserve Bank of India, and in compliance with other applicable rules, regulations and guidelines issued by any authority and the provisions of the Memorandum and Articles of Association of the Company, approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), for making offer(s) or invitation(s) to subscribe to secured/ Unsecured redeemable Non-Convertible Debentures ('NCDs'), and allot NCDs on a private placement basis not exceeding the stipulated limit of subscribers in one or more tranches, for a period of one year, within the overall outstanding borrowing limits of the Company (hereinafter referred to as 'Debenture issue')".

"RESOLVED FURTHER THAT, for the purpose of giving effect to the foregoing resolution, the Board be and is hereby authorized to determine the terms of the issue including the class of investors to whom such NCDs are to be issued, time, total amount to be raised by issuance of NCDs, NCDs to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium/ discount, prepare offer letters, allotment of securities to successful allottees, to create securities in favour of one or more Trustees and to do all such acts, deeds, filings, matters and things and execute all such deeds, documents, instruments and writings as may be required, with powers on behalf of the Company, to

settle all questions, difficulties or doubts that may arise in this regard as the Board of Directors may in its sole and absolute discretion deems fit and delegate all or any of its powers herein conferred to any Director(s) and/ or officer(s) of the Company, if required, as it may in its absolute discretion deem it necessary or desirable.”

For and on behalf of the Board of
SML FINANCE LIMITED

Dr. Griger Cherry Williams
Managing Director

(DIN: 00145586,

Address: Chungath House,
Guruvayur Road P.O., Kunnamkulam
Thrissur, Kerala - 680503))

Date: 07/09/2021

Place: Ernakulam

Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. A person can act as a proxy on behalf of the members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the company. However, a member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.**
2. **For appointing the proxy the enclosed proxy form duly filled, stamped and signed must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
3. Members/Proxies should bring the Attendance Slip sent herewith, duly filled in and signed and hand over the same at the entrance of the hall for attending the meeting.
4. Members are requested to notify immediately any change in their address including e-mail address to the Registered Office of the Company.
5. Relevancy of question and the order of speakers will be decided by the Chairman. Members are requested to forward in writing to the Company any question on the Accounts, so as to reach the Registered Office one week before the date of the Annual General Meeting.

As per the requirement of Secretarial Standard 2, the following information relating to the director to be re-appointed as contained in Item No. 2 and 3

Particulars	Information	
Name	Susanna Isaac	Chungath Cheru Simon
Age	34	58
Qualification	Graduation	Under Graduation
Experience	More than 11 years of Experience in NBFC business activities and other related matters.	25years of experience of around in NBFC business activities and other related matters
Terms and conditions of appointment	As per the Resolution at Item No. 2	As per the Resolution at Item No. 3

Remuneration sought to be paid	Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) per month	-
Remuneration Last drawn	Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) per month	-
Date of first appointment on Board	30/08/2010	05/11/1996
Shareholding in the company	309	1208
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Susanna Isaac (Wife)	-
Number of Meetings of the Board attended during the year	04/04	04/04
Other Directorships, Membership/ Chairmanship of Committees of other Boards	<ul style="list-style-type: none"> • Vanchinad Finance Private Limited - Director • Sangeeth Nidhi Limited-Director • Ayur Bethaniya LLP-Partner • GSV Print and Paper LLP-Partner • Bethaniya Clinic LLP-Partner 	<ul style="list-style-type: none"> • SML Finance Limited-Director • B R D Motors Limited-Director • B R D Car World Limited-Director • BRD Chits Limited- Director • BRD Kuries (India) Limited-Director

STATEMENT TO BE ANNEXED PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4: Issue and allotment of Non-Convertible Debentures on private placement basis

Meaning, Scope and Implication of Item of business:

Private Placement" means any offer of securities or invitation to subscribe securities to a select group of persons by a company (other than by way of public offer) through issue of a private placement offer letter and which satisfies the conditions specified in section 42 of the Companies Act, 2013. As per Section 42 of the Companies Act, 2013 and the rules, to issue non-convertible debentures in an year, under private placement basis, special resolution needs to be passed by the members in their general meeting once in an year, authorizing the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) to make such issue in one or more series as per the Companies Act, 2013.

As per the provisions of Section 42, 71 and all other applicable provisions of the Companies Act, 2013 and rules made thereunder, a company offering or making an invitation to subscribe secured redeemable Non-Convertible Debentures (NCDs) on a private placement basis is required to be obtained prior approval of members of the company by way of special resolution. Such special resolution would remain valid for a period of 01 (one) year from the date of passing such resolution, for all the offers or invitations for such NCDs to be made during the year.

NCDs issued on private Placement basis constitute an alternative source of borrowing for the company other than traditional borrowings from banks and financial institutions.

It is proposed to offer or invite subscription for NCDs on a private placement basis, in one or more tranches, within the overall outstanding borrowing limits of the company, as approved by the members, with an authority to the Board of Directors of the company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to determine the terms and conditions including the issue price of the NCDs, interest rate, repayment, security or otherwise as it may deem expedient and do all such acts, deeds, matters and things in connection

therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent, or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of the resolution. Accordingly, approval of the members is being sought by way of special resolution under section 42 and other applicable provisions, if any of the Act and its rules thereunder.

The board accordingly recommends the special resolution for the approval of members.

As required by section 102(1) of the Companies Act, 2013 none of the Director, Manager, Key managerial personnel and relatives of such Director, Manager and Key Managerial Personnel is interested in the above resolution.

The special business transacted at the meeting of the company does not relate to or affects any other company. So disclosure pursuant to Sec 102(2) (b) of the Companies Act, 2013 is not applicable.

For and on behalf of the Board of
SML FINANCE LIMITED

Date: 07/09/2021
Place: Ernakulam

Dr. Griger Cherry Williams
Managing Director
(DIN: 00145586,
Address: Chungath House,
Guruvayur Road P.O., Kunnamkulam
Thrissur, Kerala - 680503))

DIRECTORS' REPORT

**To,
The Members**

Your Directors are pleased to present the 25th Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended 31st March, 2021.

1. FINANCIAL RESULTS

(In Rupees)

Financial Highlights	For the Year Ending 31st March 2021	For the Year Ending 31st March 2020
Total Income	44,54,61,234	46,27,85,141
Total Expenditure (including Depreciation)	43,45,95,908	56,16,87,626
Profit/(Loss) before Tax	1,08,65,326	-9,89,02,484
Exceptional item	-	11,34,79,783
Tax (including deferred tax and tax related to Prior years)	26,62,280	6,16,86,548
Profit/(Loss) after Tax & Exceptional Item	82,03,046	-4,71,09,249
Surplus / (Deficit) carried to Balance Sheet	82,03,046	-4,71,09,249
Earnings per share	136.03	-781.22

The consolidated performance of S M L Finance Limited and its Wholly owned Subsidiary Vanchinad Finance Private Limited as per consolidated financial statements is as under:

(In Rupees)

Financial Highlights	For the Year Ending 31st March 2021	For the Year Ending 31st March 2020
Total Income	75,10,64,518	79,90,99,498
Total Expenditure (including Depreciation)	75,44,65,470	83,14,39,789
Profit/(Loss) before Tax	-34,00,952	-3,23,40,291
Exceptional item	-	11,34,79,783
Tax (including deferred tax and tax related to Prior years)	1,04,13,761	8,06,12,303
Profit/(Loss) after tax & Exceptional Item	-1,38,14,713	5,27,189
Earnings per share	-229.09	8.74

2. PERFORMANCE REVIEW

There was a decrease in total income from Rs. 46,27,85,141 to Rs. 44,54,61,234. The Company has incurred expenditure of Rs. 43,45,95,908 as compared to the previous year expenditure of Rs. 56,16,87,626. Performance of the company ended with a profit (PAT) of Rs. 82,03,046 compared to previous year loss of Rs. -4,71,09,249.

3. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of The Subsidiary Company: VANCHINAD FINANCE PRIVATE LIMITED (Wholly Owned Subsidiary)

(In Rupees)

Financial Highlights	For the Year Ending 31st March 2021	For the Year Ending 31st March 2020
Total Income	35,01,47,941	34,45,84,003
Total Expenditure (including Depreciation)	32,04,14,218	27,80,21,810
Profit/(Loss) before Tax	2,97,33,723	6,65,62,193
Tax (Including deferred tax)	77,51,481	1,89,25,755
Profit/(Loss) after tax	2,19,82,242	4,76,36,438
Surplus / (Deficit) carried to Balance Sheet	2,19,82,242	4,76,36,438

4. DIVIDEND

In view of the need to conserve the funds for plough back, the Directors feel it desirable not to recommend any Dividend on Equity Shares for the Financial Year.

5. CHANGE IN NATURE OF BUSINESS, IF ANY

There is no change in the nature of Business during the Financial Year 2020-21.

6. AMOUNTS TRANSFERRED TO RESERVES

During the year under review, the company has transferred Rs. 16.41 Lakhs out of the current year profit to the Statutory Reserve created u/s 45IC of RBI Act.

7. CHANGES IN SHARE CAPITAL DURING THE FINANCIAL YEAR, IF ANY

There was no change in the share capital of the company during the Financial Year 2020-21. As on date of this report, the Authorised share capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,30,000 equity shares of Rs. 1000/- each and 20,000 preference shares of Rs.1000/- each. The issued, subscribed and Paid up share capital of the Company as on the date of this report is Rs. 6,03,02,000/- (Rupees Six Crores Three Lakhs Two Thousand only) consisting of 60,302 equity shares of Rs. 1000/- each.

8. DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The Company has not issued any equity shares with differential rights during the financial year.

9. DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS

The Company has not issued any employee stock options during the financial year.

10. DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES

The Company has not issued any sweat equity shares during the financial year.

11. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER BALANCE SHEET DATE TILL THE DATE OF THIS REPORT

The company has diversified its business to outside kerala by opening 4 new branches in the State of Karnataka (Bangalore) for expanding the Gold Loan Business of the company. There were no other material changes or commitments affecting the financial position of the company after balance sheet date till the date of this report.

12. DIRECTORS

The Board of Directors of the Company is duly constituted and the present structure as on the date of this report is as follows:

Sl. No.	Name	Designation	Date of Appointment	DIN	Status-Resident / Non Resident	Category-Independent / Non Independent	Executive / Non Executive
1.	Griger Cherry Williams	Managing Director	30/09/2001	00145586	Resident	Non Independent	Executive
2.	Susanna Isaac	Director	30/08/2010	03296118	Resident	Non Independent	Non-Executive
3.	Chungath Cheru Simon	Director	05/11/1996	00074163	Resident	Non Independent	Non-Executive
4.	Jojo Joseph Njezhuvinkel	Director	04/08/2016	07538990	Resident	Non Independent	Non-Executive
5.	Kocheril Ittoop Varghese	Director	06/11/2018	08291568	Resident	Non Independent	Executive
6.	Cheruvathoor Kuriappan Appumon	Director	31/12/2020	00135500	Resident	Non Independent	Executive
7.	Kadapuram Mathews mathai	Independent Director	27/08/2018	08212342	Resident	Independent	Non-Executive
8.	Abin M Behanan	Independent Director	03/03/2020	08712671	Resident	Independent	Non-Executive

In accordance with the Companies Act 2013, Mrs. Susanna Isaac (DIN: 03296118), and Mr. Chungath Cheru Simon (DIN: 00074163) are liable to retire from office by rotation and are eligible for reappointment.

13. KEY MANAGERIAL PERSONNEL

The Company has complied with section 203 of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with regard to appointment of Key Managerial Personnel.

14. THE DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Name of Director	Position	Date of Appointment/Resignation/Change in Designation	DIN	Appointment/Resignation/Change in Designation
C.K. Appumon	Director	31/12/2020	00135500	Appointment
Abin M Behanan	Independent Director	31/12/2020	08712671	Change in Designation

15. NUMBER OF BOARD MEETINGS HELD AND THE DATE ON WHICH HELD

The Board of Directors had held Four Board meetings during the fiscal. The dates on which the meetings were held are as follows:

09/06/2020	29/09/2020	22/12/2020	16/03/2021
------------	------------	------------	------------

The maximum time gap between any two meetings was not more than 120 days.

16. ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS & LAST ANNUAL GENERAL MEETING:

	Attendance particulars	Shareholding in the
--	------------------------	---------------------

Name of the Director	Board meetings	last AGM (31.12.2020)	Company (Face value of Rs. 1000/- each)
			Equity Shares
Chungath Cheru Simon	04/04	Present	1,208
Griger Cherry Williams	04/04	Present	17,311
Susanna Isaac	04/04	Present	309
Jojo Joseph Njezhuvinkel	04/04	Present	-
Cheruvathoor Kuriappan Appumon	01/01	Present	23
Kadapuram Mathews mathai	04/04	Present	-
Kocheril Ittoop Varghese	04/04	Present	-
Abin M Behanan	03/04	Absent	

17. INDEPENDENT DIRECTORS & STATEMENT OF DECLARATION

The Company is covered under section 149 (4) of the Companies Act, 2013 and Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014. The company has 2 independent Directors as on the date of this report and obtained declaration of Independence from them.

18. WOMEN DIRECTOR

The Company is not covered under rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and hence it is not mandatory to appoint women director in the Board. However company has a women director in the Board.

19. NOMINATION AND REMUNERATION COMMITTEE & POLICY

The company is covered under section 178 (1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. Nomination and Remuneration Committee consist of following members;

- | | | |
|-------------------------------|---|---------------------------------|
| 1. Adv. K. Mathews Mathai | - | Chairman (Independent Director) |
| 2. CA Abin M Behanan | - | Member (Independent Director) |
| 3. Dr. Griger Cherry Williams | - | Member (Managing Director) |

During the Financial Year, 2020-21, meeting of Nomination and Remuneration Committee was held on 22/12/2020.

20. DETAILS OF THE REMUNERATION PAID TO EXECUTIVE DIRECTOR FOR THE YEAR

The aggregate of remuneration paid to the executive Directors for the Financial 2020-21 were as follows;

- | | | |
|-------------------------------|---|-----------------|
| 1. Dr. Griger Cherry Williams | - | Rs. 9,00,000/- |
| 2. Mr. Appumon C K | - | Rs. 6,00,000 /- |

21. REMUNERATION PAID TO NON EXECUTIVE DIRECTORS

The aggregate of salary and perquisites paid for the year ended 31st March, 2021 to the Non-Executive Directors of the Company were as follows:-

- | | | |
|---------------------------------|---|-----------------|
| 1. Mrs. Susanna Isaac | - | Rs. 5,70,000 /- |
| 2. Mr. Jojo Joseph Njezhuvinkel | - | Rs. 12,00,000/- |

22. AUDIT COMMITTEE

The Company is covered under section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014. Audit Committee of the Board consists of following members;

- | | | |
|-------------------------------|---|---------------------------------|
| 1. CA Abin M Behanan | - | Chairman (Independent Director) |
| 2. Adv. K Mathews Mathai | - | Member (Independent Director) |
| 3. Dr. Griger Cherry Williams | - | Member (Managing Director) |

During the Financial Year, 2020-21, meeting of Audit Committee was held on the following dates;

1. 09/06/2020
2. 22/12/2020
3. 16/03/2021

23. VIGIL MECHANISM

The company is not required to constitute a vigil mechanism pursuant to the provision of section 177 (9) of the companies Act, 2013 and Rules framed thereunder.

24. STAKEHOLDERS RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee consisting of Mrs. Susanna Isaac as Chairperson, Dr. Griger Cherry Williams, Mr. K I Varghese, Mr. Shajan A.D and Mr. Tony K.F as members is formed as per Section 178 of the Companies Act 2013.

The Committee reviews redressal of complaints from stake holders of the company including the shareholders and investors like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared Dividends, etc besides complaints from SEBI, Stock Exchanges, Court and various Investor forums. The Committee also oversees the performance of Registrar and Transfer Agents and recommend measures for overall improvement in the quality of investors services.

During the year under review, there were no complaints received and there were no outstanding complaints as on 31st March, 2021. No request for transfer was pending as on 31st March, 2021.

25. STATUTORY AUDITOR

Mr. Damodaran P, Chartered Accountant, appointed as the Statutory Auditor of the Company for a period of 5 years from the conclusion of the 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting.

26. AUDITORS REPORT

The Report of the Auditors of the Company and notes to accounts are self-explanatory except to the extent of qualifications as specified in **Addendum** as attached to the Directors' report.

27. COST AUDITORS

The Company is not required to appoint Cost Auditor under section 148 of the Companies Act, 2013.

28. MAINTENANCE OF COST RECORDS

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company.

28. SECRETARIAL AUDIT REPORT

The Company is not covered under section 204 of the Companies Act, 2013 and hence not required to annex Secretarial Audit Report.

29. DEPOSITS AND DEBENTURES

The Company has not accepted any deposits from public during the year. The details as required under Rule 8(5) of the Companies (Accounts) Rules, 2014 is provided below;

The Sub committee of Board of Directors in their meeting held on 30.04.2020 has allotted 2525 numbers of secured redeemable non convertible Debentures amounting to Rs.25,25,000/-.

Total outstanding debentures as on 31.03.2021 was Rs. 63,25,62,000 /- and total outstanding subordinated debt as on 31.03.2021 was Rs. 62,01,67,000/-.

30. LOANS, GUARANTEES AND INVESTMENTS.

The Company has neither granted any loans, secured or unsecured to companies, firms or other parties nor given guarantees or made investment within the meaning of Section 186 of the Companies Act, 2013 and rules made there under during the FY 2020-21. Details of total investments of the company are included in the Balance Sheet. The company had given Corporate

Guarantee amounting to Rs.20 crore to Syndicate Bank, Rs.19.5 Crore to State Bank of India and Rs.1.95 Crore to State Bank of India towards credit Facility availed by Vanchinad Finance Pvt Ltd.

31. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES.

During the FY 2020-21, no company become or ceased to be Subsidiary, Joint Venture or Associates of SML Finance Limited.

As required under Section 129 (3) of the Companies Act, 2013, the consolidated financial statements of the Company along with its subsidiaries is placed before the Annual General Meeting of the Company along with the Financial Statements of the Company.

Further as required under Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statement of Company's subsidiaries, associate companies and joint ventures are to be provided in Form AOC-1 and is set out as **Annexure I** attached hereto and forms part of this report.

32. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY TRANSACTIONS

The Company had entered into related party transactions during the financial year 2020-21. As per Section 134 (3) (h) of the Companies Act, 2013, the particulars of Contracts or Arrangements with related parties within the meaning of Section 188 is provided in the prescribed Form AOC-2 and forms part of this Report as **Annexure II**.

33. CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to carry CSR activities during the FY 2020-21.

34. EXTRACT OF ANNUAL RETURN

As required under Section 134(3A) of the Companies Act 2013, Annual Return under Section 92 in the prescribed form is published in the website of the company www.smlfinance.com .

35. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has constituted Internal Complaints Committee and during the Financial Year, there were no cases reported or filed regarding sexual harassment of women at workplace. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

36. FRAUD REPORTING

During the Financial Year, there were no cases regarding fraud and reported to the Board/Central Government.

37. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

No order has been passed by the Regulators/Courts/Tribunal, which affects the going concern status or Company's operations.

38. VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT

There was no voluntary revision of Financial Statements or Board's Report in respect of preceding three financial years.

39. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate internal control and process in place with respective Financial Statements, which provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial Statements. This Controls and processes are driven through various policies, procedures and certification. The processes and controls are reviewed periodically. The Company has a mechanism of testing the controls at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.

Report on the Internal Financial Control with Reference to the Financial Statements included in the Auditor's Report.

40. FORMAL ANNUAL EVALUATION

The Company is not covered under section 134 (3) (p) of the Companies Act, 2013 and Rule 8(4) of the Companies (Accounts) Rules, 2014 and hence the statement regarding manner adopted for formal annual evaluation is not mandatory. However company is doing formal annual evaluation of Board of Directors and senior management.

41. RISK MANAGEMENT

The Company recognizes the importance of risk management and towards this end, the Board of Directors had approved and adopted Risk Management Policy (the 'Policy') for implementation of risk management strategy. The board also constituted a Risk Management Committee for reviewing the systems used to manage, identify and assess risks faced by the Company viz., credit risk, operational risk, liquidity risk, governance risk, interest rate risk etc. For each risks identified in the process, corresponding controls are assessed and procedure are put in place for monitoring, mitigating and reporting risk on a periodic basis.

The following risk management activities were carried out during the financial year:

- A) Assessed and strengthened the Policy for further standardization of risk identification, assessment and governance of risks across the Company.
- B) Assessment of business momentum relative to competition and competitive position in key market segments.
- C) Regularly assessed progress on the execution of strategic decisions, progress on the growth of software enabled services, impact of automation, performance of subsidiary businesses and operating cost optimization.
- D) Regularly assessed the business environment including trend line of key external indicators and internal business indicators such as client concentration.
- E) Reviewed key operational risks and actions based on inputs from external assessments, internal audit findings and incidents. Reviewed operational risk areas including client service delivery and information security.
- F) Monitored key developments in the regulatory environment and its impact in operations of the Company.

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

Your company's operations do not involve large-scale use of energy. The disclosure of particulars under this head is not applicable as your Company operates in the service sector. Although your company is not large-scale energy user, it acknowledges, the concept conservation of energy. There were no foreign exchange earnings or outgo for the Company during the financial year.

43. UNSECURED LOAN FROM DIRECTORS

During the Financial year 2020-21, the Company has accepted unsecured loan from directors and their relatives. The Company had also obtained declarations from them, at the time of accepting money, specifying that the amount lend by them was not the fund acquired by borrowing or accepting loan or deposit from others. Details are given below;

Name of the Director/ Relative of Director	Loan outstanding as on 31.03.2020	Loan Accepted During the FY 2020-21	Loan Repaid During the FY 2020-21	Loan outstanding as on 31.03.2021
Susanna Isaac	17,56,000	34,33,000	45,86,000	603000
C. C. William Varghese	7,23,000	2,26,33,000	1,42,99,000	9057000
Mary Williams	41,15,000	38,97,000	77,50,000	262000

44. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance to the provisions of Section 134 (5) of the Companies Act, 2013 your Directors wish to confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts on a going concern basis; and
- (v) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

45. SECRETARIAL STANDARDS

Your directors wish to confirm that the applicable secretarial standards had been complied by the Company.

46. APPRECIATION

We take this opportunity to thank all regulators including the Reserve Bank of India, Registrar of Companies, Income Tax and GST authorities etc for their valuable guidelines and advice for the corporate compliance, Social responsibility and growth of the company. We also thank all the employees for their contribution to the growth and success of your Company. We would also like to thank bankers, stakeholders and business associates for their extended support during the year.

For and on behalf of the Board of
SML FINANCE LIMITED

Griger Cherry Williams
Managing Director
(DIN: 00145586)
Address: Chungath House, Guruvayur Road P.O.,
Kunnamkulam Thrissur, Kerala - 680503)

Kocheril Ittoop Varghese
Director
(DIN: 08291568)
Address: Flat No. West 127 Federal Park,
Vennala, Ernakulam, Kerala - 682028)

Place: Ernakulam
Date: 07.09.2021

ADDENDUM TO DIRECTORS' REPORT

Auditor's qualification -1

Basis for opinion

We draw your attention to Note no. 12 to the standalone financial statements. The Company has investment in Related Entities (unquoted equity shares) with a carrying value at cost of Rs. 3.58 Crores. According to information available and explanations obtained in respect of non-current investments (Long term investments) in related entities ("the parties") it has been observed from the perusal of the financial statements of these parties that the said parties have accumulated losses and their respective net worth have been substantially eroded. Further some of these parties have incurred net loss during the current year and previous year(s). Further there is a clear indication that there is a decline in the carrying amount of these investments which is other than temporary. Changes in business environment could have a significant impact on the valuation of these investments. As per AS-13 "Accounting for Investments" Para 17; if there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline. The company has not carried out the impairment test periodically. We have not been able to corroborate the Management's contention of realising the carrying value of its investments. Accordingly, we are unable to comment on the appropriateness of the carrying value of such investments and their consequential impact on the financial results and the financial position of the Company as at and for the year ended March 31 2021.

Company's reply to qualification 1

As the Equity Shares of BRD group of Companies were Unquoted, the shares were traded in Units. Each Unit comprise of total number of 5000 shares which includes shares of BRD Securities Limited, BRD Finance Limited and BRD Motors Limited in different proportions.

SML Finance has made investments in unquoted equity shares of BRD group of companies by purchasing the Units of Shares from different customers at different rates.

As the Shares were traded in Units of 5000 Shares as mentioned above, we humbly request you to consider the Investments in Shares of BRD group of Companies all together as a Single investment and Compare the total FMV with the Value of Investment made.

If thus considered, the total FMV of the total shares held by SML Finance Limited in BRD group of Companies will be more than amount invested by SML Finance in BRD group of Companies.

Auditor's qualification -2

Basis for opinion

Loans and advances to related parties amounting to Rs. 9.16 Crores represents the amount receivables from relatives of the Directors of the company. The amount represents the dues recoverable from related party consequent to the search and Honorable settlement commission order. As the balance is remaining outstanding without any recovery and also since no provision for interest is made by the company against the loans and advances to related parties, we are unable to comment upon the recoverability, if any.

Company's reply to qualification 2

There was a search by the Income Tax Department in the premises of SML Finance Limited and certain omissions and discrepancies were found out by them. In order to settle tax matter, the company had submitted application to the Settlement Commission in FY 2018-19.

The Settlement Commission has completed the proceedings vide its order under section 245(D)4 dated 24.06.2020. As the matter was concluded before the finalization of accounts for the year 2019-20, all the entries relating to the same was passed in books of accounts for FY 2019-20.

Out of the additional income declared before the Settlement commission Rs: 9.16 crores were advanced to Mr. C.C.William Verghese for meeting the cost of purchase of land which is over and above the value shown in the documents. These lands were offered as Collateral security for Credit facilities availed from banks by SML Finance Limited and its wholly owned subsidiary Vanchinad Finance Private Limited and hence the beneficiaries of these properties are SML Finance Limited & Vanchinad Finance Pvt Ltd. In FY 2021-2022 a substantial portion of this amount will be recouped by transfer of ownership of personal property of Mr. CC William Verghese to SML Finance Limited. This transfer of ownership is currently delayed due to a restriction imposed by the Court on transfer of Immovable property.

Auditor's qualification -3

Opinion - "Annexure B" To The Independent Auditors' Report

The company's ERP is not capable of calculating the NPA provisions along with automatic adjustment of interest reversal as mandated by RBI prudential norms and it requires manual intervention.

Company's reply to qualification 3

We are in the process of moving to a fully automated environment. Due to Covid-19 related issues delay in taking place in implementation.

For and on behalf of the Board of
SML FINANCE LIMITED

Griger Cherry Williams
Managing Director
(DIN: 00145586)
Address: Chungath House, Guruvayur Road P.O.,
Kunnamkulam Thrissur, Kerala - 680503)

Kocheril Ittoop Varghese
Director
(DIN: 08291568)
Address: Flat No. West 127 Federal Park,
Vennala, Ernakulam, Kerala - 682028)

Place: Ernakulam
Date: 07.09.2021

Form AOC-1

(Pursuant to first provision to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. and Cr)

Sl. No.	Particulars	Details
1	Name of the subsidiary	VANCHINAD FINANCE PRIVATE LIMITED
	The date since when subsidiary was acquired	31.05.2016
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A
	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A
	Share capital	22.00
	Reserves & surplus	9.71
	Total assets	146.54
	Total Liabilities	146.54
	Investments	0
	Turnover	33.10
	Profit before taxation	2.97
	Provision for taxation / deferred tax	0.77
	Profit after taxation	2.20
	Proposed Dividend	Nil
	% of shareholding	100%

For and on behalf of the Board of
SML FINANCE LIMITED

Griger Cherry Williams
Managing Director
(DIN: 00145586)
Address: Chungath House, Guruvayur Road
P.O., Kunnamkulam Thrissur, Kerala - 680503)

Kocheril Ittoop Varghese
Director
(DIN: 08291568)
Address: Flat No. West 127 Federal Park,
Vennala, Ernakulam, Kerala - 682028)

Place: Ernakulam
Date: 07.09.2021

Form No. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto

Details of material contracts or arrangements or transactions at arm's length basis

Sl. No: 1	Particulars	Details
a)	Name of the related party & nature of relationship	Mary Williams Mother of Managing director
b)	Nature of contracts/arrangements/transaction	Professional Consulting fee
c)	Duration of the contracts/arrangements/transaction	2020-21
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 7,20,000 /-
e)	Date of approval by the Board	12.04.2019
f)	Amount paid as advances, if any	Nil

Sl. No: 2	Particulars	Details
a)	Name of the related party & nature of relationship	Appumon C.K
b)	Nature of contracts/arrangements/transaction	Professional Consulting fee
c)	Duration of the contracts/arrangements/transaction	2020- Upto dec 2020 (till appointment as Director)
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 13,50,000 /-
e)	Date of approval by the Board	12.04.2019
f)	Amount paid as advances, if any	Nil

Sl. No: 3	Particulars	Details
a)	Name of the related party & nature of relationship	Susanna Isaac Director
b)	Nature of contracts/arrangements/transaction	Remuneration for holding office or place of profit
c)	Duration of the contracts/arrangements/transaction	2020-21
d)	Salient terms of the contracts or arrangements or transaction including	Rs. 5,70,000/-

	the value, if any	
e)	Date of approval by the Board	22.12.2020
f)	Amount paid as advances, if any	Nil

Sl. No: 4	Particulars	Details
a)	Name of the related party & nature of relationship	Jojo N.J Director
b)	Nature of contracts/arrangements/transaction	Remuneration for holding office or place of profit
c)	Duration of the contracts/arrangements/transaction	2020-21
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 12,00,000/-
e)	Date of approval by the Board	04.08.2016
f)	Amount paid as advances, if any	Nil

Sl. No: 5	Particulars	Details
a)	Name of the related party & nature of relationship	BRD Car World Limited (Directors of the company are related)
b)	Nature of contracts/arrangements/transaction	Rent Received for leasing of Property
c)	Duration of the contracts/arrangements/transaction	As per the Rent Agreement
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 2,70,000 /-
e)	Date of approval by the Board	21.05.2018
f)	Amount paid as advances, if any	Nil

For and on behalf of the Board of
SML FINANCE LIMITED

Griger Cherry Williams
Managing Director
(DIN: 00145586,
Address: Chungath House, Guruvayur Road
P.O., Kunnankulam Thrissur, Kerala - 680503)

Kocheril Ittoop Varghese
Director
(DIN: 08291568,
Address: Flat No. West 127 Federal Park,
Vennala, Ernakulam, Kerala - 682028)

Place: Ernakulam
Date: 07.09.2021

Independent Auditor's Report

To the Members of
SML Finance Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of **SML Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the statement of Profit and Loss and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2021 and Profit/loss and its cash flows for the year ended on that date.

Basis for opinion

We draw your attention to Note no. 12 to the standalone financial statements. The Company has investment in Related Entities (unquoted equity shares) with a carrying value at cost of Rs. 3.58 Crores. According to information available and explanations obtained in respect of non-current investments (Long term investments) in related entities ("the parties") it has been observed from the perusal of the financial statements of these parties that the said parties have accumulated losses and their respective net worth have been substantially eroded. Further some of these parties have incurred net loss during the current year and previous year(s). Further there is a clear indication that there is a decline in the carrying amount of these investments which is other than temporary. Changes in business environment could have a significant impact on the valuation of these investments. As per AS-13 "Accounting for Investments" Para 17; if there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline. The company has not carried out the impairment test periodically. We have not been able to corroborate the Management's contention of realising the carrying value of its investments. Accordingly, we are unable to comment on the appropriateness of the carrying value of such investments and their consequential impact on the financial results and the financial position of the Company as at and for the year ended March 31 2021.

Our audit report for the previous year ended March 31, 2020 had also qualified in respect of the above matter.

Loans and advances to related parties amounting to Rs. 9.16 Crores represents the amount receivable from relatives of the Director of the Company. The amount represents the dues recoverable from the related party consequent to the search and Honorable settlement commission order. As the balance is remaining outstanding without any recovery and also since no provision for interest receivable is made by the Company against the loans and advances to related parties, we are unable to comment upon the recoverability, if any.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Emphasis of matter

Due to the Covid-19 pandemic, we were not able to visit the branches of the Company and hence could not verify the underlying security in respect of gold loans. We are relying on the internal control system in force and management representation with respect to the same.

Our opinion is not modified in respect of this matter.

Key audit matters

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

Litigations and claims provisions and contingent liabilities	
<p>As disclosed in Note 30 [Capital Commitments and Contingent Liabilities] to the standalone financial statements, the Company is involved in direct and indirect tax litigations amounting to ` 442.35 Lakhs that are pending with various tax authorities.</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.</p>	<p>We have obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We obtained opinion of experts and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions</p>

Information other than the financial statements and auditor's report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Financial Statements and our auditors' 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 in the 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also 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, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure-A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, 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 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "**Annexure- B**" attached herewith.

(g) 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 litigation on its financial position in its financial statement. *Refer Note 30 of the 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

Place : Aluva
Date : 07.09.2021

Damodaran P Namboodiri FCA
Chartered Accountant
Membership No.221178
UDIN : 21221178AAAACR9283

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2021:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets*

(b) The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) According to the information and explanations given by the Management, the title deeds of immovable properties are held in the name of the company*

**Refer to the Note no 11. Documents related to the additions in immovable property and infrastructure facilities accounted in the books of accounts consequent to the search and Honorable settlement commission order is not available for verification. Since the matter is concluded by the Honorable settlement commission, we accepted the management representation related to the additions.*

2) In our opinion and according to the information and explanations given to us, the nature of the Company’s business is such that it is not required to hold any inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company

3) According to information and explanations given to us the Company has not granted any loans during the year, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

5) According to the information and explanations given to us, the Company has not accepted any public deposit from the public within the meaning of section 73 to 76 of the Companies Act, 2013 and the Rules framed there under to the extent notified.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute. The particulars of dues of income tax as at 31st March, 2021 which have not been fully deposited on dispute, are as follows:

Nature of the Statute	Nature of Dues	Amount	Period	Forum where pending
Income Tax Act	IT matters under dispute	4,27,92,370	2011-12	CIT (Appeals)
Income Tax Act	IT matters under dispute	14,42,910	2012-13	CIT (Appeals)

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions or debenture holders. The Company has not taken any loans or borrowings from government.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) Based upon the audit procedures performed and the information and explanations given by the management, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and has obtained the registration.

Place :Aluva,
Date :07.09.2021

Damodaran P Namboodiri FCA
Chartered Accountant
Membership No.221178

“Annexure B” To The Independent Auditors’ Report

Referred to in paragraph 2 (f) under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2021:

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

We have audited the internal financial controls over financial reporting of SML Finance Limited (“the Company”) as of March 31, 2021 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and 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

According to information's and explanations given to us the following material weakness has been identified as at 31st March 2021:

The company's ERP is not capable of calculating the NPA provisions along with automatic adjustment of interest reversal as mandated by RBI prudential norms and it requires manual intervention.

A "Material Weakness" is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, except to the possible effect of material weakness described above in which case we have extended our audit procedures to cover , the company has maintained in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 2021, based on internal control over financial reporting criteria established by the company considering the essential components of internal controls stated in the guidance note on Audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India

Place :Aluva,
Date :07.09.2021

Damodaran P Namboodiri FCA
Chartered Accountant
Membership No.221178

Kunnampkalam

BALANCE SHEET AS AT 31ST MARCH 2021

PARTICULARS	Note No.	31.03.2021 Rs.	31.03.2020 Rs.
I. EQUITY AND LIABILITIES			
Share Holders' Funds			
Share Capital	3	6,03,02,000	6,03,02,000
Reserves & Surplus	4	48,26,54,395	47,44,51,349
Share Application Money pending allotment			
Non-Current Liabilities			
Long term borrowings	5	1,22,94,25,970	1,47,22,40,521
Deferred tax liability		-	-
Other Long term liabilities	6	8,58,07,755	9,41,62,183
Long term provisions	7	3,88,05,949	4,83,17,614
Current Liabilities			
Short term borrowings	8	17,90,28,009	24,07,00,249
Trade Payables		-	-
Other Current liabilities	9	6,27,14,550	7,71,77,047
Short term provisions	10	-	-
TOTAL		2,13,87,38,628	2,46,73,50,963
II. ASSETS			
Non-Current Assets			
Property, Plant & Equipment	11	5,44,83,576	5,97,27,977
Intangible assets	11	11,54,715	12,69,868
Capital work-in-progress			
Non-current investments	12	25,58,33,965	25,58,33,965
Deferred tax assets (net)	13	1,40,72,080	1,67,34,360
Long term loans and advances - Financing Activity	14	66,53,86,053	85,98,71,496
Long term loans and advances	15	13,21,62,694	13,16,16,697
Other Non-current assets	16	43,78,635	37,19,256
Current Assets			
Current investments		-	-
Cash and bank balances	17	4,83,04,269	2,47,04,684
Short term loans and advances - Financing Activity	14	78,51,18,716	98,65,14,948
Short term loans and advances	18	10,02,97,276	7,45,82,624
Other Current assets	19	7,75,46,648	5,27,75,088
Total		2,13,87,38,628	2,46,73,50,963

Notes are an integral part of the financial statements

In terms of our report attached.

Damodaran P Namboodiri FCAChartered Accountant
Membership No: 221178Aluva
07.09.2021

For and on behalf of the Board of Directors

Griger Cherry Williams
Mg. Director (DIN :00145586)**Appumon C K**
Director (DIN : 00135500)**Shajan Aloor Devassy**
(Chief Financial Officer)
Edappally
07.09.2021**Susanna Isaac**
Director (DIN :03296118)**Naveena P Thampi**
(Company Secretary)

PROFIT AND LOSS STATEMENT FOR THE YEAR 31ST MARCH 2021

PARTICULARS	Note No.	31.03.2021 Rs.	31.03.2020 Rs.
INCOME			
Revenue from Operations	20	36,05,30,740	38,29,68,709
Other Income	21	8,49,30,495	7,98,16,432
TOTAL INCOME		44,54,61,234	46,27,85,141
EXPENSES			
Employee benefit expense	22	6,95,17,673	11,58,20,767
Finance cost	23	20,40,33,467	22,57,13,250
Depreciation and amortization expenses	24	66,66,936	66,03,078
Other expenses	25	15,43,77,832	21,35,50,530
TOTAL EXPENSES		43,45,95,908	56,16,87,626
Profit Before Tax		1,08,65,326	-9,89,02,484
Exceptional items - Refer Note 28		-	11,34,79,783
Profit Before tax		1,08,65,326	1,45,77,299
Tax Expense			
Current tax		-	-
Short/ (Excess) tax provision for earlier years		-	6,55,69,108
Deferred Tax		26,62,280	-38,82,560
Total Tax Expense		26,62,280	6,16,86,548
Profit/(loss) for the year from continuing operation		82,03,046	-4,71,09,249
Earning per equity share [nominal value of shares ` 10			
Basic and Diluted EPS		136.03	-781.22

Notes are an integral part of the financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

Damodaran P Namboodiri FCA
Chartered Accountant
Membership No: 221178

Griger Cherry Williams
Mg. Director (DIN :00145586)

Susanna Isaac
Director (DIN :03296118)

Appumon C K.
Director (DIN : 00135500)

Shajan Albor Devassy
(Chief Financial Officer)

Naveena P Thampi
(Company Secretary)

Aluva
07.09.2021

Edappally
07.09.2021



SML FINANCE LIMITED

Kunnamkulam

Cash Flow Statement for the year ended 31st March 2021**In terms of AS - 3 on Cash Flow Statement under Indirect Method**

Particulars	2020-21	2019-20
	Rs	Rs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit Before Taxation and Exceptional Item	1,08,65,326	(9,89,02,484)
Adjustment for:		
Exceptional items	-	11,34,79,783
Provision for Depreciation	66,66,936	66,03,078
Interest on Borrowings	20,40,33,467	22,57,13,250
Provision for standard assets	(9,62,377)	(3,27,577)
Provision for NPA	(85,49,288)	1,56,02,507
Interest Income	-	(3,18,608)
Bad Debts w/off	9,05,80,200	6,28,38,877
Loss on Sale of repossessed vehicles	1,69,448	50,87,459
Profit on sale of Fixed Assets	(1,32,012)	(6,354)
Operating profit before working capital changes	30,26,71,700	32,97,69,931
(Increase)/Decrease in Loans & Advances	30,76,13,835	1,92,96,415
(Increase)/Decrease in Short term loans & advances	(2,45,49,605)	2,76,43,806
(Increase)/Decrease in Other non current assets	(6,59,379)	(5,49,743)
(Increase)/Decrease in Other Current Assets	(2,47,71,561)	5,28,57,034
Increase/(Decrease) in Sundry Creditors & Other liabilities	(2,28,16,925)	(5,45,61,011)
Cash from operations	53,74,88,065	37,44,56,432
Income tax paid	(41,92,852)	(7,08,73,243)
Net cash from operating activities	53,32,95,213	30,35,83,189
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipments	(14,32,596)	(2,47,47,969)
Purchase of Intangible Assets	(3,09,083)	-
Sale of Fixed assets	5,66,309	2,25,000
Interest Income	-	3,18,608
(Purchase) / Sale of Investment	-	89,24,250
Net cash from Investing activities	(11,75,370)	(1,52,80,111)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital increase	-	-
Proceeds/ (Repayments) from Long term Borrowings	(24,28,14,550)	3,44,05,491
Proceeds/ (Repayments) from Working Capital Borrowings	(6,16,72,241)	(11,15,35,013)
Interest on borrowings	(20,40,33,467)	(22,57,13,250)
Net Cash flow from Financing Activities	(50,85,20,258)	(30,28,42,773)
Net Increase/Decrease in Cash & Cash Equivalents	2,35,99,585	(1,45,39,694)
Cash & Cash Equivalents at the beginning of the year	2,47,04,684	3,92,44,379
Cash & Cash Equivalents at the end of the year	4,83,04,269	2,47,04,684

In terms of our report attached.

For and on behalf of the Board of Directors

Damodaran P Namboodiri FCA
Chartered Accountant
Membership No: 221178

Aluva
07.09.2021

Griger Cherry Williams
Mg Director (DIN :00145586)

Appumon C K
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Shajan Aloor Devassy
(Chief Financial Officer)

Edappally
07.09.2021

Susanna Isaac
Director (DIN :03296118)

Naveena P Thampi
(Company Secretary)



Notes to The Financial Statements for The Year Ended March 31, 2021

1 Corporate information

The Company is a non-systemically important Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. The Company has received the certificate of registration A.16.00065 on 10th July, 1999, which was converted to B.16.00065 on 27.03.2017, enabling the Company to carry on business as Non-Banking Financial Company.

The Company offers broad suite of lending and other financial products such as mortgage loan, gold loan, loan against Automobiles.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 as amended and Non-Banking Financial Company- Systematically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time.

The financial statements have been prepared on an accrual basis and under the historical cost convention, except income from Non-performing assets which is recognized on receipt basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of product and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - noncurrent classification of assets and liabilities. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

In case of any contradiction in applicable provisions of Reserve Bank of India, schedule III and accounting standards issued by ICAI, the Company has adopted the provisions of master directions of RBI.

2.1 Summary of significant accounting policies

a. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Interest

Interest income from financing activities is recognized on accrual basis by applying internal rate of return implicit in each loan agreement except in the case of non-performing assets, where it is recognised on the actual realization as per the Non-Banking Financial Company- Systematically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and to the extent it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

Processing fees, late payment Interest and all other financial charges except cheque bounce charges or instrument dishonor charges pertaining to loan agreement are recognized only on receipt basis. Cheque bounce charges or instrument dishonor charges pertaining to performing loans are recognized on accrual basis i.e. as & when the cheque/instrument is dishonored or bounced.

Other income

Other income is recognized on accrual basis of accounting.



Notes to The Financial Statements for The Year Ended March 31, 2021

b. Provisioning Norms for Standard & Sub-Standard Assets

Non-performing assets are recognized and provided for, as per management estimates, subject to the minimum provision required as per Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued vide master direction No DNRR.PD.007/03.10.119/2016-17 dated September 01, 2016 as amended from time to time

Similarly, provision on standard assets is also made as per the RBI NSI- ND Directions.

c. Bad Debts

As per management estimates, the loan accounts which are considered as irrecoverable on account of collection is written off in the year of determination of irrecoverability. Interest income not realized on such loans is reversed and the principal outstanding as reduced by the total receipts is written off as Bad Debts.

d. Repossession of Assets

The accounts, where underlying security is repossessed and where management estimates irrecoverability of portion of loans, are written off to the extent of difference between amount outstanding in the books and value of underlying security as determined by the approved valuer.

The accounts, where underlying asset is repossessed and sold, are written off to the extent of difference between principal outstanding in the books and the full & final amount recovered from sale of repossessed assets under the accounting head "principal loss on repossession".

e. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

f. Property, Plant and Equipment

Property, plant and equipment, capital work in progress are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, nonrefundable taxes or levies, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of tangible assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. All other repair and maintenance costs are recognized in profit or loss as incurred



Notes to The Financial Statements for The Year Ended March 31, 2021

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

g. Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on Written Down Value Method (W.D.V.) at the rates calculated with reference to the estimated useful life of assets prescribed in Schedule II to the Companies Act, 2013 or actual useful life of assets whichever is lower. Depreciation is recognized on a pro-rata basis to the Statement of Profit and Loss on the assets acquired, sold or disposed off during the year till the date of acquisition, sale or disposition.

Assets	Useful Lives
Buildings	60
Furniture & fixtures Electrical Fittings	10
Computer & data processing units	
a) Server & networks	6
b) End user device	3
Office equipment	5
Air conditioner & DG set	5
Vehicles	
a) Two wheelers	10
b) Four wheelers	8
Computer software	5

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

h. Intangible assets

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably. Computer software which is not an integral part of the related hardware is classified as an intangible asset. Intangible assets are measured and recorded at cost and carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life as determined by management.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

i. Lease

Where the company is lessee

All the leasing arrangements of the Company are operating lease in respect of its office premises where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset. Such operating lease rental payments are recognized as an expense on accrual basis in the Statement of Profit and Loss.

Where the company is the lessor

Assets subject to operating lease are included in the fixed assets. Lease income on operating lease is recognized in the Statement of Profit and Loss. Costs, including depreciation, are recognized as expenses in the Statement of Profit and Loss.



Notes to The Financial Statements for The Year Ended March 31, 2021

j. Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period they occur.

k. Impairment of assets

The carrying amount of substantial assets is reviewed at each Balance Sheet date to identify if there is any indication of impairment based on internal/external factors. For any impairment, the recoverable amount of these assets is determined.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any is charged to the Profit & Loss accounting the year in which an asset is identified.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. The reversal of impairment is recognized in Statement of Profit and Loss, unless the same is carried at revalued amount and treated as revaluation reserve.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on written down value basis over its remaining useful life.

l. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Employee State Insurance is a defined contribution scheme and the contributions as required by the statute are charged to the Statement of Profit and Loss as and when incurred.

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit Method.

Actuarial gains and losses are recognized in the Statement of Profit and Loss as and when incurred.

m. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.



Notes to The Financial Statements for The Year Ended March 31, 2021

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

n. Earnings Per Share

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

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

o. Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand.

p. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash comprises cash on hand and demand deposits with banks.

q. Classification of Debentures

Company has classified debentures as current and non-current based on the maturity period of debenture as mentioned in debenture certificate.

r. Segment Reporting

The Company primarily operates as a Loan company and its operations are in India. Since the Company has not operated in any other reportable segments, as per AS 17 'Segment Reporting', no segment reporting is applicable. Company operates in a single geographical segment. Hence, secondary geographical segment information disclosure is not applicable.



Notes to The Financial Statements for The Year Ended March 31, 2021

s. Exceptional Item

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

t. Contingent liabilities and Contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statement since this result in the recognition of the income that may never realize.

u. Provisions

i. A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

ii. Provision policy for loan portfolios: Company provides for non-performing loans and advances as mentioned in Para 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016. Provision for standard assets (including interest receivable) is made at 0.25% as mentioned in Para 14 of Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 and shown in the balance sheet as 'Contingent Provisions for standard asset'.



Note - 3

Share Capital

Particulars	March 31, 2021		March 31, 2020	
	No: of shares held	Amount	No: of shares held	Amount
(a) Authorised				
Equity Shares of Rs. 1000 each	1,30,000	13,00,00,000	1,30,000	13,00,00,000
Preference Shares of Rs. 1000 each	20,000	2,00,00,000	20,000	2,00,00,000
(b) Issued, Subscribed & Fully Paid Up				
Equity Shares of Rs. 1000 each	60,302	6,03,02,000	60,302	6,03,02,000
TOTAL	60,302	6,03,02,000	60,302	6,03,02,000

i. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	March 31, 2021		March 31, 2020	
	No .	Value	No .	Value
No: of shares at the beginning of the year	60,302	6,03,02,000	60,302	6,03,02,000
Issued During the year	-	-	-	-
Less: shares bought back	-	-	-	-
Outstanding at the end of the year	60,302	6,03,02,000	60,302	6,03,02,000

ii. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ` 1000 per share. Each holder of equity shares is entitled to one 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, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back for the 15,000 Shares out of the issued, subscribed and paid up share capital were allotted as fully paid Bonus Shares, by way of capitalisation of accumulated profits.

iv. Details of Shareholders holding more than 5% Shares

Name of shareholder	March 31, 2021		March 31, 2020	
	No: of shares held	% of	No: of shares held	% of shareholding
C C William Verghese	36150	59.95%	36150	59.95%
Dr. Griger Cherry Williams	17311	28.71%	17311	28.71%
Mary Williams	5290	8.77%	5290	8.77%

Note - 4

Reserves & Surplus

Particulars	March 31, 2021	March 31, 2020
Statutory Reserve - u/s 45IC of the RBI Act.		
Amount as per Last Balance Sheet	10,32,12,509	10,32,12,509
(+) Additions/ transfers during the Year	16,40,609	-
Closing Balance	10,48,53,118	10,32,12,509
Securities Premium Account:		
As Per last balance sheet	2,11,98,500	2,11,98,500
(+) Additions during the year	-	-
	2,11,98,500	2,11,98,500
Capital Redemption Reserve	1,41,50,000	1,41,50,000
Surplus		
Balance as per last financial statements	33,58,90,340	38,29,99,589
(+) Net profit/(net loss) for the current year	82,03,046	(4,71,09,249)
(-) Transfer to Statutory Reserve - u/s 45IC of the RBI Act.	16,40,609	-
Balance as at the end of the year	34,24,52,777	33,58,90,340
Total	48,26,54,395	47,44,51,349



Nature and purpose of Reserves**Securities premium**

This Reserve represents the premium on issue of equity shares. The reserve can be utilised only for the purposes in accordance with the provisions of the Companies Act, 2013.

Statutory reserve

Statutory Reserve is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934. It requires every non banking finance institution which is a Company to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. The Company has appropriated 20% of the Profit After Tax to the fund for the year.

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. After the introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

Retained earnings or Surplus

This reserve represents the cumulative profits of the Company.

Note - 5**Long Term Borrowings**

Particular	Non- Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Secured				
Non Convertible Debentures	59,88,91,000	83,20,39,000	2,12,71,000	81,48,000
Vehicle Loan from Banks	11,82,970	8,49,521	2,97,696	3,25,322
Unsecured				
Subordinated Debts- Non Current	61,69,52,000	61,69,52,000	32,15,000	2,46,75,000
Non Convertible Debentures	1,24,00,000	2,24,00,000		
Total	1,22,94,25,970	1,47,22,40,521	2,47,83,696	3,31,48,322

Note 5.1 - Debt Securities

Particulars	March 31, 2021	March 31, 2020
(a) Secured Non-Convertible Debentures - Privately Placed	62,01,62,000	84,01,87,000
(b) Unsecured Non-Convertible Debentures - Privately Placed	1,24,00,000	2,24,00,000
(c) Unsecured Convertible Debentures - Privately Placed	-	-
Total (A)	63,25,62,000	86,25,87,000
Borrowings in India	63,25,62,000	86,25,87,000
Borrowings outside India	-	-
Total	63,25,62,000	86,25,87,000

Nature of Security

Non Convertible Debentures are secured by way of first charge on the Assets along with Receivables thereon, claims which are now due and owing to the company in the course of business or which at any time hereinafter due and owing related to or attached to or identified as Hire Purchase/ Hypothecation in sub branch 2 of Kunnamkulam, Adimali, Edappally, Kattappana 1, Kattappana 2, Mattanchery, Palakkad, Paravoor, Pathanamthitta 2, Perumbavoor 1, Perumbavoor 2, Kothamangalam, Vadakkekka, Vyttila and Thiruvalla branches and as Micro Finance Loan & Small Ticket Business loan in Alappuzha, Cherthala-2, Chandiroor, Karthikappally, Mavelikkara-2, Pathanamthitta, Thrissur, Vadakara, Kollengode, Mepparambu, Kozhinjampara, Alathur, Ottupara, Mannarkkad, Irinjilakkuda, Ramanattukara and Vadakkekka branches and as Personal Loan in Kunnamkulam, Alappuzha, Angamaly, Chanthiroor, Cherthala-2, Guruvayoor, Iringalakkuda, Karthikapally, Kozhinjampara, Mannarkkad, Mannuthy, Mavelikkara-2, Muvattupuzha, Pathanamthitta, Pattambi, Ramanattukara, Thamarassery, Thiruvalla, Thrissur, Vadakara, Vaniyankulam and Edappally Branches and as Gold Loan in Alathur, Kottayam, Muvattupuzha, Paravoor, Pathanamthitta-1, Perumbavoor-1, Thodupuzha, Vadakara and Vaniyankulam Branches and Demand Loans in Kunnamkulam branch, Mortgage Loan in Edappally Branch and Consumer Durable Loans of all branch offices of the Company.



SML FINANCE LIMITED
Notes on Standalone Financial Statements for the year ended March 31, 2021
Non Convertible Debentures - Private
5.1.1 Series wise classification of Non Convertible Debentures

Particulars	Date of allotment	Date of maturity	March 31, 2021	March 31, 2020
SML/NCD Series-42	31-03-2011	28-03-2021	-	78,03,000
SML/NCD Series-43	31-03-2011	28-03-2021	-	3,45,000
SML/NCD Series-44	30-06-2011	27-06-2021	-	-
SML/NCD Series-45	30-06-2011	27-06-2021	1,35,14,000	1,79,20,000
SML/NCD Series-46	31-08-2011	28-08-2021	18,32,000	20,88,000
SML/NCD Series-47	31-08-2011	28-08-2021	56,80,000	90,25,000
SML/NCD Series-49	31-12-2011	28-12-2021	2,45,000	4,70,000
SML/NCD Series-53	30-06-2012	28-06-2022	5,16,41,000	6,86,25,000
SML/NCD Series-54	31-07-2012	29-07-2022	3,20,58,000	4,49,89,000
SML/NCD Series-55	31-08-2012	29-08-2022	3,23,48,000	4,18,24,000
SML/NCD Series-56	30-09-2012	28-09-2022	3,28,02,000	4,25,53,000
SML/NCD Series-57	31-10-2012	29-10-2022	3,99,00,000	5,42,51,000
SML/NCD Series-58	30-11-2012	28-11-2022	4,68,78,000	6,35,24,000
SML/NCD Series-59	31-12-2012	29-12-2022	2,61,26,000	3,29,20,000
SML/NCD Series-60	31-01-2013	29-01-2023	2,36,58,000	3,23,24,000
SML/NCD Series-61	28-02-2013	26-02-2023	3,67,72,000	4,71,13,000
SML/NCD Series-62	31-03-2013	29-03-2023	3,83,62,000	4,99,60,000
SML/NCD Series-63	30-04-2013	28-04-2023	2,59,12,000	3,48,64,000
SML/NCD Series-64	31-05-2013	29-05-2023	2,02,18,000	2,92,49,000
SML/NCD Series-65	25-06-2013	23-06-2023	2,52,16,000	3,23,65,000
SML/NCD Series-66	31-03-2014	28-03-2024	-	-
SML/NCD Series-67	30-04-2014	27-04-2024	-	-
SML/NCD Series-68	25-06-2014	22-06-2024	6,00,000	26,00,000
SML/NCD Series-69	31-07-2014	28-07-2024	5,00,000	5,00,000
SML/NCD Series-70	24-11-2014	21-11-2024	55,00,000	90,00,000
SML/NCD Series-71	31-03-2015	28-03-2025	17,00,000	32,00,000
SML/NCD Series-72	30-04-2015	27-04-2025	30,00,000	30,00,000
SML/NCD Series-73	31-07-2015	28-07-2025	32,50,000	37,50,000
SML/NCD Series-75	28-10-2017	26-10-2027	1,73,45,000	2,28,45,000
SML/NCD Series-76	23-11-2017	21-11-2027	-	1,00,00,000
SML/NCD Series-77	30-12-2017	28-12-2027	1,00,50,000	1,55,50,000
SML/NCD Series-78	27-02-2018	25-02-2028	82,00,000	1,61,75,000
SML/NCD Series-79	31-03-2018	28-03-2028	28,00,000	28,00,000
SML/NCD Series-80	30-12-2017	28-12-2027	50,00,000	75,00,000
SML/NCD Series-81	27-02-2018	25-02-2028	-	95,00,000
SML/NCD Series-82	11-06-2018	08-06-2028	1,42,90,000	2,18,90,000
SML/NCD Series-83	23-07-2018	20-07-2028	95,00,000	95,00,000
SML/NCD Series-84	11-06-2018	08-06-2028	1,24,00,000	1,24,00,000
SML/NCD Series-85	21-07-2018	18-07-2028	1,87,72,000	2,22,72,000
SML/NCD Series-86	05-07-2018	02-07-2028	1,34,12,000	1,84,62,000
SML/NCD Series-87	30-06-2018	27-06-2028	-	-
SML/NCD Series-88	23-07-2018	20-07-2028	2,34,06,000	2,67,06,000
SML/NCD Series-89	11-08-2018	08-08-2028	53,00,000	73,00,000
SML/NCD Series-90	16-01-2020	16-01-2030	30,50,000	32,60,000
SML/NCD Series-90	03-02-2020	03-02-2030	49,00,000	53,65,000
SML/NCD Series-90	17-02-2020	17-02-2030	24,50,000	48,50,000
SML/NCD Series-90	02-03-2020	02-03-2030	37,00,000	42,00,000
SML/NCD Series-91	16-03-2020	16-03-2030	77,50,000	77,50,000
SML/NCD Series-91	30-04-2020	30-04-2030	25,25,000	-
Total			63,25,62,000	86,25,87,000



5.1.2 Coupon Rate wise classification of Non Convertible Debentures

Particulars	March 31, 2021		March 31, 2020	
	No of units	Amount	No of units	Amount
Coupon Rate-7.5	-	-	-	-
Coupon Rate -10	-	-	65,285	6,52,85,000
Coupon Rate -11	-	-	5,16,126	51,61,26,000
Coupon Rate -11.5	2,78,260	27,82,60,000	7,803	78,03,000
Coupon Rate-12	2,42,705	24,27,05,000	49,545	4,95,45,000
Coupon Rate-12.5	52,719	5,27,19,000	1,40,180	14,01,80,000
Coupon Rate-13	41,478	4,14,78,000	58,690	5,86,90,000
Coupon Rate-13.5	5,000	50,00,000	2,558	25,58,000
Coupon Rate-14	-	-	12,400	1,24,00,000
Coupon Rate-14.5	12,400	1,24,00,000	-	-
Coupon Rate-15	-	-	10,000	1,00,00,000
Total	6,32,562	63,25,62,000	8,52,587	85,25,87,000

5.1.3 Maturity wise classification of Non Convertible Debentures

From the Balance Sheet date	(a) Non- current	(b) Current maturity	Total
Repayable on maturity :			
Maturing beyond 5 years	16,48,50,000	-	16,48,50,000
Maturing between 3 years to 5 years	1,45,50,000	-	1,45,50,000
Maturing between 1 year to 3 years	43,18,91,000	-	43,18,91,000
Maturing within 1 year	-	2,12,71,000	2,12,71,000
Total at face value	61,12,91,000	2,12,71,000	63,25,62,000
Less: Unamortised discounting charges	-	-	-
Total redemption value, net of unamortized discounting charges	-	-	-
Total	1,22,25,82,000	4,25,42,000	1,26,51,24,000

Note 5.2 - Subordinated Liabilities

Particulars	March 31, 2021	March 31, 2020
At Amortised Cost:		
(a) Subordinated Debts	62,01,67,000	64,16,27,000
Total (A)	62,01,67,000	64,16,27,000
Subordinated liability in India	62,01,67,000	64,16,27,000
Subordinated liability outside India	-	-
Total	62,01,67,000	64,16,27,000

Unsecured Subordinated Debt - Private Placement**5.2.1 Series wise classification of Subordinated Debt**

Particulars	March 31, 2021		March 31, 2020	
	No of units	Amount	No of units	Amount
Sub Ordinate Debts-Cumulative	-	-	2,999	1,49,96,000
Sub Ordinate Debts-Cumulative	11,348	5,67,40,000	11,348	5,67,40,000
Sub Ordinate Debts-Cumulative	5,913	2,95,67,000	5,913	2,95,67,000
Sub Ordinate Debts-Cumulative	5,830	2,91,50,000	5,830	2,91,50,000
Sub Ordinate Debts-Cumulative	335	16,75,000	1,116	55,80,000
Sub Ordinate Debts	-	-	92	4,62,000
Sub Ordinate Debts	27,071	13,53,54,000	27,071	13,53,54,000
Sub Ordinate Debts	25,646	12,82,28,000	25,646	12,82,28,000
Sub Ordinate Debts	44,942	22,47,12,000	44,942	22,47,12,000
Sub Ordinate Debts	2,640	1,32,01,000	2,640	1,32,01,000
Sub Ordinate Debts	308	15,40,000	727	36,37,000
Total	1,24,033	62,01,67,000	1,28,325	64,16,27,000



5.2.2 Interest Rate wise classification of Subordinated Debt

Particulars	March 31, 2021		March 31, 2020	
	No of units	Amount	No of units	Amount
Sub Ordinate Debts-Cumulative-0.1666	23,401	11,70,07,000	27,152	13,57,58,000
Sub Ordinate Debts-Cumulative-0.1818	22	1,10,000	42	2,10,000
Sub Ordinate Debts-Cumulative-0.1999	3	15,000	13	65,000
	-	-	-	-
Sub Ordinate Debts-0.11	12,504	6,25,21,000	12,504	6,25,21,000
Sub Ordinate Debts-0.115	19,221	9,61,03,000	19,343	9,67,16,000
Sub Ordinate Debts-0.12	25,375	12,68,73,000	25,743	12,87,14,000
Sub Ordinate Debts-0.125	16,401	8,20,07,000	16,422	8,21,12,000
Sub Ordinate Debts-0.13	16,481	8,24,04,000	16,481	8,24,04,000
Sub Ordinate Debts-0.135	6,085	3,04,27,000	6,085	3,04,27,000
Sub Ordinate Debts-0.14	3,040	1,52,00,000	3,040	1,52,00,000
Sub Ordinate Debts-0.15	1,500	75,00,000	1,500	75,00,000
Total	1,24,033	62,01,67,000	1,28,325	64,16,27,000

5.2.3 Maturity wise classification of Subordinated Debt

From the Balance Sheet date	(a) Non- current	(b) Current maturity	Total
Repayable on maturity :			
Maturing beyond 5 years	-	-	-
Maturing between 3 years to 5 years	29,66,30,000		29,66,30,000
Maturing between 1 year to 3 years	32,03,22,000		32,03,22,000
Maturing within 1 year		32,15,000	32,15,000
Total at face value	61,69,52,000	32,15,000	62,01,67,000
Less: Unamortised discounting charges	-	-	-
Total redemption value, net of unamortized discounting charges	61,69,52,000	32,15,000	62,01,67,000

Term Loans from Other Parties

Vehicle loans Hypothecation of respective vehicles

There is no continuing default as on the date of balance sheet in repayment of loans and interest.

Note - 6**Other Long Term Liabilities**

Particulars	March 31, 2021	March 31, 2020
(i) Other than Acceptances		
Interest accrued but not due on borrowings	8,58,07,755	9,41,62,183
Total	8,58,07,755	9,41,62,183

Note - 7**Long Term Provisions**

Particulars	March 31, 2021	March 31, 2020
Provision for employee benefits	-	-
Other Provisions		
Contingent Provision against Standard Assets	32,10,190	41,72,567
Provision for non-performing assets	3,55,95,759	4,41,45,047
Total	3,88,05,949	4,83,17,614



The Company has made adequate provision for the Non-performing assets identified, in accordance with the guidelines issued by The Reserve Bank of India

In accordance with the Master direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 issued by The Reserve Bank of India (RBI) vide its directions to all NBFC's, the Company has made Standard assets of provision of Rs. 32.10 Lakhs. (31 March 2020: Rs. 41.72 Lakhs) during the current year

Note - 8**Short Term Borrowings**

Particulars	March 31, 2021	March 31, 2020
Loans repayable on demand		
From Banks		
Cash credit (secured) [refer note (i) below		
Federal Bank, Edappally	744	308
South Indian Bank Ltd., Thrissur	2,79,43,936	4,34,07,126
State Bank of India, Thrissur	12,60,49,219	9,62,25,992
Dhanlaxmi Bank, Palarivattom	89,35,667	10,10,66,823
State Bank of India - Covid Loan	1,60,98,443	-
Total	17,90,28,009	24,07,00,249

Nature of Security**Loans repayable on demand from Banks**

South Indian Bank Cash Credit having a limit of 5 Crores is secured by First Charge by way of hypothecation of HP/VL receivables of Angamaly, Kottayam, Pattambi, Muvattupuzha Branch offices of the Company and Mortgage on Landed properties

State Bank of India Cash Credit having a limit of 18 Crores is secured by First Charge by way of hypothecation of HP/VL receivables of Vaniyankulam, Thamarassery, Kunnankulam Sub Branch -1 & 3 Pathanamthitta I, Alathur, Wandoor, Ramanattukara, Mepparambu and Pala and Micro Finance Loan & Small Ticket Business loan receivables of Angamaly, Vaniyankulam, Pattambi, Thamarassery, Pazhayannoor, Vadakkenchery, Muvattupuzha, Piravam and Mannuthy Branch offices of the Company and Personal Loan Receivables of Althur, Mepparambu, Pazhayannoor,

Vadakkenchery, Piravam, Kollemgode, Ottupara and Vadakkekkaad Mortgage on Landed properties

Dhanlaxmi Bank Cash Credit having a limit of 5 Crores is secured by First Charge by way of hypothecation of HP/VL receivables of Alapuzha, Aluva, Cherthala, Kodungallur, Kollengode, Mavelikara, Mulanthuruthy, Panthavoor, Poonkunnam, Thodupuzha, Sulthan Bathery, Vadakara and Ponnani and Micro finance Loan & Small Ticket Business Loan receivables of Guruvayoor and Thiruvalla Branch offices of the Company and Mortgage on Landed properties

Further, the loan has been guaranteed by the Personal/Corporate guarantee of Directors.

There is no continuing default/default as on the date of balance sheet in repayment of loans and interest.

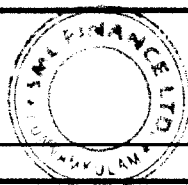
Note - 9**Other Current Liabilities**

Particulars	March 31, 2021	March 31, 2020
(a) Current maturities of long-term debt		
(i) Non Convertible Debentures, Subordinated Debts, Unsecured Loan	3,44,08,000	3,94,17,000
(ii) Current maturities of Vehicle Loans	2,97,696	3,25,322
(iii) NCD matured but not claimed	4,13,000	1,00,000
(b) Other payables		
(i) HP / VL Outstanding liabilities	1,55,39,138	2,06,49,326
(ii) Statutory remittances (Refer note(i) below)	19,44,271	30,86,911
(iii) Salaries and Wages Payable	48,64,824	63,42,479
(iv) Expenses Payable	44,29,412	48,31,013
(v) others	8,18,209	24,24,996
Total	6,27,14,550	7,71,77,047

(i) Statutory dues includes provident fund, employees state insurance, professional tax, withholding taxes and indirect tax payable

Note - 10**Short Term Provisions**

Particulars	March 31, 2021	March 31, 2020
(a) Provision for employee benefits:	-	-
(b) Provision - Others:		
(i) Provision for Income Tax	-	-
Total	-	-



Notes on Financial Statements for the period ended 31st March 2021

Note - 11

Property Plant and Equipments

Particulars	Land	Building	Furniture & Fittings	Electrical Fittings	Computers	Motor Vehicle	Office Equipments	Total
Cost:								
As at April 1, 2020	1,66,37,220	3,17,88,862	3,28,44,931	79,42,683	2,12,73,951	1,62,55,148	93,05,118	13,60,47,914
Additions			1,49,532	25,500	1,17,205	9,80,972	1,59,387	14,32,596
Disposals						22,59,092		22,59,092
As at March 31, 2021	1,66,37,220	3,17,88,862	3,29,94,464	79,68,183	2,13,91,156	1,49,77,028	94,64,505	13,52,21,418
Depreciation and impairment:								
As at April 1, 2020	-	38,24,310	2,51,77,865	60,29,233	1,94,85,180	1,39,94,791	78,08,557	7,63,19,937
Additions		21,74,260	19,34,543	5,68,213	5,39,723	6,01,942	4,24,018	62,42,700
Disposals						18,24,795		18,24,795
As at March 31, 2021	-	59,98,571	2,71,12,407	65,97,446	2,00,24,903	1,27,71,939	82,32,576	8,07,37,841
Net book value:								
As at April 1, 2020	1,66,37,220	2,79,64,552	76,67,067	19,13,451	17,88,770	22,60,357	14,96,561	5,97,27,977
As at March 31, 2021	1,66,37,220	2,57,90,292	58,82,056	13,70,737	13,66,252	22,05,089	12,31,929	5,44,83,576

Intangible Assets

Particulars	Software	Total
Cost:		
As at April 1, 2020	71,66,098	71,66,098
Additions	3,09,083	3,09,083
Disposals	-	-
As at March 31, 2021	74,75,181	74,75,181
Depreciation and impairment:		
As at April 1, 2020	58,96,230	58,96,230
Additions	4,24,236	4,24,236
Disposals	-	-
As at March 31, 2021	63,20,466	63,20,466
Net book value:		
As at April 1, 2020	12,69,868	12,69,868
As at March 31, 2021	11,54,715	11,54,715



SML FINANCE LIMITED
Notes on Standalone Financial Statements for the year ended March 31, 2021
Note - 12
Non- Current Investments

Particulars	March 31, 2021	March 31, 2020
Non-trade investments (valued at cost unless stated otherwise):		
Investment in equity instruments (unquoted)		
(i) of subsidiaries		
Vanchinad Finance Pvt Ltd -2,20,00,000 Shares @ Rs.10	22,00,00,000	22,00,00,000
Investment in equity instruments (Quoted)		
(ii) of other entities		
377 Equity Shares of Muthoot Finance Ltd of Rs.175 each fully paid up (Market Value as on 31.03.2021 is Rs.1205.90 Each)	65,975	65,975
Investments in Shares (Unquoted, fully paid-up)		
BRD Securities Ltd	1,42,65,070	1,42,65,070
BRD Finance Ltd	44,64,720	44,64,720
BRD Motors Ltd	1,70,38,200	1,70,38,200
Total (A) - Gross	25,58,33,965	25,58,33,965
Total	25,58,33,965	25,58,33,965

Note - 13
Deferred Tax (Liability) / Asset

Particulars	March 31, 2021	March 31, 2020
Deferred Tax Asset		
On difference between book balance and tax balance of fixed assets	35,08,740	40,19,320
Others Provision for Advances	89,58,740	1,11,10,430
Carried Forward Depreciation Loss	16,04,600	16,04,610
Deferred Tax Liabilities		
Net Deferred Tax Liability / (Asset)	1,40,72,080	1,67,34,360

Note - 14
Loans And Advances - Financing Activity

(a) Authorised	March 31, 2021	March 31, 2020
Loans		
(A)		
Vehicle Loan	87,42,33,212	91,57,35,370
Mortgage Loan	3,49,65,603	3,85,07,284
Gold Loan	12,30,17,088	13,41,69,214
Property Loan	6,38,610	9,47,044
Demand Loan	7,04,77,828	8,44,15,650
Small Ticket Business Loan	1,89,53,903	9,95,67,965
Micro Finance Loan	6,67,223	75,26,275
Personal Loan	28,16,52,758	47,87,90,534
Consumer Durable Loans	4,58,98,544	8,67,27,108
Total - A Gross Amount	1,45,05,04,769	1,84,63,86,444
(B)		
(i) Secured by Securities and Assets	1,03,28,54,513	1,08,93,58,912
(ii) Covered by Bank/Government guarantees	-	-
(iii) Unsecured	41,76,50,256	75,70,27,532
Total - B Gross Amount	1,45,05,04,769	1,84,63,86,444
(C)		
Loans in India		
(i) Public Sector	-	-
(ii) Others	1,45,05,04,769	1,84,63,86,444
Total - C Gross Amount	1,45,05,04,769	1,84,63,86,444
Total	1,45,05,04,769	1,84,63,86,444



* Demand loan disbursed to each customers against promissary notes

Note - 14.1 Loans And Advances - Financing Activity Maturity Wise

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Loans				
(A)				
Vehicle Loan	52,63,56,196	58,86,63,785	34,78,77,016	32,70,71,585
Mortgage Loan	2,75,02,226	2,70,16,556	74,63,377	1,14,90,728
Gold Loan	1,32,39,135	13,67,933	10,97,77,953	13,28,01,281
Property Loan	5,25,818	2,84,906	1,12,792	6,62,138
Demand Loan	2,19,95,547	8,09,61,038	4,84,82,281	34,54,612
Small Ticket Business Loan	1,07,61,298	85,77,547	81,92,605	9,09,90,418
Micro Finance Loan	5,92,011	1,32,221	75,212	73,94,054
Personal Loan	4,59,04,439	15,28,63,224	23,57,48,319	32,59,27,310
Consumer Durable Loans	1,85,09,383	4,285	2,73,89,161	8,67,22,823
Total (A) - Gross	66,53,86,053	85,98,71,496	78,51,18,716	98,65,14,948
(B)				
(i) Secured by Ssecurities and Assets	56,76,23,374	61,73,33,181	46,52,31,139	47,20,25,731
(ii) Covered by Bank/Government guarantees	-	-	-	-
(ii) Unsecured	9,77,62,678	24,25,38,315	31,98,87,578	51,44,89,216
Total (B) - Gross	66,53,86,053	85,98,71,496	78,51,18,716	98,65,14,948
(C)				
Loans in India				
(i) Public Sector	-	-	-	-
(ii) Others	66,53,86,053	85,98,71,496	78,51,18,716	98,65,14,948
Total (C) - Gross	66,53,86,053	85,98,71,496	78,51,18,716	98,65,14,948
Total	66,53,86,053	85,98,71,496	78,51,18,716	98,65,14,948

Note 14.2 - Category wise details of Financial Assets

Particulars	F.Y. 2020-21			
	Standard	Sub Standard	Doubtful	Total
Vehicle Loan	79,71,65,044	2,43,93,462	5,26,74,706	87,42,33,212
Mortgage Loan	2,17,75,404	1,31,90,199	-	3,49,65,603
Gold Loan	10,97,77,953	1,32,39,135	-	12,30,17,088
Property Loan	1,12,792	5,25,818	-	6,38,610
Demand Loan	5,23,11,831	1,81,65,997	-	7,04,77,828
Small Ticket Business Loan	81,92,605	1,07,61,298	-	1,89,53,903
Micro Finance Loan	75,212	5,92,011	-	6,67,223
Personal Loan	26,72,75,966	1,43,76,792	-	28,16,52,758
Consumer Durable Loans	2,73,89,161	1,85,09,383	-	4,58,98,544
Total Closing	1,28,40,75,968	11,37,54,095	5,26,74,706	1,45,05,04,769

Note 14.2 - Category wise details of Financial Assets

Particulars	F.Y. 2019-20			
	Standard	Sub Standard	Doubtful	Total
Vehicle Loan	81,95,59,036	2,63,19,687	6,98,56,647	91,57,35,370
Mortgage Loan	3,83,09,694	1,97,590	-	3,85,07,284
Gold Loan	13,28,01,281	13,67,933	-	13,41,69,214
Property Loan	9,47,044	-	-	9,47,044
Demand Loan	1,36,26,630	7,07,89,020	-	8,44,15,650
Small Ticket Business Loan	9,09,90,418	85,77,547	-	9,95,67,965
Micro Finance Loan	73,94,054	1,32,221	-	75,26,275
Personal Loan	47,86,71,619	1,18,915	-	47,87,90,534
Consumer Durable Loans	8,67,27,108	-	-	8,67,27,108
Total	1,66,90,26,884	10,75,02,913	6,98,56,647	1,84,63,86,444



SML FINANCE LIMITED
Notes on Standalone Financial Statements for the year ended March 31, 2021
Note - 15
Loans And Advances

Particulars	March 31, 2021	March 31, 2020
(a) Loans and advances to Related Parties		
Unsecured, considered good	9,16,24,164	9,16,24,164
(a) Security Deposits		
Unsecured, considered good	53,68,522	78,50,330
(a) Balances with government authorities		
Income Tax Receivable	3,51,70,008	3,21,42,203
Total	13,21,62,694	13,16,16,697

Note - 16
Other Non-Current Assets

Particulars	March 31, 2021	March 31, 2020
Others		
Gratuity	43,78,635	37,19,256
Total	43,78,635	37,19,256

Note - 17
Cash And Bank Balances

Particulars	March 31, 2021	March 31, 2020
Cash and Cash Equivalents		
(a) Cash in hand	2,74,27,477	81,54,207
(b) Balance with banks		
(i) In Current Accounts	2,08,76,792	1,65,50,478
	4,83,04,269	2,47,04,684
Other Bank Balances		
(i) In Earmarked Accounts	-	-
	-	-
Total	4,83,04,269	2,47,04,684

Note - 18
Short Term Loans And Advances

Particulars	March 31, 2021	March 31, 2020
(b) Balances with government authorities		
(i) Income Tax Receivable		
Advance tax / Regular Assessment Tax	41,92,852	30,27,805
CGST & SGST Receivable	18,175	8,421
(c) Others (Unsecured, considered good)		
Vehicle Booking Advances	4,33,69,895	3,20,55,529
Other Advances	5,27,16,353	3,94,90,869
Total	10,02,97,276	7,45,82,624

Advances recoverable in cash or in kind or for value to be received

Note - 19
Other Current Assets

Particulars	March 31, 2021	March 31, 2020
(a) Accruals / Receivables		
Interest Recivables on Loans	1,20,21,254	76,47,624
Finance Charge/VL Interest Receivable	4,10,45,982	59,57,400
(b) Others		
Repossessed Vehicles	58,11,745	1,15,15,704
Chitty Investments	19,21,304	26,06,344
HP/VL Receivables	1,67,46,363	2,50,48,015
Total	7,75,46,648	5,27,75,087



SML FINANCE LIMITED
Notes on Standalone Financial Statements for the year ended March 31, 2021
Note - 20
Revenue From Operations

Particulars	March 31, 2021	March 31, 2020
Finance Charges & Vehicle Loan Interest	16,57,74,059	14,19,90,441
Mortgage and Property Loan Interest	38,36,576	50,54,032
Gold Loan Interest	3,53,50,816	1,25,13,380
Demand Loan interest	93,10,348	96,36,223
Personal Loan interest	11,49,30,056	10,77,97,856
Consumer Durable Loan Interest	1,70,68,822	83,02,047
Small Ticket Business Loan interest	1,33,02,770	9,13,68,859
Micro Finance Loan Interest	9,57,292	63,05,871
Total	36,05,30,740	38,29,68,709

Note - 21
Other Income

Particulars	March 31, 2021	March 31, 2020
(a) Interest Income		
Interest on Govt. Securities and Bonds	-	3,18,608
Other Interest received	52,62,251	1,10,81,455
Interest on HP/VL overdue	2,02,21,506	3,32,44,186
(b) Other non-operating income (net of expenses directly attributable to such income)		
Rental income from investment properties	3,06,000	1,16,667
Profit on Sale of Fixed Assets	1,32,012	6,354
Profit on Govt. Stock	-	5,07,465
Bad debts recovered	1,24,09,901	1,75,65,636
Dividend on Investment	4,40,00,000	10,179
Documentation Charges	2,16,084	75,02,379
HP/VL Other Income	46,719	1,86,135
Hp Verification & Valuation Charge	8,97,976	18,72,581
Consulting Fee	1,08,957	1,82,624
Processing fee on Micro Finance and Other Loans	1,49,634	62,87,625
Other Miscellaneous Income	11,79,456	9,34,539
Total	8,49,30,495	7,98,16,432

Note - 22
Employee Benefit Expenses

Particulars	March 31, 2021	March 31, 2020
Salaries & Wages	6,50,22,102	10,50,30,274
Contributions to provident and other funds	44,95,571	1,07,90,493
Total	6,95,17,673	11,58,20,767

Note-23
Finance Cost

Particulars	March 31, 2021	March 31, 2020
(a) Interest expense on :		
(i) Borrowings		
Working Capital Loan Interest	2,69,70,515	2,91,65,589
Interest on ICD	5,44,657	45,94,522
Interest on Covid Loan- SBI	8,95,308	-
Interest on Vehicle Loan	1,01,042	1,28,711
Interest on Loan from Directors	6,34,422	19,73,970
Interest on Subordinated Debts	8,26,21,388	7,82,24,366
Interest on Debenture	9,22,66,135	11,16,26,093
Total	20,40,33,467	22,57,13,250



SML FINANCE LIMITED
Notes on Standalone Financial Statements for the year ended March 31, 2021
Note-24
Depreciation And Amortisation Expenses

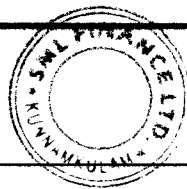
Particulars	March 31, 2021	March 31, 2020
Depreciation.	62,42,700	59,44,640
Amortisation	4,24,236	6,58,439
Total	66,66,936	66,03,078

Note-25
Other Expenses

Particulars	March 31, 2021	March 31, 2020
Accrued loss on auctioned chitty	3,68,224	6,99,973
Advertisement	1,42,755	76,956
Association subscription	1,500	21,500
Audit fee	4,00,000	3,75,000
Audit Expenses	-	18,307
Bank charges	24,19,874	34,62,046
Baddebts Recovery Expense	3,48,478	4,52,447
Business Promotion Expense	7,56,419	29,94,270
Cleaning charges	3,95,629	2,50,924
CSR Activities	-	12,53,103
Debenture trustee fee	2,52,000	4,10,000
Donation	3,87,500	-
Fee & Registratrimon expenses	18,69,757	41,61,298
Electricity charges & Water charges	15,26,799	22,06,193
Filing fee	67,088	7,200
Gold Loan Expense	8,411	7,638
Gratuity Insurance Premium	1,81,130	2,17,574
GST Paid	29,18,016	35,92,568
HP/VL promotion Expense	47,17,576	1,21,93,659
Income tax	-	4,854
Incentive	1,21,92,978	1,72,49,800
Insurance charges	2,78,848	2,36,085
Labour welfare fund	55,660	1,04,120
Legal charges	19,79,263	27,44,415
Loss on repossessed assets	1,69,448	50,87,459
Miscellaneous expenses	24,777	5,05,249
News paper & Periodicals	7,930	10,380
Postage	1,75,050	3,11,057
Printing & Stationery	12,04,187	28,16,866
Legal and Professional Fee	85,84,627	33,54,593
Provisions and Written offs- Note C	8,15,84,222	11,16,07,736
Rates & Taxes	2,41,209	1,20,620
Refreshment	39,64,087	56,56,501
Rent	94,52,106	1,39,44,477
Repairs & maintenance	52,99,439	67,51,292
Security salary	1,08,000	2,16,000
Service tax	9,53,085	-
System maintainance charge	42,71,863	42,20,673
Late fee paid for TDS & PF	26,791	60,946
Telephone charges	27,69,371	27,36,955
Travelling expenses	42,73,735	34,09,797
Total	15,43,77,832	21,35,50,530

A. Payment to the auditors comprises :

	March 31, 2021	March 31, 2020
As auditors - statutory audit	2,75,000	2,50,000
For taxation matters	75,000	75,000
For other services	50,000	50,000
Total	4,00,000	3,75,000



Notes on Standalone Financial Statements for the year ended March 31, 2021

B. Details of CSR expenditure

Particulars	March 31, 2021	March 31, 2020	
Gross amount required to be spend by the company during the year	-	12,52,681	
Amount spent during the year:	Spent during the year	Yet to be spend	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	-	-	-

C. Provisions and Written Offs

Particulars	March 31, 2021	March 31, 2020
Provision for		
Standard assets	(9,62,377)	(3,27,577)
Non performing assets	(85,49,288)	1,56,02,507
H P/ VL Outstanding written off suite filed	5,15,687	47,82,125
HP Balance W/Off	-	2,87,11,804
Bad debts written off	9,05,80,200	6,28,38,877
Total	8,15,84,222	11,16,07,736

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D. Loss on repossessed assets

Loss on Repossessed Assets includes amount written off to individual loan accounts, to the extent of difference between book value and valuation of underlying security determined by valuer, on management estimation of irrecoverability of amount, where underlying asset or security is repossessed.

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Note-26 Details of Employee Benefits : Disclosures required under Accounting Standard 15 – Employee Benefits (Revised 2005)**a. Defined Contribution Plans :**

During the Year, the following amounts have been recognised in the Profit and Loss account on account of defined contribution plan

Particulars	March 31, 2021	March 31, 2020
Employers Contribution to Provident Fund	34,78,410	68,96,246
Employers Contribution to Employee's State Insurance	13,61,678	29,03,595

b. Defined benefit Plans- Gratuity:**i. Components of employer expense**

Particulars	March 31, 2021	March 31, 2020
Current service cost	35,09,836	39,63,146
Interest cost	10,46,395	10,37,307
Expected return on plan assets	(13,05,198)	(12,92,379)
Actuarial losses/(gains)	(35,91,542)	(31,51,169)
Total expense recognised in the Statement of Profit and Loss	(3,40,509)	5,56,906

ii. Actual contribution and benefit payments for year

Particulars	March 31, 2021	March 31, 2020
Actual benefit payments	(27,08,837)	10,34,212
Actual contributions	3,18,870	11,06,649

iii. Net asset / (liability) recognised in the Balance Sheet

Particulars	March 31, 2021	March 31, 2020
Present value of defined benefit obligation	(1,29,01,683)	(1,46,45,831)
Fair value of plan assets	1,72,80,317	1,83,65,087
Funded status [Surplus / (Deficit)]	43,78,634	37,19,256
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	43,78,634	37,19,256



Notes on Standalone Financial Statements for the year ended March 31, 2021

iv. Change in Defined Benefit Obligations (DBO) during the year

Particulars	March 31, 2021	March 31, 2020
Present value of DBO at beginning of the year	1,46,45,831	1,38,30,759
Current service cost	35,09,836	39,63,146
Interest cost	10,46,395	10,37,307
Actuarial (gains) / losses	(35,91,542)	(31,51,169)
Benefits paid	(27,08,837)	(10,34,212)
Present value of DBO at the end of the year	1,29,01,683	1,46,45,831

v. Change in fair value of assets during the year

Particulars	March 31, 2021	March 31, 2020
Plan assets at beginning of the year	1,83,65,087	1,70,00,272
Acquisition adjustment	-	-
Expected return on plan assets	13,05,198	12,92,379
Actual company contributions	3,18,870	11,06,649
Actuarial gain / (loss)	-	-
Benefits paid	(27,08,837)	(10,34,212)
Plan assets at the end of the year	1,72,80,317	1,83,65,087

vi. Composition of the plan assets is as follows:

Particulars	March 31, 2021	March 31, 2020
Government bonds	-	-
PSU bonds	-	-
Equity mutual funds	-	-
Insurer Managed Funds	1,72,80,317	1,83,65,087

vii. Actuarial assumptions

Particulars	March 31, 2021	March 31, 2020
Discount rate	7%	7%
Rate of return on plan assets	7%	7%
Salary escalation	8%	8%

The above disclosures are based on information furnished by the independent actuary and relied upon by the auditors.

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

Note-27

Income Tax

The components of income tax expense for the year ended March 31, 2021 and year ended March 31, 2020 are:

Particulars	March 31, 2021	March 31, 2020
Current tax	-	-
Short/ (Excess) tax provision for earlier years	-	6,55,69,108
Deferred Tax	26,62,280	(38,82,560)
Income tax expense reported in statement of profit and loss	26,62,280	6,16,86,548

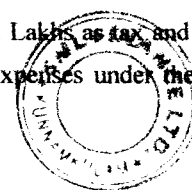
The Company has computed the tax expense of the current financial year as per the tax regime announced under section 115BAA of the

Note-28

The components of exceptional item for the year ended March 31, 2021 and year ended March 31, 2020 are:

Particulars	March 31, 2021	March 31, 2020
Net Amount declared before Settlement Commission	-	11,34,79,783
Total	-	11,34,79,783

A search and survey was conducted by the competent authorities under section 132(1) and 133A of the Income Tax Act, 1961 ('the Act') at premises of the Company and certain group Companies in the previous year ended 31st March, 2017. The final order has been received from Hon'ble Income Tax Settlement Commission ('ITSC') on 24.06.2020. The order giving effect to the ITSC order have also been passed and it's effects are appropriately provided in books of account. The Company has deposited 416.56 Lakhs as tax and 242.18 as interest towards the proposed settlement which has been shown as a part of income tax for prior years expenses under the head "Tax Expense" in the books of accounts as on 31st March, 2020. The matter is concluded with the Hon'ble ITSC.



Notes on Standalone Financial Statements for the year ended March 31, 2021

Note-29

Earnings Per Share

The company reports basic and diluted Earnings per Share in accordance with AS 20. Basic Earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding at the end of the year. Diluted Earnings per share have been computed using the weighted average number of equity shares and potential equity shares outstanding at the end of the year.

Particulars	March 31, 2021	March 31, 2020
Profit after tax as reported	82,03,046	(4,71,09,249)
Weighted average number of equity shares for basic EPS	60,302	60,302
Weighted average number of equity shares outstanding during the period	60,302	60,302
Basic earnings per share (face value of Rs. 10) -in INR	136.03	(781)

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Note-30

Contingent liabilities and capital commitments

Particulars	in Lakhs	
	March 31, 2021	March 31, 2020
Contingent Liabilities: -		
Claim not acknowledge as debt by the company		
In respect of tax demands where the Company has filed appeal before various authorities	442.35	442.35
Guarantee and Letter of Credit issued by banker on behalf of the company	39.50	39.50
Future cash outflow in respect of above is determinable only on receipt of judgments /decision pending with various forums/authorities.		
The Company is of the opinion that the above demands are not tenable and expects to succeed in its appeals/defense. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations		

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Note-31

Related party disclosures

Names of Related Parties

(A) Holding Company/ Subsidiary Company

Vanchinad Finance Private Limited

(B) Key Management Personnel

Designation

Dr.Griger Cherry Williams	Managing Director
Nil	Whole-time Director
Nil	Chief Executive Officer
Shajan A D	Chief Financial Officer
Naveena P Thampi	Company Secretary

(C) Entities in which KMP / Relatives of KMP can exercise significant influence

BRD Finance Limited	BRD Car World Limited
BRD Motors Limited	BRD Developers & Builders Limited
BRD Chits Limited	Sangeeth Photostats
BRD Kuries India Limited	Ayur Bethaniya LLP
BRD Securities Limited	Sangeeth Nidhi Limited

(D) Relatives of Key Management Personne Relation

C C William Verghese	Father of MD
Mary Williams	Mother of MD
Susanna Griger	Spouse of MD
Devassy A L	Father of CFO
Smitha Shajan	Spouse of CFO



Notes on Standalone Financial Statements for the year ended March 31, 2021

Related Party Transaction During the Year

Particulars	KMP		Relatives of KMP	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Remuneration paid				
Griger Cherry Williams	9,00,000	-	-	-
Susanna Isaac	-	-	5,70,000	7,20,000
Shajan A D	5,39,196	5,50,000	-	-
Naveena P Thambi	6,40,459	6,30,000	-	-
Professional consulting fees				
Mary Williams	-	-	7,20,000	7,20,000
Incentives Paid				
Griger Cherry Williams	12,996	12,996	-	-
NCD Redeemed				
Devassy A L	-	-	20,000	180,000
Loan from Directors of the Company				
C C William Verghese	-	-	2,26,33,000	1,25,81,000
Mary Williams	-	-	38,97,000	25,33,000
Susanna Griger	-	-	34,33,000	51,76,000
Loan Repaid to Directors				
C C William Verghese	-	-	1,42,99,000	1,30,22,000
Mary Williams	-	-	77,50,000	50,89,000
Susanna Griger	-	-	45,86,000	41,24,000
Sub-debts of the Company				
Shajan A D	-	5,000	-	-
Smitha Shajan	-	-	-	5,000
Interest paid on NCD				
Griger Cherry Williams	1,25,500	1,25,814	-	-
Susanna Griger	-	-	51,204	51,227
Devassy A L	-	-	24,797	51,735
Interest paid on Loan from Directors and Relatives				
C C William Verghese	-	-	3,03,854	6,12,491
Mary Williams	-	-	2,19,267	7,62,016
Susanna Griger	-	-	1,11,123	5,44,670
Trade Advance Paid				
SML Motors	-	-	4,11,65,000	8,44,78,000
Trade Advance Refund				
SML Motors	-	-	1,57,09,000	4,45,00,000
Interest on Trade Advance Received				
SML Motors	-	-	48,35,977	26,17,169
Rent Paid				
C C William Verghese	-	-	28,80,000	35,22,581



SML FINANCE LIMITED
Notes on Standalone Financial Statements for the year ended March 31, 2021

Particulars	Subsidiary		Entities in which KMP / Relatives of KMP can exercise significant influence	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Rent Received				
BRD Car World Limited	-	-	2,70,000	1,16,667
Vanchiand Finance P Limited	-	-	15,430	-
Sangeeth Nidhi Limited	-	-	20,570	-
Inter Corporate Deposit accepted				
Vanchiand Finance P Limited	1,50,00,000	-	-	-
BRD Securities Limited	-	-	-	4,00,00,000
Inter Corporate Deposit Repaid				
Vanchiand Finance P Limited	1,50,00,000	-	-	-
BRD Securities Limited	-	-	-	4,00,00,000
Interest on Inter Corporate Deposit accepted and repaid				
Vanchiand Finance P Limited	5,44,657	-	-	-
BRD Securities Limited	-	-	-	45,94,522
Inter Corporate Deposit Paid				
Vanchiand Finance P Limited	-	11,50,00,000	-	-
Inter Corporate Deposit Refund				
Vanchiand Finance P Limited	-	11,50,00,000	-	-
Interest on Inter Corporate Deposit Advanced and Refunded				
Vanchiand Finance P Limited	-	82,69,646	-	-
Dividend Received				
Vanchiand Finance P Limited	4,40,00,000	-	-	-
Balance Outstanding - Asset / (Liabilities)				
Particulars	KMP		Relatives of KMP	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Trade Advance				
SML Motors	-	-	8,97,34,000	6,42,78,000
Loand and Advances				
C C William Verghese	-	-	9,16,24,164	9,16,24,164
NCD				
Griger Cherry Williams	10,00,000	10,00,000	-	-
Susanna Griger	-	-	4,25,000	4,25,000
Devassy A L	-	-	1,82,000	2,02,000
Bonds				
Shajan A D	5,000	5,000	-	-
Smitha Shajan	-	-	5,000	5,000



Notes on Standalone Financial Statements for the year ended March 31, 2021

Particulars	Subsidiary		Entities in which KMP / Relatives of KMP	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Share Capital Investment				
Vanchinad Finance P Limited	22,00,00,000	22,00,00,000	-	-

Note-32**Transaction with non executive director**

Name	Nature of Transaction	March 31, 2021	March 31, 2020
Jojo N J	Remuneration	12,00,000	12,00,000
Appumon C K	Remuneration	6,00,000	-

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Note-33**Disclosure with regard to dues to Micro Enterprises and Small Enterprises**

Payment against the supplies from the undertakings covered under the Micro, Small & Medium Enterprises Development Act, 2006 are generally made in accordance with the agreed credit terms. On the basis of information and record available with the management, the details of the outstanding balances of such suppliers and interest due on such accounts as on March 31, 2021 is Nil. (as on March 31, 2020 is Nil). Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2020 together with interest paid /payable are required to be furnished.

Note-34

Particulars	March 31, 2021	March 31, 2020
Value of Investments		
(i) Gross Value of Investments		
(a) India In India	2,558.34	2,558.34
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) India In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) India In India	2,558.34	2,558.34
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write off / write back of excess provisions during the year	-	-
(iv) Closing balance	-	-

Note-35**Details of Ratings assigned by credit rating agencies and migration of ratings during the year**

The Company has been assigned following credit rating from all rating agencies during the financial year ended March 31, 2021 :

Instrument	Rating Agency	Rating Assigned	
		March 31, 2021	March 31, 2020
1 Long Term Loan Facilities	CARE	BB-	BB-
2 Short Term Loan Facilities			

Note-36**Provisions and Contingencies**

(' in lakhs)

Break up of Provisions and Contingencies shown under the head Expenses in the Statement of Profit and Loss	March 31, 2021	March 31, 2020
1 Provisions for depreciation on Investment	-	-
2 Provision towards NPA (Expected Credit Loss)	355.96	441.45
3 Provision made towards Income Tax	-	-
4 Other Provision and Contingencies (with details)	-	-
5 Provision for Standard Assets	32.10	41.73



Notes on Standalone Financial Statements for the year ended March 31, 2021

Note-37

Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

The company does not have any joint venture or subsidiary overseas during the year 2020-21 & 2019-20

Note-38

Draw Down from Reserves

No reserves have been draw down during the financial year 2020-21 & 2019-20

Note-44

Concentration of Deposits, Advances, Exposu	March 31, 2021		March 31, 2020	
	Asset Category	Amount	Provision	Amount
1 Standard Asset	1,28,40,75,968	32,10,190	1,66,90,26,884	41,72,567
2 Substandard Asset	11,37,54,095	1,17,20,045	10,75,02,913	1,10,95,648
3 Doubtful assets	5,26,74,706	2,38,75,714	6,98,56,647	3,30,49,399
4 Loss Asset	-	-	-	-
Total	1,45,05,04,769	3,88,05,949	1,84,63,86,444	4,83,17,614

Note-45

Movement of NPAs

Particulars	March 31, 2021	March 31, 2020
i Net NPAs* to Net Advances (%)	9.02%	7.21%
ii Movement of NPAs* (Gross)		
(a) Opening balance	17,73,59,560	21,83,90,382
(b) Net additions during the year	(1,09,30,759)	(4,10,30,822)
(c) Closing balance	16,64,28,801	17,73,59,560
iii Movement of Net NPAs*		
(a) Opening balance	13,32,14,513	18,98,47,842
(b) Net additions during the year	(23,81,471)	(5,66,33,329)
(c) Closing Balance	13,08,33,042	13,32,14,513
iv Movement of provisions for NPAs* (excluding Provisions on Standard Assets)		
(a) Opening balance	4,41,45,047	2,85,42,540
(b) Provisions made during the year	(85,49,288)	1,56,02,507
(c) Write-off/ write-back of excess provisions	-	-
(d) Closing balance	3,55,95,759	4,41,45,047

Note-39

Concentration of Advances

Particulars	March 31, 2021	March 31, 2020
1 Gold Loans granted against collateral of gold jewellery	12,30,17,088	13,41,69,214
2 Total assets of the Company	2,13,87,38,628	2,46,73,50,963
3 Percentage of Gold Loans to Total Assets	5.75%	5.44%

Note-40

Concentration of Exposures

Particulars	March 31, 2021	March 31, 2020
1 Total Advances to twenty largest borrowers	449.9	381.35
2 Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	3.10%	2.07%

Note-41

Concentration of NPAs

Particulars	March 31, 2021	March 31, 2020
1 Total Exposures to twenty largest borrowers/customers	600.39	650.79
2 Percentage of Exposures to twenty largest borrowers/Customers to Total Exposures of	4.14%	3.52%



(` in lakhs)

Notes on Standalone Financial Statements for the year ended March 31, 2021

Note-42

Concentration of Exposures

Particulars	(` in lakhs)	
	March 31, 2021	March 31, 2020
1 Total Exposures to top four NPA accounts	46.63	376.45

Note-43

Sector wise NPAs

Sector	Percentage of NPAs to Total Advances in that	
	March 31, 2021	March 31, 2020
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	-	-
4 Services	-	-
5 Unsecured personal loans	14.94	10.52
6 Auto loans (vehicle loan)	8.82	10.50
7 Other loans	16.99	0.90

Note-46

Customer complaints

Particulars	March 31, 2021	March 31, 2020
1 No. of complaints pending as at the beginning of the year	-	-
2 No. of complaints received during the year-NBFC Ombudsman	3	-
3 No. of complaints redressed during the year- NBFC Ombudsman	3	-
4 No. of complaints pending as at the end of the year	-	-

Note-47

Value of imports calculated on CIF Balance

The company has not imported any goods therefore value of import on CIF basis is Nil during the year 2020-21. (2019-20 – Nil)

Note-48

Expenditure in Foreign Currency

The company does not have any expenditure in Foreign Currency during the year 2020-21. (2019-20 – Nil)

Note-49

Earning in Foreign Currency

The company does not have any earnings in Foreign Currency during the year 2020-21. (2019-20 – Nil)

Note-50

Miscellaneous

The company has a single reportable segment i.e. financing which has similar risk & return for the purpose of AS-17 on 'Segment Reporting'

- notified under the Companies (Accounting Standard) Rules, 2006 as amended. The company operates in a single geographical segment i.e. domestic.
- The Company has not obtained registration from other financial sector regulators except Reserve Bank of India.
- No penalties were imposed by the regulator during the year during the financial year ended March 31, 2021, (March 31, 2020: Nil)
- Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.



Note-51

Disclosures required as per Reserve Bank of India Master Direction – Non-Banking Financial Company – Non Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

(in lakhs)

Sl. No.	Particulars		As at March 31, 2021	
	<u>Liabilities side :</u>		Amount out-standing	Amount overdue
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:			
	(a)	Debentures : Secured : Unsecured (other than falling within the meaning of public deposits)	6,384.81 137.50 -	- - -
	(b)	Deferred Credits	Nil	-
	(c)	Term Loans	Nil	-
	(d)	Inter-corporate loans and borrowing	Nil	-
	(e)	Commercial Paper	Nil	-
	(f)	Public Deposits	Nil	-
	(g)	Other Loans – Cash credit / overdraft facilities from banks Vehicle Loans Unsecured Loans Subordinated debts	- 1,790.28 14.81 99.22 6,862.49	- - - - -
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest			
	(a)	In the form of Unsecured debentures	Nil	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a	Nil	-
	(c)	Other public deposits	Nil	-
<u>Assets side :</u>			Amount out-standing	
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :			
	(a)	Secured		10,791.52
	(b)	Unsecured		4,244.20
4	Break up of Leased Assets and stock on hire and other assets counting towards			
	(i)	Lease assets including lease rentals under sundry debtors : (a) Financial lease (b) Operating lease	Nil Nil	
	(ii)	Stock on hire including hire charges under sundry debtors: (a) Assets on hire (b) Repossessed Assets		- 58.12
	(iii)	Other loans counting towards asset financing activities (a) Loans where assets have (b) Loans other than (a) above	Nil Nil	
5	Break-up of Investments			
<u>Current Investments :</u>				
1	<u>Quoted :</u>			
(i)	Shares (a) Equity (b) Preference		- - -	
(ii)	Debentures and Bonds		-	
(iii)	Units of mutual funds		-	
(iv)	Government Securities		-	
(v)	Others (please specify)		-	
2	<u>Unquoted :</u>			
(i)	Shares (a) Equity (b) Preference		- - -	
(ii)	Debentures and Bonds		-	
(iii)	Units of mutual funds		-	
(iv)	Government Securities		-	
(v)	Others (please specify)		-	



Long Term investments :				
1	Quoted :			
(i)	Shares			
	(a) Equity	0.66		
	(b) Preference	-		
(ii)	Debentures and Bonds	-		
(iii)	Units of mutual funds	-		
(iv)	Government Securities	-		
(v)	Others (please specify)	-		
2	Unquoted :			
(i)	Shares			
	(a) Equity	2557.68		
	(b) Preference	-		
(ii)	Debentures and Bonds	-		
(iii)	Units of mutual funds	-		
(iv)	Government Securities	-		
(v)	Others (please specify)	-		
6	Borrower group-wise classification of assets financed as in (3) and (4) above :			
Category		Amount net of provisions		
		Secured	Unsecured	Total
1	Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2	Other than related parties	10,500.34	4,179.43	14,679.76
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted)			
Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
1	Related Parties			
	(a) Subsidiaries	2200.00	2200.00	
	(b) Companies in the same group	-	-	
	(c) Other related parties	357.68	357.68	
2	Other than related parties	0.66	0.66	
Total		2,558.34	2,558.34	
8	Other information			
Particulars		Amount		
(i)	Gross Non-Performing Assets*			
	(a) Related parties	-		
	(b) Other than related parties	1664.29		
(ii)	Net Non-Performing Assets*			
	(a) Related parties	-		
	(b) Other than related parties	1308.33		
(iii)	Assets acquired in satisfaction of debt	-		

In terms of our report attached.

For and on behalf of the Board of Directors

Griger Cherry Williams
Mg. Director (DIN :00145586)

Susanna Isaac
Director (DIN :03296118)

Damodaran P Namboodiri FCA
Chartered Accountant
Membership No: 221178

Appumon C K
Director (DIN : 00135500)

Shajan Aloor Devassy
(Chief Financial Officer)

Naveena P Thampi
(Company Secretary)

Aluva
07.09.2021

Edappally
07.09.2021



Independent Auditor's Report

To the Members
SML Finance Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of SML Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2021, of consolidated profit/loss, and its consolidated cash flows for the year then ended.

Basis for opinion

We draw your attention to Note no. 12 to the consolidated financial statements. The Company has investment in Related Entities (unquoted equity shares) with a carrying value at cost of Rs. 3.58 Crores. According to information available and explanations obtained in respect of non-current investments (Long term investments) in related entities ("the parties") it has been observed from the perusal of the financial statements of these parties that the said parties have accumulated losses and their respective net worth have been substantially eroded. Further some of these parties have incurred net loss during the current year and previous year(s). Further there is a clear indication that there is a decline in the carrying amount of these investments which is other than temporary. Changes in business environment could have a significant impact on the valuation of these investments. As per AS-13 "Accounting for Investments" Para 17 ; if there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognize the decline. The company has not carried out the impairment test periodically. We have not been able to corroborate the Management's contention of realizing the carrying value of its investments. Accordingly, we are unable to comment on the appropriateness of the carrying value of such investments and their consequential impact on the financial results and the financial position of the Company as at and for the year ended March 31 2021.

Our audit report for the previous year ended March 31, 2020 had also qualified in respect of the above matter.

Loans and advances to related parties amounting to Rs. 9.16 Crores represents the amount receivable from relatives of the Director of the Company. The amount represents the dues recoverable from the related party consequent to the search and Honorable settlement commission order. As the balance is remaining outstanding without any recovery and also since no provision for interest receivable is made by the Company against the loans and advances to related parties, we are unable to comment upon the recoverability, if any.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Emphasis of matter

Due to the Covid-19 pandemic, we were not able to visit the branches of the Company and hence could not verify the underlying security in respect of gold loans. We are relying on the internal control system in force and management representation with respect to the same.

Our opinion is not modified in respect of this matter.

Key audit matters

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

Litigations and claims provisions and contingent liabilities	
As disclosed in Note 32 [Capital Commitments and Contingent Liabilities] to the standalone financial statements, the Company is involved in direct and indirect tax litigations amounting to ` 442.35 Lakhs that are pending with various tax authorities.	We have obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We obtained opinion of experts and also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions
The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.	

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

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its associates entities are responsible for overseeing the financial reporting process of the Group and of its associates entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial 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 ability of the Group and its associates entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the 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 of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matter

We did not audit the financial statements of the Subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 14,673.13 Lacks as at March 31, 2021, total revenues of Rs. 3501.48 Lacks, and net expenditure amounting to Rs 3204.14 Lacks respectively for the year then ended as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the report of other auditors

Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by Management.

Report on Other Legal and Regulatory Requirements

Report on Other Legal and Regulatory Requirements As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies

incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure I".

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

i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the group- *Refer Note No 30 of the financial Statement*

ii. The Group, its associates entities did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amount, required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies incorporated in India



Damodaran P Namboodiri FCA
Chartered Accountant
Membership No.221178
UDIN: 21221178AAAACS3734

Place: Aluva,
Date: 07.09.2021

“Annexure I” to the Independent Auditor’s Report of even date.

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

In conjunction with our audit of the consolidated financial statements of SML Finance Limited (“the Holding Company”) as of and for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and associates, incorporated in India as of 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. 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 judgement, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and 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

According to information's and explanations given to us the following material weakness has been identified as at 31st March 2021:

The company's ERP is not capable of calculating the NPA provisions along with automatic adjustment of interest reversal as mandated by RBI prudential norms and it requires manual intervention.

A "Material Weakness" is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, except to the possible effect of material weakness described above in which case we have extended our audit procedures to cover , the company has maintained in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 2021, based on internal control over financial reporting criteria established by the company considering the essential components of internal controls stated in the guidance note on Audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India



Place: Aluva
Date: 07.09.2021

Damodaran P Namboodiri FCA
Chartered Accountant
Membership No.221178

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2021

PARTICULARS	Note No.	31.03.2021 Rs.	31.03.2020 Rs.
I. EQUITY AND LIABILITIES			
Share Holders' Funds:			
Share Capital	3	6,03,02,000	6,03,02,000
Reserves & Surplus	4	57,97,78,627	59,35,93,339
Minority Interest		-	-
Non-Current Liabilities			
Long term borrowings	5	1,93,30,47,501	2,17,36,93,976
Deferred tax Liability		-	-
Other Long term liabilities	6	10,29,28,903	10,93,09,390
Long term provisions	7	4,85,34,528	5,34,83,796
Current Liabilities			
Short term borrowings	8	56,71,22,238	57,57,47,299
Trade payables		-	-
Other Current liabilities	9	9,43,37,849	9,97,41,249
Short term provisions	10	-	52,018
TOTAL		3,38,60,51,647	3,66,59,23,067
II. ASSETS			
Non-Current Assets			
Property, Plant & Equipment	11	6,36,25,147	6,94,35,990
Intangible assets	11	36,51,138	35,51,085
Capital work-in-progress			
Non-current investments	12	3,58,33,965	3,58,33,965
Deferred tax assets (net)	13	1,65,86,799	1,75,00,560
Long term loans and advances - Financing Activity	14	1,05,98,80,646	1,21,68,71,559
Long term loans and advances	15	14,00,49,841	13,83,65,238
Other Non-current assets	16	43,78,635	37,19,256
Current Assets			
Current investments		-	-
Cash and bank balances	17	7,10,13,082	2,63,94,864
Short term loans and advances - Financing Activity	14	1,65,89,71,206	1,90,26,91,097
Short term loans and advances	18	23,38,66,148	18,80,27,140
Other Current assets	19	9,81,95,040	6,35,32,313
Total		3,38,60,51,647	3,66,59,23,067

Notes are an integral part of the financial statements

In terms of our report attached.



Damodaran P Namboodiri FCA

Chartered Accountant

Membership No: 221178

Aluva

07.09.2021

For and on behalf of the Board of Directors

Griger Cherry Williams

Mg. Director (DIN :00145586)

Susanna Isaac

Director (DIN :03296118)

Appumon C K

Director (DIN : 00135500)

Shajan Aloor Devassy

(Chief Financial Officer)

Edappally

07.09.2021

Naveena P Thampi

(Company Secretary)



CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR 31ST MARCH 2021

PARTICULARS	Note No.	31.03.2021	31.03.2020
		Rs.	Rs.
INCOME			
Revenue from Operations	20	67,34,81,136	70,14,68,285
Other Income	21	7,75,83,382	9,76,31,213
TOTAL INCOME		75,10,64,518	79,90,99,498
EXPENSES			
Employee benefit expense	22	15,78,12,466	18,60,30,655
Finance cost	23	33,92,13,811	34,97,74,359
Depreciation and amortization expenses	24	1,05,71,479	1,03,38,032
Other expenses	25	24,68,67,714	28,52,96,743
TOTAL EXPENSES		75,44,65,470	83,14,39,789
Profit Before Tax		-34,00,952	-3,23,40,291
Exceptional items - Refer Note 28	28	-	11,34,79,783
Profit Before tax		-34,00,952	8,11,39,492
Tax Expense	27		
Current tax		95,00,000	1,90,00,000
Short/ (Excess) tax provision for earlier years		-	6,55,69,108
Deferred tax		9,13,761	-39,56,805
Total Tax Expense		1,04,13,761	8,06,12,303
Profit/(loss) for the year from continuing operation		-1,38,14,713	5,27,189
Earning per equity share [nominal value of shares ` 10]	29		
Basic and Diluted EPS		-229.09	8.74

Notes are an integral part of the financial statements

In terms of our report attached.



Damodaran P Namboodiri FCA
Chartered Accountant
Membership No: 221178

Aluva
07.09.2021

For and on behalf of the Board of Directors

Griger Cherry Williams
Mg. Director (DIN :00145586)

Susanna Isaac
Director (DIN :03296118)

Appumon C K
Director (DIN : 00135500)

Shajan Aloor Devassy
(Chief Financial Officer)
Edappally
07.09.2021

Naveena P Thampi
(Company Secretary)



SML FINANCE LIMITED**Kunnamkulam****Consolidated Cash Flow Statement for the year ended 31st March 2021****In terms of AS - 3 on Cash Flow Statement under Indirect Method**

Particulars	2020-21	2019-20
	Rs	Rs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit Before Taxation and Exceptional Item	(34,00,952)	(3,23,40,291)
Adjustment for:		
Exceptional items	-	11,34,79,783
Provision for Depreciation	1,05,71,479	1,03,38,032
Interest on Borrowings	33,92,13,811	34,97,74,359
Provision for standard assets	(9,88,211)	(12,20,273)
Provision for NPA	(31,18,830)	1,56,02,507
Interest Income	(2,23,85,783)	(17,95,320)
Bad Debts w/off	12,91,12,877	6,28,38,877
Loss on Sale of repossessed vehicles	1,69,448	50,87,459
Profit on sale of Fixed Assets	(1,32,012)	(6,354)
Operating profit before working capital changes	44,90,41,828	52,17,58,779
(Increase)/Decrease in Loans Fin Activity	27,14,28,478	(23,07,88,687)
(Increase)/Decrease in Loans & advances	(4,14,65,338)	(7,93,71,994)
(Increase)/Decrease in Other Assets	(3,53,22,106)	4,57,49,969
Increase/(Decrease) in Sundry Creditors & Other liabilities	(1,26,78,132)	(4,17,36,487)
Cash from operations	63,10,04,730	21,56,11,579
Income tax paid	(1,55,58,273)	(9,05,92,967)
Net cash from operating activities	61,54,46,457	12,50,18,612
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipments	(39,73,488)	(3,08,74,556)
Purchase of Intangible Assets	(13,21,497)	-
Sale of Fixed assets	5,66,309	2,25,000
Interest Income	2,23,85,783	17,95,320
(Purchase) / Sale of Investment	-	89,24,250
Net cash from Investing activities	1,76,57,106	(1,99,29,986)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayments) from Long term Borrowings	(24,06,46,474)	201549002.9
Proceeds/ (Repayments) from Working Capital Borrowings	(86,25,061)	2,89,45,474
Dividend	-	-
Interest on borrowings	(33,92,13,811)	(34,97,74,359)
Net Cash flow from Financing Activities	(58,84,85,346)	(11,92,79,882)
Net Increase/Decrease in Cash & Cash Equivalents	4,46,18,218	(1,41,91,257)
Cash & Cash Equivalents at the beginning of the year	2,63,94,864	4,05,86,121
Cash & Cash Equivalents at the end of the year	7,10,13,082	2,63,94,864

In terms of our report attached.

For and on behalf of the Board of Directors


Damodaran P Namboodiri FCA

Chartered Accountant

Membership No: 221178

Aluva

07.09.2021

Griger, Cherry Williams

Mg. Director (DIN :00145586)

Susanna Isaac

Director (DIN :03296118)

Appumon C K

Director (DIN : 00135500)

Shajan Aloor Devassy

(Chief Financial Officer)

Edappally

07.09.2021

Naveena P Thampi

(Company Secretary)



Notes to The Financial Statements for The Year Ended March 31, 2021

1 Corporate information

The Company is a non-systemically important Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. The Company has received the certificate of registration A.16.00065 on 10th July, 1999, which was converted to B.16.00065 on 27.03.2017, enabling the Company to carry on business as Non-Banking Financial Company.

The Company offers broad suite of lending and other financial products such as mortgage loan, gold loan, loan against Automobiles.

2 Significant Accounting Policies

a. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 as amended and Non-Banking Financial Company- Systematically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as amended from time to time.

The financial statements have been prepared on an accrual basis and under the historical cost convention, except income from Non-performing assets which is recognized on receipt basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of product and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - noncurrent classification of assets and liabilities. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

In case of any contradiction in applicable provisions of Reserve Bank of India, schedule III and accounting standards issued by ICAI, the Company has adopted the provisions of master directions of RBI.

b. Principles of consolidation

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been prepared on the following basis:

i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.

ii) The share of profit / loss of associate companies is accounted under the 'Equity method' as per which the share of profit / loss of the associate company has been adjusted to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.

iii) The excess of the cost to the parent of its investments in a subsidiary over the parent's portion of equity at the date on which investment in the subsidiary is made, is recognised as 'Goodwill (on consolidation)'. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as 'Capital Reserve (on consolidation)' in the consolidated financial statements.

iv) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies are made and further movements in their share in the equity, subsequent to the dates of investments.



Notes to The Financial Statements for The Year Ended March 31, 2021

v) On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

c. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Interest

Interest income from financing activities is recognized on accrual basis by applying internal rate of return implicit in each loan agreement except in the case of non-performing assets, where it is recognised on the actual realization as per the Non-Banking Financial Company- Systematically Important Non Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and to the extent it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

Processing fees, late payment Interest and all other financial charges except cheque bounce charges or instrument dishonor charges pertaining to loan agreement are recognized only on receipt basis. Cheque bounce charges or instrument dishonor charges pertaining to performing loans are recognized on accrual basis i.e. as & when the cheque/instrument is dishonored or bounced.

Other income

Other income is recognized on accrual basis of accounting.

d. Provisioning Norms for Standard & Sub-Standard Assets

Non-performing assets are recognized and provided for, as per management estimates, subject to the minimum provision required as per Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued vide master direction No DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 as amended from time to time

Similarly, provision on standard assets is also made as per the RBI NSI- ND Directions.

e. Bad Debts

As per management estimates, the loan accounts which are considered as irrecoverable on account of collection is written off in the year of determination of irrecoverability. Interest income not realized on such loans is reversed and the principal outstanding as reduced by the total receipts is written off as Bad Debts.

f. Repossession of Assets

The accounts, where underlying security is repossessed and where management estimates irrecoverability of portion of loans, are written off to the extent of difference between amount outstanding in the books and value of underlying security as determined by the approved valuer.

The accounts, where underlying asset is repossessed and sold, are written off to the extent of difference between principal outstanding in the books and the full & final amount recovered from sale of repossessed assets under the accounting head "principal loss on repossession".

g. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for



Notes to The Financial Statements for The Year Ended March 31, 2021

another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

h. Property, Plant and Equipment

Property, plant and equipment, capital work in progress are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, nonrefundable taxes or levies, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of tangible assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. All other repair and maintenance costs are recognized in profit or loss as incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

i. Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on Written Down Value Method (W.D.V.) at the rates calculated with reference to the estimated useful life of assets prescribed in Schedule II to the Companies Act, 2013 or actual useful life of assets whichever is lower. Depreciation is recognized on a pro-rata basis to the Statement of Profit and Loss on the assets acquired, sold or disposed off during the year till the date of acquisition, sale or disposition.

Assets	Useful Lives
Buildings	60
Furniture & fixtures Electrical Fittings	10
Computer & data processing units	
a) Server & networks	6
b) End user device	3
Office equipment	5
Vehicles	
a) Two wheelers	10
b) Four wheelers	8
Computer software	5

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j. Intangible assets

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to assets will flow to the enterprise and the cost of the assets can be measured reliably. Computer software which is not an integral part of the related hardware is classified as an intangible asset. Intangible assets are measured and recorded at cost and carried at cost less accumulated amortization and accumulated impairment losses, if any.



Notes to The Financial Statements for The Year Ended March 31, 2021

Intangible assets are amortized on a straight-line basis over the estimated useful economic life as determined by management.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

k. Lease

Where the company is lessee

All the leasing arrangements of the Company are operating lease in respect of its office premises where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset. Such operating lease rental payments are recognized as an expense on accrual basis in the Statement of Profit and Loss.

Where the company is the lessor

Assets subject to operating lease are included in the fixed assets. Lease income on operating lease is recognized in the Statement of Profit and Loss. Costs, including depreciation, are recognized as expenses in the Statement of Profit and Loss.

l. Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period they occur.

m. Impairment of assets

The carrying amount of substantial assets is reviewed at each Balance Sheet date to identify if there is any indication of impairment based on internal/external factors. For any impairment, the recoverable amount of these assets is determined.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any is charged to the Profit & Loss accounting the year in which an asset is identified.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. The reversal of impairment is recognized in Statement of Profit and Loss, unless the same is carried at revalued amount and treated as revaluation reserve.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on written down value basis over its remaining useful life.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.



Notes to The Financial Statements for The Year Ended March 31, 2021

Employee State Insurance is a defined contribution scheme and the contributions as required by the statute are charged to the Statement of Profit and Loss as and when incurred.

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit Method.

Actuarial gains and losses are recognized in the Statement of Profit and Loss as and when incurred.

o. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain, as the case may be, that sufficient future taxable income will be available

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

p. Earnings Per Share

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

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

q. Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand.



Notes to The Financial Statements for The Year Ended March 31, 2021

r. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash comprises cash on hand and demand deposits with banks.

s. Classification of Debentures

Company has classified debentures as current and non-current based on the maturity period of debenture as mentioned in debenture certificate.

t. Segment Reporting

The Company primarily operates as a Loan company and its operations are in India. Since the Company has not operated in any other reportable segments, as per AS 17 'Segment Reporting', no segment reporting is applicable. Company operates in a single geographical segment. Hence, secondary geographical segment information disclosure is not applicable.

u. Exceptional Item

When items of income and expense within statement of profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

v. Contingent liabilities and Contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statement since this result in the recognition of the income that may never realize.

w. Provisions

i. A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

ii. Provision policy for loan portfolios: Company provides for non-performing loans and advances as mentioned in Para 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016. Provision for standard assets (including interest receivable) is made at 0.25% as mentioned in Para 14 of Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016 and shown in the balance sheet as 'Contingent Provisions for standard asset'.



SML FINANCE LIMITED
Notes on Consolidated Financial Statements for the year ended March 31, 2021
Note - 3
SHARE CAPITAL

Particulars	March 31, 2021	March 31, 2020
(a) Authorised		
130000 (Previous Year : 130000) equity shares of Rs. 1000 each	13,00,00,000	13,00,00,000
20000 (Previous Year : 20000) Preference Shares of Rs. 1000 each	2,00,00,000	2,00,00,000
(b) Issued, Subscribed & Fully Paid Up		
60302 (Previous Year : 60302) Equity Shares of Rs. 1000 each	6,03,02,000	6,03,02,000
TOTAL	6,03,02,000	6,03,02,000

i. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	March 31, 2021		March 31, 2020	
	No .	Value	No .	Value
No: of shares at the beginning of the year	60,302	6,03,02,000	60,302	6,03,02,000
Issued During the year	-	-	-	-
Less: shares bought back	-	-	-	-
Outstanding at the end of the year	60,302	6,03,02,000	60,302	6,03,02,000

ii. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ` 1000 per share. Each holder of equity shares is entitled to one vote 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, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back for the 15,000 Shares out of the issued, subscribed and paid up share capital were allotted as fully paid Bonus Shares, by way of capitalisation of accumulated profits.

iv. Details of Shareholders holding more than 5% Shares

Name of shareholder	March 31, 2021		March 31, 2020	
	No: of shares held	% of	No: of shares held	% of shareholding
C C William Verghese	36150	59.95%	36150	59.95%
Dr. Griger Cherry Williams	17311	28.71%	17311	28.71%
Mary Williams	5290	8.77%	5290	8.77%

Note - 4
RESERVES & SURPLUS

Particulars	March 31, 2021	March 31, 2020
Statutory Reserve - u/s 451C of the RBI Act.		
Amount as per Last Balance Sheet	12,71,50,103	11,76,22,803
(+) Additions/ transfers during the Year	60,37,109	95,27,300
Closing Balance	13,31,87,213	12,71,50,103
Securities Premium Account:		
As Per last balance sheet	2,11,98,500	2,11,98,500
(+) Additions during the year		
	2,11,98,500	2,11,98,500
Capital Redemption Reserve	1,41,50,000	1,41,50,000
Surplus		
Balance as per last financial statements	43,10,94,736	44,00,94,846
(+) Net profit/(net loss) for the current year	-1,38,14,713	5,27,189
(-) Transfer to Statutory Reserve - u/s 451C of the RBI Act.	60,37,109	95,27,300
(-) Dividend	-	-
Balance as at the end of the year	41,12,42,914	43,10,94,736
Total	57,97,78,627	59,35,93,339



Nature and purpose of Reserves**Securities premium**

This Reserve represents the premium on issue of equity shares. The reserve can be utilised only for the purposes in accordance with the provisions of the Companies Act, 2013.

Statutory reserve

Statutory Reserve is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934. It requires every non banking finance institution which is a Company to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. The Company has appropriated 20% of the Profit After Tax to the fund for the year.

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. After the introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

Retained earnings or Surplus

This reserve represents the cumulative profits of the Company.

Note - 5**Long Term Borrowings**

Particular	Non- Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Secured				
Non Convertible Debentures	1,11,77,92,000	1,38,11,97,000	2,12,71,000	81,48,000
Term Loan- Habitat	-	83,58,144	83,58,144	1,49,58,430
Vehicle Loan from Banks	17,97,177	15,85,832	4,19,799	4,36,953
Emergency Loan (COVID 19)	43,33,324	-	1,30,00,008	-
Unsecured				
Subordinated Debts- Non Current	79,67,25,000	76,01,53,000	32,15,000	2,46,75,000
Non Convertible Debentures	1,24,00,000	2,24,00,000	-	-
Total	1,93,30,47,501	2,17,36,93,976	4,62,63,951	4,82,18,383

Nature of Security

Non Convertible Debentures are secured by way of first charge on the Assets along with Receivables thereon, claims which are now due and owing to the company in the course of business or which at any time hereinafter due and owing related to or attached to or identified as Hire Purchase/ Hypothecation in sub branch 2 of Kunnankulam, Adimali, Edappally, Kattappana 1, Kattappana 2, Mattanchery, Palakkad, Paravoor, Pathanamthitta 2, Perumbavoor 1, Perumbavoor 2, Kothamangalam, Vadakkekka, Vyttila and Thiruvalla branches and as Micro Finance Loan & Small Ticket Business loan in Alappuzha, Cherthala-2, Chandiroor, Karthikapally, Mavelikkara-2, Pathanamthitta, Thrippunithara, Vadakara, Kollengode, Mepparambu, Kozhinjampara, Alathur, Ottupara, Mannarkkad, Irinjalkkuda, Ramanattukara and Vadakkekka branches and as Personal Loan in Kunnankulam, Alappuzha, Angamaly, Chanthiroor, Cherthala-2, Guruvayoor, Iringalakkuda, Karthikapally, Kozhinjampara, Mannarkkad, Mannuthy, Mavelikkara-2, Muvattupuzha, Pathanamthitta, Pattambi, Ramanattukara, Thamarassery, Thiruvalla, Thrippunithura, Vadakara, Vaniyamkulam and Edappaly Branches and as Gold Loan in Alathur, Kottayam, Muvattupuzha, Paravoor, Pathanamthitta-1, Perumbavoor-1, Thodupuzha, Vadakara and Vaniyamkulam Branches and Demand Loans in Kunnankulam branch, Mortgage Loan in Edappaly Branch and Consumer Durable Loans of all branch offices of the Company.

Privately Placed Non-Convertible Debentures are secured by first charge on the receivable in Aralvaimozhi, Karukachal, Karungal, Kattappana, Kottaram, Koyilandi, Kulasekharam, Nagercoil, Ottapalam, Pathanamthitta, Pattambi, Valliyoor, Kollam, Kottarakkara, Thiruvalla, Kaliyikkavila, Ettumanoor, Ponkunnam, Mundoor, Mavelikkara, Vadakara, Thamarassery, Ramanattukara, Karthikapally and Varkkala branches of the Vanchinad

Debenture is secured by receivables against Loans



SML FINANCE LIMITED

Notes on Consolidated Financial Statements for the year ended March 31, 2021

Term-Loan Habitat is secured primarily by way of exclusive Hypothecation charge on book debts equivalent to 100% of the loan amount and additional 10% hypothecation of book debts.

Emergency Loan (COVID 19) is secured by way of First Charge of hypothecation of Standard book debts / standard loan receivables, present and future of Chavara, Ayur, Peerumed, Vandithavalam, Oachira, Pothancodu, Neyyattinkara, Attingal, Kilimanoor branches of the Vanchinad and Second charge by way of hypothecation of remaining book debts/standard loan receivables,current assets etc ,present and future of the Subsidiary company other than the amount mentioned at branches furnished under above and EM of Commercial Building and residential building.

Further, the loan has been guaranteed by the Personal guarantee of Directors/Corporate guaranteee

Note 5.1 - Debt Securities

Particulars	March 31, 2021	March 31, 2020
(a) Secured Non-Convertible Debentures - Privately Placed	1,13,90,63,000	1,38,93,45,000
(b) Unsecured Non-Convertible Debentures - Privately Placed	1,24,00,000	2,24,00,000
(c) Unsecured Convertible Debentures - Privately Placed	-	-
Total (A)	1,15,14,63,000	1,41,17,45,000
Borrowings in India	1,15,14,63,000	1,41,17,45,000
Borrowings outside India	-	-
Total	1,15,14,63,000	1,41,17,45,000

Non Convertible Debentures - Private

Placement

5.1.1 Series wise classification of Non Convertible Debentures

Particulars	Date of allotment	Date of maturity	March 31, 2021	March 31, 2020
SML/NCD Series-42	31.03.2011	28.03.2021	-	78,03,000
SML/NCD Series-43	31.03.2011	28.03.2021	-	3,45,000
SML/NCD Series-44	30.06.2011	27.06.2021	-	-
SML/NCD Series-45	30.06.2011	27.06.2021	1,35,14,000	1,79,20,000
SML/NCD Series-46	31.08.2011	28.08.2021	18,32,000	20,88,000
SML/NCD Series-47	31.08.2011	28.08.2021	56,80,000	90,25,000
SML/NCD Series-49	31.12.2011	28.12.2021	2,45,000	4,70,000
SML/NCD Series-53	30.06.2012	28.06.2022	5,16,41,000	6,86,25,000
SML/NCD Series-54	31.07.2012	29.07.2022	3,20,58,000	4,49,89,000
SML/NCD Series-55	31.08.2012	29.08.2022	3,23,48,000	4,18,24,000
SML/NCD Series-56	30.09.2012	28.09.2022	3,28,02,000	4,25,53,000
SML/NCD Series-57	31.10.2012	29.10.2022	3,99,00,000	5,42,51,000
SML/NCD Series-58	30.11.2012	28.11.2022	4,68,78,000	6,35,24,000
SML/NCD Series-59	31.12.2012	29.12.2022	2,61,26,000	3,29,20,000
SML/NCD Series-60	31.01.2013	29.01.2023	2,36,58,000	3,23,24,000
SML/NCD Series-61	28.02.2013	26.02.2023	3,67,72,000	4,71,13,000
SML/NCD Series-62	31.03.2013	29.03.2023	3,83,62,000	4,99,60,000
SML/NCD Series-63	30.04.2013	28.04.2023	2,59,12,000	3,48,64,000
SML/NCD Series-64	31.05.2013	29.05.2023	2,02,18,000	2,92,49,000
SML/NCD Series-65	25.06.2013	23.06.2023	2,52,16,000	3,23,65,000
SML/NCD Series-66	31.03.2014	28.03.2024	-	-
SML/NCD Series-67	30.04.2014	27.04.2024	-	-
SML/NCD Series-68	25.06.2014	22.06.2024	6,00,000	26,00,000
SML/NCD Series-69	31.07.2014	28.07.2024	5,00,000	5,00,000
SML/NCD Series-70	24.11.2014	21.11.2024	55,00,000	90,00,000
SML/NCD Series-71	31.03.2015	28.03.2025	17,00,000	32,00,000
SML/NCD Series-72	30.04.2015	27.04.2025	30,00,000	30,00,000
SML/NCD Series-73	31.07.2015	28.07.2025	32,50,000	37,50,000
SML/NCD Series-75	28.10.2017	26.10.2027	1,73,45,000	2,28,45,000
SML/NCD Series-76	23.11.2017	21.11.2027	-	1,00,00,000
SML/NCD Series-77	30.12.2017	28.12.2027	1,00,50,000	1,55,50,000



SML FINANCE LIMITED

Notes on Consolidated Financial Statements for the year ended March 31, 2021

SML/NCD Series-78	27.02.2018	25.02.2028	82,00,000	1,61,75,000
SML/NCD Series-79	31.03.2018	28.03.2028	28,00,000	28,00,000
SML/NCD Series-80	30.12.2017	28.12.2027	50,00,000	75,00,000
SML/NCD Series-81	27.02.2018	25.02.2028	-	95,00,000
SML/NCD Series-82	11.06.2018	08.06.2028	1,42,90,000	2,18,90,000
SML/NCD Series-83	23.07.2018	20.07.2028	95,00,000	95,00,000
SML/NCD Series-84	11.06.2018	08.06.2028	1,24,00,000	1,24,00,000
SML/NCD Series-85	21.07.2018	18.07.2028	1,87,72,000	2,22,72,000
SML/NCD Series-86	05.07.2018	02.07.2028	1,34,12,000	1,84,62,000
SML/NCD Series-87	30.06.2018	27.06.2028	-	-
SML/NCD Series-88	23.07.2018	20.07.2028	2,34,06,000	2,67,06,000
SML/NCD Series-89	11.08.2018	08.08.2028	53,00,000	73,00,000
SML/NCD Series-90	16.01.2020	16.01.2030	30,50,000	32,60,000
SML/NCD Series-90	03.02.2020	03.02.2030	49,00,000	53,65,000
SML/NCD Series-90	17.02.2020	17.02.2030	24,50,000	48,50,000
SML/NCD Series-90	02.03.2020	02.03.2030	37,00,000	42,00,000
SML/NCD Series-91	16.03.2020	16.03.2030	77,50,000	77,50,000
SML/NCD Series-91	30.04.2020	30.04.2030	25,25,000	-
VFPL/ NCD / Series 1	31.03.2018	31.03.2028	2,69,23,000	3,73,30,000
VFPL/ NCD / Series 2	31.03.2018	31.03.2028	3,64,80,000	4,50,30,000
VFPL/ NCD / Series 3	31.03.2018	31.03.2028	-	-
VFPL/ NCD / Series 4	31.03.2018	31.03.2028	3,26,66,000	3,51,26,000
VFPL/ NCD / Series 5	31.03.2018	31.03.2028	2,38,31,000	2,85,56,000
VFPL/ NCD / Series 6	31.03.2018	31.03.2028	2,64,55,000	2,69,55,000
VFPL/ NCD / Series 7	31.05.2018	31.05.2028	32,45,000	42,95,000
VFPL/ NCD / Series 8	31.05.2018	31.05.2028	50,00,000	75,00,000
VFPL/ NCD / Series 9	01.10.2018	01.10.2028	1,52,75,000	1,99,75,000
VFPL/ NCD / Series 10	01.12.2018	01.12.2028	3,43,75,000	4,27,75,000
VFPL/ NCD / Series 11	29.01.2019	29.01.2029	2,53,31,000	2,98,31,000
VFPL/ NCD / Series 12	29.03.2019	29.03.2029	6,69,60,000	7,96,10,000
VFPL/ NCD / Series 13	31.05.2019	31.05.2029	3,51,50,000	4,69,00,000
VFPL/ NCD / Series 14	30.07.2019	30.07.2029	2,39,00,000	3,66,50,000
VFPL/ NCD / Series 15	16.08.2019	16.08.2029	20,20,000	20,20,000
VFPL/ NCD / Series 15	02.09.2019	02.09.2029	70,00,000	1,40,00,000
VFPL/ NCD / Series 15	17.09.2019	17.09.2029	58,00,000	63,00,000
VFPL/ NCD / Series 15	01.10.2019	01.10.2029	83,00,000	1,18,00,000
VFPL/ NCD / Series 16	16.10.2019	16.10.2029	82,00,000	1,02,00,000
VFPL/ NCD / Series 16	01.11.2019	01.11.2029	96,00,000	1,16,00,000
VFPL/ NCD / Series 16	16.11.2019	16.11.2029	45,00,000	65,00,000
VFPL/ NCD / Series 16	30.11.2019	30.11.2029	32,50,000	32,50,000
VFPL/ NCD / Series 17	16.12.2019	16.12.2029	66,00,000	66,00,000
VFPL/ NCD / Series 17	01.01.2020	01.01.2030	38,50,000	48,50,000
VFPL/ NCD / Series 17	16.01.2020	16.01.2030	26,00,000	42,00,000
VFPL/ NCD / Series 17	31.01.2020	30.01.2030	47,25,000	72,25,000
VFPL/ NCD / Series 18	17.02.2020	17.02.2030	71,19,000	79,19,000
VFPL/ NCD / Series 18	02.03.2020	02.03.2030	27,00,000	27,00,000
VFPL/ NCD / Series 18	16.03.2020	16.03.2030	68,61,000	68,61,000
VFPL/ NCD / Series 18	31.03.2020	31.03.2030	26,00,000	26,00,000
VFPL/ NCD / Series 19	16.12.2020	16.12.2030	63,00,000	-
VFPL/ NCD / Series 19	31.12.2020	31.12.2030	92,50,000	-
VFPL/ NCD / Series 19	16.01.2021	16.01.2031	1,23,50,000	-
VFPL/ NCD / Series 19	30.01.2021	30.01.2031	1,31,40,000	-
VFPL/ NCD / Series 20	16.02.2021	16.02.2031	55,00,000	-
VFPL/ NCD / Series 20	01.03.2021	01.03.2031	22,00,000	-
VFPL/ NCD / Series 20	18.03.2021	18.03.2031	90,25,000	-
VFPL/ NCD / Series 20	31.03.2021	31.03.2031	1,98,20,000	-



Total			1,15,14,63,000	1,41,17,45,000
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5.1.2 Coupon Rate wise classification of Non Convertible Debentures

Particulars	March 31, 2021		March 31, 2020	
	No of units	Amount	No of units	Amount
Coupon Rate -10	-	-	65,285	6,52,85,000
Coupon Rate -11	-	-	5,16,126	51,61,26,000
Coupon Rate -11.5	2,78,260	27,82,60,000	7,803	78,03,000
Coupon Rate-12	3,33,880	33,38,80,000	1,05,225	10,52,25,000
Coupon Rate-12.5	3,12,478	31,24,78,000	4,18,391	41,83,91,000
Coupon Rate-13	1,85,165	18,51,65,000	2,42,177	24,21,77,000
Coupon Rate-13.5	29,280	2,92,80,000	34,338	3,43,38,000
Coupon Rate-14	-	-	12,400	1,24,00,000
Coupon Rate-14.5	12,400	1,24,00,000	-	-
Coupon Rate-15	-	-	10,000	1,00,00,000
Total	11,51,463	1,15,14,63,000	14,01,745	1,41,17,45,000

5.1.3 Maturity wise classification of Non Convertible Debentures

From the Balance Sheet date	(a) Non- current	(b) Current maturity	Total
Repayable on maturity :			
Maturing beyond 5 years	68,37,51,000	-	68,37,51,000
Maturing between 3 years to 5 years	1,45,50,000	-	1,45,50,000
Maturing between 1 year to 3 years	43,18,91,000	-	43,18,91,000
Maturing within 1 year	-	2,12,71,000	2,12,71,000
Total at face value	1,13,01,92,000	2,12,71,000	1,15,14,63,000

Note 5.2 - Subordinated Liabilities

Particulars	March 31, 2021	March 31, 2020
At Amortised Cost:		
(a) Subordinated Debts	79,99,40,000	78,48,28,000
Total (A)	79,99,40,000	78,48,28,000
Subordinated liability in India	79,99,40,000	78,48,28,000
Subordinated liability outside India	-	-
Total	79,99,40,000	78,48,28,000

Unsecured Subordinated Debt - Private Placement

5.2.1 Series wise classification of Subordinated Debt

Particulars	March 31, 2021		March 31, 2020	
	No of units	Amount	No of units	Amount
Sub Ordinate Debts-Cumulative	-	-	2,999	1,49,96,000
Sub Ordinate Debts-Cumulative	11,348	5,67,40,000	11,348	5,67,40,000
Sub Ordinate Debts-Cumulative	5,913	2,95,67,000	5,913	2,95,67,000
Sub Ordinate Debts-Cumulative	5,830	2,91,50,000	5,830	2,91,50,000
Sub Ordinate Debts-Cumulative	1,23,196	12,31,96,000	1,23,196	12,31,96,000
Sub Ordinate Debts-Cumulative	9,880	98,80,000	9,880	98,80,000
Sub Ordinate Debts-Cumulative	40,107	4,01,07,000	10,125	1,01,25,000
Sub Ordinate Debts-Cumulative	6,590	65,90,000	-	-
Sub Ordinate Debts-Cumulative	335	16,75,000	1,116	55,80,000
Sub Ordinate Debts	-	-	92	4,62,000
Sub Ordinate Debts	27,071	13,53,54,000	27,071	13,53,54,000
Sub Ordinate Debts	25,646	12,82,28,000	25,646	12,82,28,000
Sub Ordinate Debts	44,942	22,47,12,000	44,942	22,47,12,000
Sub Ordinate Debts	2,640	1,32,01,000	2,640	1,32,01,000
Sub Ordinate Debts	308	15,40,000	727	36,37,000
Total	3,03,806	79,99,40,000	2,71,526	78,48,28,000



SML FINANCE LIMITED
Notes on Consolidated Financial Statements for the year ended March 31, 2021
5.2.2 Interest Rate wise classification of Subordinated Debt

Particulars	March 31, 2021		March 31, 2020	
	No of units	Amount	No of units	Amount
Sub Ordinate Debts-Cumulative	23,401	11,70,07,000	27,152	13,57,58,000
Sub Ordinate Debts-Cumulative	22	1,10,000	42	2,10,000
Sub Ordinate Debts-Cumulative	3	15,000	13	65,000
Subordinated Debt-Cumulative	1,930	19,30,000	1,930	19,30,000
Subordinated Debt-Cumulative	13,940	1,39,40,000	5,875	58,75,000
Subordinated Debt-Cumulative	26,012	2,60,12,000	26,012	2,60,12,000
Subordinated Debt-Cumulative	10,250	1,02,50,000	10,250	1,02,50,000
Subordinated Debt-Cumulative	5,300	53,00,000	5,300	53,00,000
Subordinated Debt-Cumulative	29,625	2,96,25,000	13,265	1,32,65,000
	-	-	-	-
Sub Ordinate Debts-0.11	12,504	6,25,21,000	12,504	6,25,21,000
Sub Ordinate Debts-0.115	19,221	9,61,03,000	19,343	9,67,16,000
Sub Ordinate Debts-0.12	25,375	12,68,73,000	25,743	12,87,14,000
Sub Ordinate Debts-0.125	16,401	8,20,07,000	16,422	8,21,12,000
Sub Ordinate Debts-0.13	16,481	8,24,04,000	16,481	8,24,04,000
Sub Ordinate Debts-0.135	6,085	3,04,27,000	6,085	3,04,27,000
Sub Ordinate Debts-0.14	3,040	1,52,00,000	3,040	1,52,00,000
Sub Ordinate Debts-0.15	1,500	75,00,000	1,500	75,00,000
Subordinate Debts- Monthly	1,595	15,95,000	1,595	15,95,000
Subordinate Debts- Monthly	23,857	2,38,57,000	11,710	1,17,10,000
Subordinate Debts- Monthly	51,041	5,10,41,000	51,041	5,10,41,000
Subordinate Debts- Monthly	16,223	1,62,23,000	16,223	1,62,23,000
Total	3,03,806	79,99,40,000	2,71,526	78,48,28,000

5.2.3 Maturity wise classification of Subordinated Debt

From the Balance Sheet date	(a) Non- current	(b) Current maturity	Total
Repayable on maturity :			
Maturing beyond 5 years	5,53,47,000	-	5,53,47,000
Maturing between 3 years to 5 years	30,33,95,000	-	30,33,95,000
Maturing between 1 year to 3 years	43,79,83,000	-	43,79,83,000
Maturing within 1 year		32,15,000	32,15,000
Total at face value	79,67,25,000	32,15,000	79,99,40,000

Term Loans from Other Parties

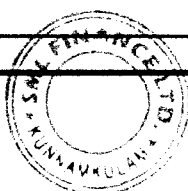
Vehicle loans

Hypothecation of respective vehicles

There is no continuing default as on the date of balance sheet in repayment of loans and interest.

Note - 6
Other Long Term Liabilities

Particulars	March 31, 2021	March 31, 2020
(i) Other than Acceptances		
Interest accrued but not due on borrowings	10,29,28,903	10,93,09,390
Total	10,29,28,903	10,93,09,390



Note - 7

Long Term Provisions

Particulars	March 31, 2021	March 31, 2020
Provision for employee benefits		
Provision for gratuity	8,66,015	17,08,242
Other Provisions		
Contingent Provision against Standard Assets	66,42,296	76,30,508
Provision for non-performing assets	4,10,26,217	4,41,45,047
Provision for Bad Debts	-	-
Total	4,85,34,528	5,34,83,796

The Company has made adequate provision for the Non-performing assets identified, in accordance with the guidelines issued by The Reserve Bank of India

In accordance with the Master direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 issued by The Reserve Bank of India (RBI) vide its directions to all NBFC's, the Company has made Standard assets of provision of Rs. 66.42 Lakhs. (31 March 2020: Rs. 76.31 Lakhs) during the current year

Note - 8

SHORT TERM BORROWINGS :

Particulars	March 31, 2021	March 31, 2020
Loans repayable on demand		
From Banks		
Cash credit (secured) [refer note (i) below		
Federal Bank, Edappally	744	308
South Indian Bank Ltd., Thrissur	2,79,43,936	4,34,07,126
State Bank of India, Thrissur	12,60,49,219	9,62,25,992
Dhanlaxmi Bank, Palarivattom	89,35,667	10,10,66,823
State Bank of India - Covid Loan	1,60,98,443	-
State Bank Of India Cc A/C No.37230230653	14,42,54,012	8,50,47,050
Syndicate Bank Od A/C:43011250002484	9,38,40,218	-
Deposits	-	-
Unsecured	-	-
Inter-corporate deposit	15,00,00,000	25,00,00,000
Total	56,71,22,238	57,57,47,299

Nature of Security

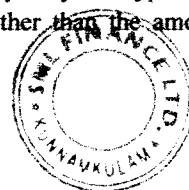
Loans repayable on demand from Banks

South Indian Bank Cash Credit having a limit of 5 Crores is secured by First Charge by way of hypothecation of HP/VL receivables of Angamaly, Kottayam, Pattambi, Muvattupuzha Branch offices of the Company and Mortgage on Landed properties

State Bank of India Cash Credit having a limit of 18 Crores is secured by First Charge by way of hypothecation of HP/VL receivables of Vaniyamkulam, Thamarassery, Kunnankulam Sub Branch -1 & 3 Pathanamthitta I, Alathur, Wandoor, Ramanattukara, Mepparambu and Pala and Micro Finance Loan & Small Ticket Business loan receivables of Angamaly, Vaniyamkulam, Pattambi, Thamarassery, Pazhayannoor, Vadakkenchery, Muvattupuzha, Piravam and Mamuthy Branch offices of the Company and Personal Loan Receivables of Althur, Mennarambu, Pazhavannoor, Vadakkenchery, Piravam, Kollemode, Ottunara and Vadakkekkad

Dhanlaxmi Bank Cash Credit having a limit of 5 Crores is secured by First Charge by way of hypothecation of HP/VL receivables of Alapuzha, Aluva, Cherthala, Kodungallur, Kollengode, Mavelikara, Mulanthuruthy, Panthavoor, Poonkunnam, Thodupuzha, Sulthan Bathery, Vadakara and Ponnani and Micro finance Loan & Small Ticket Business Loan receivables of Guruvayoor and Thiruvalla Branch offices of the Company and Mortgage on Landed properties

State Bank of India Cash Credit having a limit of Rs.19.50 Cr is secured by way of First Charge of hypothecation of Standard book debts / standard loan receivables, present and future of Chavara, Ayur, Peerumed, Vandithavalam, Oachira, Pothancodu, Neyyattinkara, Attingal, Kilimanoor branches of the company and Second charge by way of hypothecation of remaining book debts/standard loan receivables, current assets etc, present and future of Vanchinad other than the amount mentioned at branches furnished under above and FM of Commercial Building and residential building.



SML FINANCE LIMITED**Notes on Consolidated Financial Statements for the year ended March 31, 2021**

Syndicate Bank Overdraft having a limit of Rs.2000 lakhs is secured by way of Exclusive Charge of hypothecation over specific standard Book Debts/loan receivables present and future Vanchinad with 25% margin and second charge by way of Hypothecation of remaining Standard Book debts/loan receivables, current assets etc present and future of the company other than mentioned above and Mortgage of Commercial land having an extent of 125.45 cents (50.79 Ares) consists 21.54 cents in Sy.No.457/2, 0.76 cents in Sv.No.393 and 103.15 cents in Sv.No.396/2 and owned by Dr. Griger Cherrv Williams with Realisable value of 40.16 crores as per the Further, the loan has been guaranteed by the Personal/Corporate guarantee of Directors.

There is no continuing default/default as on the date of balance sheet in repayment of loans and interest.

Note - 9**OTHER CURRENT LIABILITIES**

Particulars	March 31, 2021	March 31, 2020
(a) Current maturities of long-term debt		
(i) Non Convertible Debentures . Subordinated Debts, Unsecured Loan	3,44,08,000	3,94,17,000
(ii) Current maturities of Vehicle Loans	4,19,799	4,36,953
(iii) NCD matured but not claimed	4,13,000	1,00,000
(iv) Other Secured Loans	2,13,58,152	1,49,58,430
(b) Other payables		
(i) HP / VL Outstanding liabilities	1,55,39,138	2,06,49,326
(ii) Statutory remittances (Refer note(i) below)	46,56,642	58,22,864
(iii) Salaries and Wages Payable	48,64,824	63,42,479
(iv) Expenses Payable	82,96,236	95,89,201
(v) others	43,82,059	24,24,996
Total	9,43,37,849	9,97,41,249

(i) Statutory dues includes provident fund, employees state insurance, professional tax, withholding taxes and indirect tax payable

Note - 10**SHORT TERM PROVISIONS :**

Particulars	March 31, 2021	March 31, 2020
(a) Provision for employee benefits:	-	52,018
(b) Provision - Others:	-	-
Total	-	52,018

Note - 12**NON- CURRENT INVESTMENTS**

Particulars	March 31, 2021	March 31, 2020
Non-trade investments (valued at cost unless stated otherwise):		
Investment in equity instruments (Quoted)		
of other entities		
377 Equity Shares of Muthoot Finance Ltd of Rs.175 each fully paid up (Market Value as on 31.03.2021 is Rs.1205.90 Each)	65,975	65,975
Investments in Shares (Unquoted, fully paid-up)	-	-
BRD Securities Ltd	1,42,65,070	1,42,65,070
BRD Finance Ltd	44,64,720	44,64,720
BRD Motors Ltd	1,70,38,200	1,70,38,200
Total	3,58,33,965	3,58,33,965

Note - 13**DEFERRED TAX (LIABILITY) / ASSET :**

Particulars	March 31, 2021	March 31, 2020
Deferred Tax Asset		
On difference between book balance and tax balance of fixed assets	46,11,540	47,85,520
Others Provision for Advances	1,03,70,659	1,11,10,430
Carried Forward Depreciation	16,04,600	16,04,610
Deferred Tax Liabilities		
Net Deferred Tax Liability / (Asset)	1,65,86,799	1,75,00,560



Notes on Consolidated Financial Statements for the period ended 31st March 2021

Note - 11

Property Plant and Equipments

Particulars	Land	Building	Furniture & Fittings	Electrical Fittings	Computers	Motor Vehicle	Office Equipments	Total
Cost:								
As at April 1, 2020	1,66,37,220	3,17,88,862	4,31,39,703	98,93,793	2,39,32,118	1,73,39,790	1,03,16,037	15,30,47,523
Additions	-	-	13,14,160	2,86,502	8,26,458	9,80,972	5,65,395	39,73,488
Disposals	-	-	-	-	-	22,59,092	-	22,59,092
As at March 31, 2021	1,66,37,220	3,17,88,862	4,44,53,863	1,01,80,295	2,47,58,577	1,60,61,670	1,08,81,432	15,47,61,919
Depreciation and impairment:								
As at April 1, 2020	-	38,24,310	2,89,22,952	69,16,016	2,14,66,604	1,43,41,453	81,40,197	8,36,11,533
Additions	-	21,74,260	37,46,601	8,56,656	10,90,556	8,31,211	6,50,750	93,50,035
Disposals	-	-	-	-	-	18,24,795	-	18,24,795
As at March 31, 2021	-	59,98,571	3,26,69,554	77,72,672	2,25,57,160	1,33,47,869	87,90,947	9,11,36,772
Net book value:								
As at April 1, 2020	1,66,37,220	2,79,64,552	1,42,16,750	29,77,777	24,65,515	29,98,337	21,75,840	6,94,35,990
As at March 31, 2021	1,66,37,220	2,57,90,292	1,17,84,309	24,07,624	22,01,417	27,13,801	20,90,485	6,36,25,147

Intangible Assets

Particulars	Software	Total
Cost:		
As at April 1, 2020	-	1,01,39,727
Additions	-	13,21,497
Disposals	-	-
As at March 31, 2021	-	1,14,61,224
Depreciation and impairment:		
As at April 1, 2020	-	65,88,642
Additions	-	12,21,445
Disposals	-	-
As at March 31, 2021	-	78,10,087
Net book value:		
As at April 1, 2020	-	35,51,085
As at March 31, 2021	-	36,51,138



Note - 14

Loans And Advances - Financing Activity

(a) Authorised	March 31, 2021	March 31, 2020
Loans		
(A)		
Vehicle Loan	87,42,33,212	91,57,35,370
Mortgage Loan	3,49,65,603	3,85,07,284
Gold Loan	14,02,11,355	13,41,69,214
Property Loan	6,38,610	9,47,044
Demand Loan	7,04,77,828	8,44,15,650
Small Ticket Business Loan	2,25,84,062	10,82,58,093
Micro Finance Loan	54,00,82,902	1,21,94,08,516
Personal Loan	91,67,25,730	53,13,94,377
Micro Housing Loan	2,74,38,445	-
Consumer Durable Loans	9,14,94,105	8,67,27,108
Total - A Gross Amount	2,71,88,51,852	3,11,95,62,656
(B)		
(i) Secured by Securities and Assets	1,05,00,48,780	1,08,93,58,912
(ii) Covered by Bank/Government guarantees	-	-
(iii) Unsecured	1,66,88,03,072	2,03,02,03,744
Total - B Gross Amount	2,71,88,51,852	3,11,95,62,656
(C)		
Loans in India		
(i) Public Sector	-	-
(ii) Others	2,71,88,51,852	3,11,95,62,656
Total - C Gross Amount	2,71,88,51,852	3,11,95,62,656
Total	2,71,88,51,852	3,11,95,62,656

* Demand loan disbursed to each customers against promissory notes

Note - 14.1 Loans And Advances - Financing Activity Maturity Wise

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Loans				
(A)				
Vehicle Loan	52,63,56,196	58,86,63,785	34,78,77,016	32,70,71,585
Mortgage Loan	2,75,02,226	2,70,16,556	74,63,377	1,14,90,728
Gold Loan	1,32,39,135	13,67,933	12,69,72,220	13,28,01,281
Property Loan	5,25,818	2,84,906	1,12,792	6,62,138
Demand Loan	2,19,95,547	8,09,61,038	4,84,82,281	34,54,612
Small Ticket Business Loan	1,08,93,028	1,09,80,181	1,16,91,034	9,72,77,912
Micro Finance Loan	2,65,83,584	32,52,38,856	51,34,99,318	89,41,69,660
Personal Loan	40,22,66,846	18,23,54,018	51,44,58,884	34,90,40,359
Micro Housing Loan	1,03,73,814	-	1,70,64,631	-
Consumer Durable Loans	2,01,44,452	4,285	7,13,49,653	8,67,22,823
Total (A) - Gross	1,05,98,80,646	1,21,68,71,559	1,65,89,71,206	1,90,26,91,097
(B)				
(i) Secured by Securities and Assets	56,76,23,374	61,73,33,181	48,24,25,406	47,20,25,731
(ii) Covered by Bank/Government guarantees	-	-	-	-
(ii) Unsecured	49,22,57,271	59,95,38,378	1,17,65,45,801	1,43,06,65,365
Total (B) - Gross	1,05,98,80,646	1,21,68,71,559	1,65,89,71,206	1,90,26,91,097
(C)				
Loans in India				
(i) Public Sector	-	-	-	-
(ii) Others	1,05,98,80,646	1,21,68,71,559	1,65,89,71,206	1,90,26,91,097
Total (C) - Gross	1,05,98,80,646	1,21,68,71,559	1,65,89,71,206	1,90,26,91,097
Total	1,05,98,80,646	1,21,68,71,559	1,65,89,71,206	1,90,26,91,097



SML FINANCE LIMITED
Notes on Consolidated Financial Statements for the year ended March 31, 2021
Note - 15
LOANS AND ADVANCES :

Particulars	March 31, 2021	March 31, 2020
(a) Loans and advances to Related Parties		
Unsecured, considered good	9,16,24,164	9,16,24,164
(a) Security Deposits		
Unsecured, considered good	1,25,35,944	1,45,98,871
(a) Balances with government authorities		
Income Tax Receivable	3,58,89,733	3,21,42,203
Total	14,00,49,841	13,83,65,238

Note - 16
OTHER NON-CURRENT ASSETS :

Particulars	March 31, 2021	March 31, 2020
Others		
Gratuity	43,78,635	37,19,256
Total	43,78,635	37,19,256

Note - 17
CASH AND BANK BALANCES :

Particulars	March 31, 2021	March 31, 2020
Cash and Cash Equivalents		
(a) Cash in hand	2,81,05,490	82,42,402
(b) Balance with banks		
(i) In Current Accounts	4,29,07,592	1,81,52,462
	7,10,13,082	2,63,94,864
Other Bank Balances		
(i) In Deposit Accounts	-	-
(ii) In Earmarked Accounts	-	-
	-	-
Total	7,10,13,082	2,63,94,864

Note - 18
SHORT TERM LOANS AND ADVANCES :

Particulars	March 31, 2021	March 31, 2020
(a) Loans and advances to Related Parties		
Unsecured, considered good	13,15,00,000	11,00,00,000
(b) Balances with government authorities		
Advance tax / Regular Assessment Tax	60,58,273	64,24,364
CGST & SGST Receivable	18,175	34,171
(c) Others (Unsecured, considered good)		
Vehicle Booking Advances	4,33,69,895	3,20,55,529
Other Advances	5,29,19,804	3,95,13,076
Total	23,38,66,148	18,80,27,140

Advances recoverable in cash or in kind or for value to be received



Note - 19

OTHER CURRENT ASSETS :

Particulars	March 31, 2021	March 31, 2020
(a) Accruals / Receivables		
Interest Receivables on Loans	3,26,69,646	1,78,38,603
Finance Charge/VL Interest Receivable	4,10,45,982	59,57,400
(b) Others		
Repossessed Vehicles	58,11,744	1,15,15,704
Chitty Investments	19,21,304	26,06,344
Insurance Commission receivable	-	5,66,246
HP/VL Receivables	1,67,46,363	2,50,48,015
Total	9,81,95,040	6,35,32,312

Note - 20

REVENUE FROM OPERATIONS :

Particulars	March 31, 2021	March 31, 2020
Income from Financing Activities	67,34,81,136	70,14,68,285
Total	67,34,81,136	70,14,68,285

Note - 21

OTHER INCOME :

Particulars	March 31, 2021	March 31, 2020
(a) Interest Income		
Interest on Govt. Securities and Bonds	-	3,18,608
Other Interest received	2,23,85,783	42,88,521
Interest on HP/VL overdue	2,02,21,506	3,32,44,186
Interest on Income tax Refund	93,686	1,37,520
(b) Other non-operating income (net of expenses directly attributable to such income)	-	-
Rental income from investment properties	3,06,000	1,16,667
Profit on Sale of Fixed Assets	1,32,012	6,354
Profit on Govt. Stock	-	5,07,465
Bad debts recovered	1,32,42,867	1,75,65,636
Dividend on Investment	-	10,179
HP/VL Other Income	46,719	1,86,135
Hp Verification & Valuation Charge	8,97,976	18,72,581
Advertisement	-	96,67,200
Consulting Fee	1,08,957	1,82,624
Documentation charge	1,09,34,016	88,52,529
Processing fee	75,24,726	1,97,36,855
Other Miscellaneous Income	16,89,136	9,38,154
Total	7,75,83,382	9,76,31,213

Note - 22

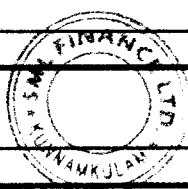
EMPLOYEE BENEFIT EXPENSES

Particulars	March 31, 2021	March 31, 2020
Salaries & Wages	14,54,17,185	16,79,97,891
Contributions to provident and other funds	1,23,95,281	1,80,32,764
Total	15,78,12,466	18,60,30,655

Note-23

FINANCE COST :

Particulars	March 31, 2021	March 31, 2020
(a) Interest expense on :		
(i) Borrowings	33,92,13,811	34,97,74,359
Total	33,92,13,811	34,97,74,359



SML FINANCE LIMITED

Notes on Consolidated Financial Statements for the year ended March 31, 2021

Note-24

DEPRECIATION AND AMORTISATION EXPENSES

Particulars	March 31, 2021	March 31, 2020
Depreciation.	93,50,035	90,84,867
Amortisation	12,21,445	12,53,164
Total	1,05,71,479	1,03,38,032

Note-25

OTHER EXPENSES :

Particulars	March 31, 2021	March 31, 2020
Accrued loss on auctioned chitty	3,68,224	6,99,973
Advertisement	1,53,854	94,060
Association subscription	49,47,619	24,66,857
Audit fee	6,50,000	6,89,290
Audit Expenses	-	18,307
Bank charges	42,87,023	64,13,115
Baddebts Recovery Expense	3,48,478	4,52,447
Business Promotion Expense	7,56,419	29,94,270
Cleaning charges	17,75,540	9,53,074
CSR Activities	14,24,200	16,22,603
Donation	3,87,500	-
Directors remuneration	53,14,002	28,53,870
Fee & Registratrion expenses	18,69,757	41,61,298
Electricity and Water charges	22,46,430	32,40,441
Filing fee	93,488	44,900
Gold Loan Expense	8,411	7,638
Gratuity Insurance Premium	1,81,130	2,17,574
GST Paid	29,18,016	35,92,568
HP/VL promotion Expense	47,17,576	1,21,93,659
Income tax	-	65,814
Incentives	2,36,57,012	3,28,26,412
Insurance charges	2,78,848	2,36,085
Labour welfare fund	55,660	1,04,120
Legal charges	19,79,263	27,44,415
Loss on repossessed assets	1,69,448	50,87,459
Miscellaneous expenses	24,777	5,05,249
Newspaper and Periodicals	7,930	10,380
Postage	6,57,647	6,96,211
Printing & Stationery	39,81,734	43,32,562
Legal and Professional Fee	92,82,333	52,88,810
Provisions and Written offs	12,61,63,961	12,00,27,897
Rates & Taxes	4,85,379	2,76,289
Refreshment	39,64,087	56,56,501
Rent	1,83,00,586	2,25,74,645
Repairs & maintenance	63,15,782	75,44,404
Security salary	1,08,000	2,16,000
Service tax	9,53,085	-
System maintainance charge	42,71,863	42,20,673
Late fee paid for TDS & PF	26,791	60,946
Telephone and Internet charges	36,83,348	34,98,706
Vehicle Expenses	19,942	32,996
Meeting & Training Expenses	27,09,919	1,84,53,907
Branch Opening Expenses	-	1,05,263
Interest, Late Fees & others	3,54,010	4,06,404
Office Expenses	14,04,310	15,19,623
Round Off	1,356	-103
Death And Disability Re-Habilitation Assistance	30,634	-
Kerala Flood Cess	17,121	-
Travelling expenses	55,15,222	60,89,132
Total	24,68,67,714	28,52,96,743



SML FINANCE LIMITED
Notes on Consolidated Financial Statements for the year ended March 31, 2021
A. Details of CSR expenditure

Particulars	March 31, 2021	March 31, 2020
Gross amount required to be spend by the company during the year	14,20,504	19,26,223
Amount spent during the year:	Spent during the year	Yet to be spend
		Total
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	14,24,200	-

B. Payment to the auditors comprises :

Particulars	March 31, 2021	March 31, 2020
As auditors - statutory audit	5,25,000	4,75,000
For taxation matters	75,000	75,000
For other services	50,000	50,000
Total	6,50,000	6,00,000

C. Provisions and Written Offs

Particulars	March 31, 2021	March 31, 2020
Provision for		
Standard assets	(9,88,211)	(9,56,833)
Non performing assets	(31,18,830)	1,53,39,067
H P/ VL Outstanding written off suite filed	5,15,687	47,82,125
HP Balance W/Off	-	2,87,11,804
Bad debts written off	12,91,12,877	7,08,21,734
Advances & other write-offs	6,42,437	13,30,000
Total	12,61,63,961	12,00,27,897

D. Loss on repossessed assets

Loss on Repossessed Assets includes amount written off to individual loan accounts, to the extent of difference between book value and valuation of underlying security determined by valuer, on management estimation of irrecoverability of amount, where underlying asset or security is repossessed.

Note-26
Details of Employee Benefits : Disclosures required under Accounting Standard 15 – Employee Benefits (Revised 2005)
a. Defined Contribution Plans :

During the Year, the following amounts have been recognised in the Profit and Loss account on account of defined contribution plan

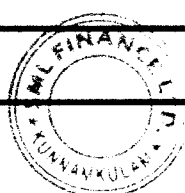
Particulars	March 31, 2021	March 31, 2020
Employers Contribution to Provident Fund	78,75,747	1,00,04,562
Employers Contribution to Employee's State Insurance	34,90,844	48,24,924

b. Defined benefit Plans- Gratuity:
i. Components of employer expense

Particulars	March 31, 2021	March 31, 2020
Current service cost	38,93,880	44,03,927
Interest cost	12,11,063	10,37,307
Expected return on plan assets	(13,66,807)	(12,92,379)
Actuarial losses/(gains)	(32,12,630)	(18,31,690)
Total expense recognised in the Statement of Profit and Loss	5,25,506	23,17,166

ii. Actual contribution and benefit payments for year

Particulars	March 31, 2021	March 31, 2020
Actual benefit payments	(27,08,837)	10,34,212
Actual contributions	20,79,130	11,06,649



SML FINANCE LIMITED**Notes on Consolidated Financial Statements for the year ended March 31, 2021****iii. Net asset / (liability) recognised in the Balance Sheet**

Particulars	March 31, 2021	March 31, 2020
Present value of defined benefit obligation	(1,55,63,650)	(1,64,06,091)
Fair value of plan assets	1,90,76,269	1,83,65,087
Funded status [Surplus / (Deficit)]	35,12,619	19,58,996
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	35,12,619	19,58,996

iv. Change in Defined Benefit Obligations (DBO) during the year

Particulars	March 31, 2021	March 31, 2020
Present value of DBO at beginning of the year	1,64,06,091	1,38,30,759
Current service cost	38,93,880	44,03,927
Interest cost	12,11,063	10,37,307
Actuarial (gains) / losses	(32,38,547)	(18,31,690)
Benefits paid	(27,08,837)	(10,34,212)
Present value of DBO at the end of the year	1,55,63,650	1,64,06,091

v. Change in fair value of assets during the year

Particulars	March 31, 2021	March 31, 2020
Plan assets at beginning of the year	1,83,65,087	1,70,00,272
Expected return on plan assets	13,66,807	12,92,379
Actual company contributions	20,79,130	11,06,649
Actuarial gain / (loss)	(25,917)	-
Benefits paid	(27,08,837)	(10,34,212)
Plan assets at the end of the year	1,90,76,269	1,83,65,087

vi. Composition of the plan assets is as follows:

Particulars	March 31, 2021	March 31, 2020
Government bonds	-	-
PSU bonds	-	-
Equity mutual funds	-	-
Insurer Managed Funds	1,90,76,269	1,83,65,087

vii. Actuarial assumptions

Particulars	March 31, 2021	March 31, 2020
Discount rate	7%	7%
Rate of return on plan assets	7%	7%
Salary escalation	8%	8%

The above disclosures are based on information furnished by the independent actuary and relied upon by the auditors.

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

Note-27**Income Tax**

The components of income tax expense for the year ended March 31, 2021 and year ended March 31, 2020 are:

Particulars	March 31, 2021	March 31, 2020
Current tax	95,00,000	1,90,00,000
Short/ (Excess) tax provision for earlier years	-	6,55,69,108
Deffered Tax	9,13,761	(39,56,805)
Income tax expense reported in statement of profit and loss	1,04,13,761	8,06,12,303

The Company has computed the tax expense of the current financial year as per the tax regime announced under section 115BAA of the Income Tax Act, 1961. Accordingly, tax expense for the year comprising current and deferred tax as per Accounting Standards - 22 Income Taxes have been recognised using the reduced tax rates applicable.



SML FINANCE LIMITED**Notes on Consolidated Financial Statements for the year ended March 31, 2021****Note-28**

The components of exceptional item for the year ended March 31, 2021 and year ended March 31, 2020 are:

Particulars	March 31, 2021	March 31, 2020
Net Amount declared before Settlement Commission	-	11,34,79,783
Total	-	11,34,79,783

A search and survey was conducted by the competent authorities under section 132(1) and 133A of the Income Tax Act, 1961 ('the Act') at premises of the Company and certain group Companies in the previous year ended 31st March, 2017. The final order has been received from Hon'ble Income Tax Settlement Commission ('ITSC') on 24.06.2020. The order giving effect to the ITSC order have also been passed and it's effects are appropriately provided in books of account. The Company has deposited 416.56 Lakhs as tax and 242.18 as interest towards the proposed settlement which has been shown as a part of income tax for prior years expenses under the head "Tax Expense" in the books of accounts as on 31st March, 2020. The matter is concluded with the Hon'ble ITSC.

Note-29**Earnings Per Share**

Particulars	March 31, 2021	March 31, 2020
Profit after tax as reported	-1,38,14,713	5,27,189
Weighted average number of equity shares for basic EPS	60,302	60,302
Weighted average number of equity shares outstanding during the period	60,302	60,302
Basic earnings per share (face value of Rs. 10) -in INR	(229.09)	8.74

Note-30**Related party disclosures**

Names of Related Parties

(A) Holding Company/ Subsidiary Company

Vanchinad Finance Private Limited

(B) Key Management Personnel**Designation**

Dr.Griger Cherry Williams	Managing Director
Nil	Whole-time Director
Nil	Chief Executive Officer
Shajan A D	Chief Financial Officer
Naveena P Thampi	Company Secretary
Paul Ranjan	Chief Financial Officer (Resigned on 27.10.2020)
Sibin Paulson	Chief Financial Officer

(C) Entities in which KMP / Relatives of KMP can exercise significant influence

BRD Finance Limited	BRD Car World Limited
BRD Motors Limited	BRD Developers & Builders Limited
BRD Chits Limited	Sangeeth Photostats
BRD Kuries India Limited	Ayur Bethaniya LLP
BRD Securities Limited	Sangeeth Nidhi Limited

(D) Relatives of Key Management Personnel Relation

C C William Verghese	Father of MD
Mary Williams	Mother of MD
Susanna Isaac	Spouse of MD
Devassy A L	Father of CFO
Smitha Shajan	Spouse of CFO



SML FINANCE LIMITED
Notes on Consolidated Financial Statements for the year ended March 31, 2021
Related Party transactions during the year:

Particulars	KMP		Relatives of KMP	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
NCD Redeemed		-	20,000	1,80,000
Loan from Directors of the Company	-	-	2,99,63,000	2,02,90,000
Loan Repaid to Directors	-	-	2,66,35,000	2,22,35,000
Sub-debts of the Company	-	5,000	-	5,000
Interest paid on NCD	5,93,501	5,95,098	76,001	1,02,962
Interest paid on Loan from Directors	-	-	6,34,244	19,19,177
Interest paid on subordinate debts	-	-	-	-
Remuneration paid	50,51,754	32,80,000	73,51,500	62,70,000
Professional consulting fees	-	-	7,20,000	7,20,000
Rent Paid	-	-	47,47,500	53,22,581
Trade Advance Paid	-	-	4,11,65,000	8,44,78,000
Trade Advance Refund	-	-	1,57,09,000	4,45,00,000
Interest on Trade Advance Received	-	-	48,35,977	26,17,169
Incentives paid	12,996	12,996	-	-
SML Motors (Prop .C.C.William Varghese)				
Loans and Advances	-	-	-	9,16,24,164
Granted During the Year	-	-	2,15,00,000	-
Interest on Loans Received	-	-	17,23,535	-

Particulars	Subsidiary Company		Entities in which KMP / Relatives of	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Rent Received			3,06,000	1,16,667
Inter Corporate Deposit Finance			-	-
Inter Corporate Deposit Accepted			-	30,00,00,000
Inter Corporate Deposit Repaid			10,00,00,000	5,00,00,000
Interest on Inter Corporate Deposit accepted and repaid			3,19,72,601	3,43,47,946
Interest on Inter Corporate Deposit Advanced and Refunded			1,53,99,997	14,76,712

Balance outstanding as at the year end: Asset/ (Liability)

Particulars	KMP		Relatives of KMP	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Trade Advance	-	-	8,97,34,000	6,42,78,000
Loand and Advances	-	-	9,16,24,164	9,16,24,164
NCD - Private Placed	46,00,000	46,00,000	6,07,000	6,27,000
Subordinate debt	5,05,000	-	18,00,000	9,55,000
Interest payable on Subordinate Debt	64,168	-	2,30,336	67,344

Particulars	Subsidiary Company		Entities in which KMP / Relatives of KMP can exercise significant influence	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Inter Corporate Deposit			(15,00,00,000)	(25,00,00,000)
Inter Corporate Deposit			13,15,00,000	11,00,00,000
Interest recievable on ICD			1,48,53,860	14,76,712
Interest Payable on ICD			(19,19,691)	(28,66,439)



SML FINANCE LIMITED**Notes on Consolidated Financial Statements for the year ended March 31, 2021**

#

31 Note-31**Transaction with other executive/non executive director**

Name	Nature of Transaction	March 31, 2021	March 31, 2020
Jojo N J	Remuneration	12,00,000	12,00,000
Appumon C K	Remuneration	6,00,000	
K.I.Varghese - Director	Remuneration	12,07,500	12,03,870
K.I.Varghese - Director	Interest paid on subordinate debts	2,875	-

#

32 Note-32**Contingent liabilities and capital commitments**

Particulars	March 31, 2021	March 31, 2020
Contingent Liabilities: -		
Claim not acknowledge as debt by the company	-	-
In respect of tax demands where the Company has filed appeal before various	442.35	442.35
Guarantee and Letter of Credit issued by banker on behalf of the company	39.50	39.50
Future cash outflow in respect of above is determinable only on receipt of judgments /decision pending with various forums/authorities. The Company is of the opinion that the above demands are not tenable and expects to succeed in its appeals/defense. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on		

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33 Note-33**1 Miscellaneous**

Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosure.

In terms of our report attached.



Damodaran P Namboodiri FCA
Chartered Accountant
Membership No: 221178

Aluva
07.09.2021

For and on behalf of the Board of Directors

Griger Cherry Williams
Mg. Director (DIN :00145586)

Appumon C K
Director (DIN : 00135500)

Shajan Aloor Devassy
(Chief Financial Officer)

Edappally
07.09.2021

Susanna Isaac
Director (DIN :03296118)

Naveena P Thampi
(Company Secretary)

