

Transcript

37th AGM of Supra Pacific Financial Services Limited
(Formerly known as Supra Pacific Management Consultancy Limited)

Event Date / Time: 24th August 2023, 11 AM
Event Duration: 30 minutes

Presentation Session

Leena Yezhuvath: Good morning Ladies and Gentlemen,

Welcome to the 37th Annual General Meeting of Supra Pacific Financial Services Limited which is being held through video conference. Since we have the requisite quorum, meeting is called to order. I am Leena Yezhuvath, Company Secretary of the Company. Please note that all the shareholders joining this meeting are by default put on mute for the smooth and seamless conduct of the meeting. For the information of the shareholders all the registers and other documents required to be maintained under the Company's Act like registers of directors and KMP, Register of contracts and arrangements are available for inspection and we will also be able to provide soft copies through email based on the request.

We have our esteemed directors with us.

Shri. Joby George, Chairman & Managing Director
Shri. Sandeep Babu, Non-Executive Director
Shri. Manoj K, Non-Executive Director
Shri. Murali NA, Independent Director
Smt. Dhanya Jose, Independent Director
Shri. Anvar KS, Independent Director
Shri. Joly Sebastian, Independent Director

The Company has provided a facility to the shareholders to cast their votes electronically on all resolutions set forth in the notice through remote e-voting from Aug 21st to Aug 23. Shareholders who have not cast their votes electronically through remote e-voting and who are participating in this meeting have an opportunity to cast their votes during the meeting through e-voting system provided by CDSL as per the details mentioned in the AGM notice. The Board of Directors have appointed CS Vivek Kumar, practicing Company Secretary as the scrutinizer to supervise the e-voting process. The results of the voting of all resolutions would be announced by the company within the regulatory timeline and would be made available in the website of the company and in the website of the stock exchange BSE. The resolution shall be deemed to be passed today subject to the receipt of the requisite number of votes.

The notice convening the 37th Annual General Meeting and the Annual Report has been circulated already to the members along with the resolutions for the agenda items as set out in the notice of the AGM and hence all resolutions as set out in the notice of AGM is taken as read. The shareholders are requested to note that there were no qualifications, observations or comments on the financial statements or matters which had any adverse effect on the functioning of the company mentioned in the Annual Report for the financial year 2023.

May I now request our Chairman and Managing Director Mr. Joby George to address our shareholders.

Chairman:

Good Morning

With great pleasure, I welcome you all to the Annual General Meeting of the Company for the Financial Year 2023. I have immense pleasure to present you the journey we had in the Financial year 2023.

With a clear objective of creation of value for the shareholder wealth, the Company continues to revamp and design aggressive business model and strategies. Our plans are to expand our foot prints at select locations across India, where there are bright opportunities in Gold lending, since gold loan business is proposed to be the major portfolio. Currently, we have 37 branches of which 16 are in Mumbai, 11 in Karnataka and 10 in Kerala.

Let me share a few highlights of our Financial performance for the FY 2023. We had higher disbursements of loans during the year, which led to a total AUM of Rs. 61.06 Cr as on 31/3/2023 as against the AUM of Rs. 36.02 Cr as on 31/3/2022, registering an increase of 69%. Revenue from operations has recorded an increase from Rs. 6.25 Cr in Financial Year 2022 to Rs. 12.11 Cr in the Financial Year 2023, which shows an increase of 93%. Also, the EBITDA has increased from Rs. 4.21 Cr in the Financial year 2022 to Rs.7.10 Cr in the Financial year 2023, witnessing an increase of 68%.

Due to higher operating expenditure on account of branch expansion in the three States stated above, the net profit of the company was at Rs. 0.26 Cr for the FY 2023, as against Rs. 0.51 Cr for the FY 2022. Capital Adequacy Ratio of the company is 43.27% as on 31/3/2023, which is well above the minimum regulatory norms and the Net NPA of the company stood at 0.37% as on 31st March, 2023.

The FY 2023-24 looks quite promising for the company as we are working out new strategies with expansion into new markets and I am quite sure that with all your continued support, the company will reach greater heights going forward. I would like to express our gratitude to our shareholders for their unrelenting support in the affairs of the company. I would also like to thank all our employees for their dedication and support in making the company a dynamic and competent organisation. We thank our other stakeholders like Customers, Bankers and business associates who are continuously engaged with the organization.

Leena Yezhuvath: Thankyou sir...

Now it's time for the speaker shareholders who have already registered to express their opinions on matters related to the Company. The names of Shareholders who have registered as speaker Shareholders will be announced one by one. The speaker Shareholder thereafter will be unmuted. To start the discussion, the Shareholder is requested to click on the video button. If the Shareholder is not able to join the video for any reason, Shareholder can speak through the audio mode. We request Shareholders to kindly limit their speech to 3 minutes per speaker.

Speakers:

Leena Yezhuvath: Our first speaker is Mr. YOGESH V VESVIKAR, Request you to unmute yourself

Mr. Yogesh: Sir, on the onset of this meeting, first of all, good morning to all the Board members and my fellow shareholders.

Chairman Sir, you are really working well as far as our financials are concerned. Congratulations to you and your team. Sir I am supporting all the resolutions, I would also like to thank our Company Secretary Leena Madam for doing all the correspondence works related to this AGM excellently. I received the physical copy also well in time which I had requested. As far as our balance sheet is concerned, although I support all your resolutions, there is one resolution which has been put up for issuance of Non- convertible Debentures. I would like to understand what is the rate at which we are going to offer them and secondly Sir, If I look out the whole as the business, our promoter stake has considerably gone down from June, any reason for that and how are you going to carry out this company for the next 2-3 years because, it's a great task which I think, although you are delivering out that promise which you have delivered, it's really a good thing. There are many other questions. If I look out at the Independent Auditor report, in that there are other information in which it has been mentioned that the balance sheet has not given to them at the time of preparation of the report. Any reason why it has not been given? Although I support all your resolutions, I would like to have a chat with you someday because there are many other areas in balance sheet which I want to discuss. It won't be appropriate right now here to discuss all the matters. Sir thank you for allowing me to speak sir and I support all your resolutions.

Chairman

Mr. Yogesh, the first question you asked is what is the rate of debenture we are going to issue? We are going to issue debentures at a minimum coupon rate of 11%, 11.5%. You have asked one more question that the promoter's stake holding has gone down, is there any specific reason for that? There is no specific reason for that, going forward we are planning to increase the promoter's stake holding. We are expecting higher profit for the financial year 2023-24.

Leena Yezhuvath: Thankyou sir

Our next speaker shareholder is Mr. BIMAL KUMAR AGRAWAL, request you to unmute yourself

Speaker 2: Mr. **Bimal Kumar Agarwal**

Good morning to everyone. First of all thanks to the Company Secretary, Chairman Management staff and shareholders. As the Chairman has already given a beautiful picture of the company and already my question was asked by the other speaker I don't have anything to ask. I supported all the resolutions and I wish the company all the very best. Thank you very much.

Leena Yezhuvath: Thankyou Sir

Our next speaker shareholder is Mr. ANIL CHAMPAKLAL PAREKH, request you to unmute yourself

Speaker 3: Mr. Anil Parekh

Hello Joby Sir, good morning to you all and I hope you all are doing well at your respective end. Chairman Sir, I thank the company Secretary for extending all the support and on seeing my request, immediately sending me the physical copy. So I am thankful to her. However, Sir, I have seen the first page and second pages of Annual Report, the address of our Registered Office is given but there is no telephone number given even on the last page. Maybe it is in the corporate governance. But we could have been incorporated it in here which could have been a great help to the investors. So kindly see to it, in the next year it should be incorporated. Also,

I don't see the CEO, CFO names visible in the corporate information page, this is just to draw your attention.

Chairman Sir, this is being the 37th Annual Report and our Loan portfolio is around 78 Crores and AUM is also 61Cr and we have made bigger 25 Lakhs rupees of profit. It is understandable that it is a challenging environment and there are very big players in the market and you are doing steady growth so I would like to understand from you what would be the business plan coming 3-5 years and also you have mentioned that we have footprints in Kerala, metro cities like Mumbai Bangalore and other states. In Mumbai we have 16 branches and 10 are in Kerala and 11 are in Karnataka. So what are your plans as far as increasing our network of branches? I would like to know and how you will go through it and you have mentioned that it would be in a phased manner. But what is the quantum of establishment of one branch I would like to Understand. Also, Sir, I have seen in the Balance sheet elsewhere that in spite of, we have various portfolios Gold Loans, Auto Loan, Micro Finance, Traders Loan etc but our main business is coming from Gold Loan and Auto Loan so how you would evaluate our other verticals of Micro Finance, Traders Loan etc etc. Also Chairman Sir, we are proposing resolution for Non-convertible Debentures of around 250 Crores for augmenting future prospects of the company, what would be the coupon rates of these NCD? And 6th resolution, issue of Subordinated Debts, what are the meaning of subordinate in debts. Can you give me in brief? How it will work and also, we are changing our Registered Office from JB Nagar to Pump house, maybe bigger office I understand, best of luck for the same.

Chairman Sir, our paid-up capital is 12Cr, so do we have plans to increase our Paid-up Share Capital in future by way of right issue like that?

Also on page on page no-28, on Secretarial Audit there is one qualification and we have given remarks that the company has rectified the noncompliance, Sir when our balance sheet is very clean in all parameters, this could have been avoided and I am sure you will do so in future.

Sir on page no 4, instruments of unsecured subordinated debts earlier issued by the company what is the status of that all Subordinated Debentures and how we have taken care of them? Chairman Sir, I am very pleased with the Balance sheet and the way we are growing, I would like to join with the other speaker, our promoter stake is just 12% and bodies corporate are 19%. Do you have any plans to increase that also? I would like to visit your office and if you are available there, we would like to meet and speak to you.

Sir, my last question is, on page no 98 we have given commission 5.84 lakhs. Sir, this is a usual nature of business or what and how the recovery agents are working? There is no pressure tactics from our side that is what I understand. Otherwise, I am very satisfied with the performance of the company and I am thankful to you for allowing me to speak and I am supporting all the resolutions and thank you for present here.

Chairman:

Mr. Anil, we have plans to increase our Share Capital going forward, and also our main focus will be in the Gold Loan. We have plans for branch expansions, we will be opening more branches in Karnataka, Tamil Nadu, Andhra Pradesh and Telangana starts immediately. And You have asked what the interest rates we have fixed for NCDs, we will be issuing NCDs at a minimum interest rate of 11% and 11.50%. Another question was regarding Rs.5.84 lakhs we paid for the collection recovery, this is with regard to the collection of the Auto Loan dues.

Leena Yezhuvath: Thankyou Sir

Our next speaker shareholder is Mr. ANIL SHEWARAM GABRIA, request you to unmute yourself

Speaker 4: Anil Shewaram Gabria

Leena Yezhuvath: It seems that he is not able to connect

Thank you, all shareholders, for expressing your thoughts which were valuable, useful, and we will certainly look at working through all of them.

We would like to thank all the shareholders and the Directors for their presence in this Annual General Meeting today. The e-voting facility will be enabled for next 15 minutes for those Members who have not casted their votes yet. The results of the e-voting will be declared after the conclusion of the 37th Annual General Meeting. The results shall be published on the website of the Company. The proceedings of the AGM will be available on the website of the Company.

We are grateful to all our shareholders. Thank you all for attending the meeting and with the permission of the chair we hereby declare the proceedings as closed. Thank you very much.