



SUPRA PACIFIC
MANAGEMENT CONSULTANCY LIMITED

A Non Banking Financial Company

35th ANNUAL REPORT
2020-2021

Directors:

Shri. Joby George- Chairman and Managing Director
Shri. Sabu Thomas- Independent Director (Resigned on 13th August, 2021)
Shri. Murali NA – Additional Director (Appointed w.e.f 13th August,2021)
Shri. Abidh Abubakkar- Independent Director
Smt. Winey Mathew- Independent Women Director
Shri. Arun Kumar CM- Non-Executive Director
Shri. Sandeep Babu T – Non-Executive Director
Shri. Kishor A Shah- Non-Executive Director (Resigned w.e.f 12.03.2021)

Auditors:

M/s Deloitte Haskins & Sells
Chartered Accountants
Kochi

Company Secretary/ Compliance officer & Chief Financial Officer:

Shri. Dipu George- Company Secretary & Compliance Officer
Smt. Reshmi Haridas V- Chief Financial Officer

Registrar & Share Transfer Agent:

M/s Purva Sharegistry India Pvt. Ltd
Unit No. 9, Ground Floor, Shiv Shakti Ind.
Estt, J. R. Boricha Marg, Lower Parel East,
Mumbai, Maharashtra 400011

Bankers:

Axis Bank Limited
Federal Bank Limited
IDFC First Bank Limited
Indian Bank Limited
CSB Bank Limited
HDFC Bank Limited

CIN Number

L74140MH1986PLC039547

| Registered Office | Corporate Office |
|--|--|
| 1/203, Vishal Complex, Narsing Lane, Off. S. V. Road, Malad (West), Mumbai – 400 064 | 24/563,A7. Central Tower, Pillar No. 319, Near Municipal Town Hall, Kalamassery, Kochi-682 033 |
| Email ID | Website |
| info@suprapacific.com | www.suprapacific.com |

SUPRA PACIFIC MANAGEMENT CONSULTANCY LIMITED

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **35th** Annual General Meeting of the members of **SUPRA PACIFIC MANAGEMENT CONSULTANCY LIMITED** will be held on Thursday, 30th day of September, 2021 at 11.00 am through Video Conferencing ("VC") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021 and the Reports of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Arun Kumar CM (DIN: 08381815), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Statutory Auditors to fill the casual vacancy**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any (including any statutory modification(s), clarifications, exemptions or re-enactment thereof for the time being in force) M/s. G. Joseph & Associates, Chartered Accountants, Kochi (FRN:006310S) appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Deloitte Haskins & Sells., Chartered Accountant, Kochi (FRN 008072S)

RESOLVED FURTHER THAT M/s. G. Joseph & Associates, Chartered Accountants, Kochi (FRN:006310S) be and is hereby appointed as Statutory Auditors of the Company to hold the office from the conclusion of this 35th Annual General Meeting of the company and until the conclusion of the 36th Annual General Meeting of the company, at such remuneration as may be mutually decided by the Board of Directors of the company and the statutory Auditors

4. **Appointment of Shri. Murali NA (09201589) as Independent Director of the company for a period of five years from this Annual General Meeting**

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

To consider and if thought fit, to pass the following resolution as **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any amendment, statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 17 (1A) of SEBI (LODR) Regulations, 2015 and other applicable provisions, if any, as amended from time to time, Shri. Murali NA (DIN: 09201589), aged about 61 years, being eligible as Independent Director of the Company, not liable to retire by rotation, to hold office for a first term of five consecutive years, and who has consented to act as an Independent Director of the Company and who has submitted his declarations that he meets the criteria of independence as specified for Independent Director under Section 149 (6) of the Companies Act 2013 and Regulation 16 (1)(b) and 25 (8) of SEBI (LODR) Regulations 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and in respect of whom the company has received a notice in writing from a Member proposing his candidature

for the office of Director pursuant to Section 160 (1) of the Companies Act 2013 be and is hereby appointed as Independent Director of the Company for a period of 5 years”

“FURTHER RESOLVED THAT the Board of Directors and Company Secretary of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution”

5. Issuance of Non- Convertible Debentures by the company

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 and 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the rules framed thereunder and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company, for making offer(s) or invitation(s) to subscribe to secured/unsecured/subordinated, rated/unrated, listed/unlisted non-convertible debentures (“NCDs”) of the Company on a private placement basis, in one or more tranches, for a period of 1 (one) year from the date hereof, on such terms and conditions including the price, coupon, premium/discount, tenor etc., as may be determined by the Board of Directors (including any committee authorised by the Board of Directors thereof), based on the prevailing market condition.”

“RESOLVED FURTHER THAT the aggregate amount to be raised through the issuance of NCDs pursuant to the authority under this Resolution shall not exceed the overall limit of Rs. 250 Crore (Rupees Two Hundred and Fifty Crores Only)”

“RESOLVED FURTHER THAT in connection with the aforesaid, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.”

6. Authority to Issue Unsecured Subordinated Debts

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 71 read with Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), read with the Companies (Share Capital and Debentures) Rules, 2014, and Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, the consent of the members be and is hereby accorded to the Board of Directors of the Company, to make private placement offers, invitations and issue of Unsecured Subordinated Debt (Sub Debt) (Tier II) in one or more tranches, with the consent being valid for a period of 1 (one) year from the date hereof, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board of Directors (or any other person so authorized by the Board of Directors), based on the prevailing market condition”

RESOLVED FURTHER THAT the aggregate amount to be raised through the issuance of Subordinated Debt (Sub Debt) (Tier II) pursuant to the authority under this Resolution shall not exceed the limit of Rs.100 crore (Rupees Hundred Crore Only)

RESOLVED FURTHER THAT in connection with the aforesaid, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.”

7. Approval of Related Party Transaction under section 188 of the companies Act 2013

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 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 and subject to such approvals, consents, sanctions and permission as may be necessary, consent of the members of the Company be accorded to the Board of Directors of the Company to enter in to contracts and / or agreements with related parties as defined under the Act with respect to (a) financing, lending, rendering/ receiving of financial services or any other transaction of whatever nature with the following related party:

| | |
|----------------------------------|--------------------------------------|
| Name of the related Party | Centreal Bazaar India Limited |
|----------------------------------|--------------------------------------|

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding”.

Place: Kochi
Date: 13.08.2021

By Order of the Board of Directors
Dipu George
Company Secretary
A CS No. 38716

NOTES: -

1. In view of the COVID 19 Pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular dated 15.06.2020 read with Circulars dated 08.04.2020, 13.04.2020 and 05.05.2020 and (collectively referred to as “MCA Circulars”) permitted the holding of Annual General Meeting (“AGM”) by VC/OAVM without the physical presence of the members at a common venue. Accordingly, in compliance with the said provisions read along with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12.05.2020, the AGM of the Company shall be held through VC.

Pursuant to the provisions of the Act, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself, and the proxy need not be a member of the Company. Since the AGM is being held pursuant to the MCA Circulars, through VC, the physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance slip are not annexed to this Notice.
2. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto and forms part of the Notice.
3. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, “Listing Regulations” in respect of the Directors seeking appointment, re-appointment / continuation at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
4. Relevant documents referred in the accompanying Notice and in the Statements are open for inspection by the Members at the Company’s Registered Office between 11 A.M. to 1 P.M. on all days except Saturdays, Sundays and Public Holidays, till the conclusion of the ensuing Annual General Meeting.

5. The Company has already notified Closure of Register of Members and Share Transfer Books thereof from Thursday, 23rd September 2021 to Thursday, 30th September 2021 (both days inclusive) for the purpose of the Annual General Meeting.
6. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Security Holders are entitled to make nomination in respect of securities held by them in physical form. Individual Security holder(s) can avail the facility of nomination. The nominee shall be a person in whom all rights of transfer and / or amount payable in respect of the securities shall vest in the event of the death of the Security holder(s). In the case of joint holding; all joint holders shall together nominate any person as nominee. A minor can be a nominee provided the name and address of the guardian is given in the Nomination form. The facility of nomination is not available to non-individual Shareholders such as Bodies-Corporate, Kartas of Hindu Undivided Families, Partnership Firms, Societies, Trust and holders of Power of Attorney. For further details please contact Company's Secretarial Department. Security holders desirous of making nominations are requested to send their requests in Form No.SH-13 (which will be made available on request) to the Registrar and Share Transfer Agent, M/s Purva Share Registry (India) Pvt Ltd.

REQUEST TO THE MEMBERS:

1. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 7 (Seven) days in advance, so as to enable the Company to keep the information ready.
2. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID / folio no.
3. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.
4. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address as soon as possible. All communications relating to shares including change in their address are to be addressed to the Company's Share Transfer Agent M/s.- Purva Share Registry (India) Pvt. Ltd., 9, Shiv Shakti Industries Estate, J.R. Boricha Marg, Lower Parel (E), Mumbai – 400 011. Tel 022 23016761/ 23012517.
5. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to Company's Share Transfer Agent M/s. Purva Share Registry (India) Pvt. Ltd, for doing the needful.
6. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
7. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to register/update your e-mail addresses, in respect of shares held in dematerialized form with your respective Depository Participants and in respect of shares held in physical form with above RTA directly to enable Company to send communication / documents via e-mail.
8. Copies of the Annual Report 2021 along with Notice of the 35th AGM are being sent by electronic mode to all members whose email address are registered with the Company/ Depository Participant (s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode by the request of the members.

9. Members who hold shares in physical forms are requested to dematerialize their holdings for facilitating the transfers of Company's equity shares in all stock exchanges connected to the depository system.

10. Voting through electronic means

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 with the Stock Exchanges, the Company is pleased to offer Remote e-voting facility to the members to cast their votes electronically as an alternative to participation at the Annual General Meeting (AGM) to be held on Thursday the 30th day of September, 2021 at 11.00 am through Video Conferencing ("VC").

The Company had fixed on Thursday, 23rd September, 2021 as the cutoff date for determining voting right of shareholders entitled to participating in the remote e voting process. In this regard, your demat account/folio number has been enrolled by the Company for your participation in remote e-voting on resolutions placed by the Company on e-voting system.

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

| | |
|--|--|
| Commencement of remote e voting | 9.00 AM onwards on Monday 27th September 2021 |
| End of remote e voting | Up to 5.00 PM on Wednesday 29th September 2021 |

During this period, members of the company may cast their vote electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote(s) on a resolution is cast by the member, the member shall not be allowed to change it subsequently, as well as not allowed to vote at the meeting.

The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the company as on Thursday, 23rd September, 2021. A person, whose name is recorded in the Register of members or in the Register of beneficial owners maintained by the Depositories as on the cutoff date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting through ballot paper.

Any person who acquires shares of the company and becomes member of the company after dispatch of the Notice and holding shares as on cut-off date i.e Thursday, 23rd September, 2021 may obtain the sequence number by sending a request at support@purvashare.com

CDSL e-Voting System – For Remote e-voting and e-voting during AGM/EGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.

3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.suprapacific.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on <27th September, 2021 at 9.00 AM> and ends on <29th September, 2021 at 5.00 PM>. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Thursday, 23rd September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | <p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |

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|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | <p>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43. |

| | |
|--|--|
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
|--|--|

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

| | For Shareholders holding shares in Demat Form other than individual and Physical Form |
|--|---|
| PAN | Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <SUPRA PACIFIC MANAGEMENT CONSULTANCY LIMITED> on which you choose to vote.

- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@suprapacific.com (designated email address by company) , if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting and e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@suprapacific.com (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id and mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting and joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022- 23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Shri. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

- The company has appointed Shri.Abhilash Nediyaalil Abraham,(M No.F10876; CP No.14524), Practicing Company Secretary as the Scrutinizer to scrutinize the remote e voting process in fair and transparent manner
- The Scrutinizer shall, immediately after the conclusion of the voting at the AGM, first count the votes casted at the meeting, thereafter unblock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment in the company and make not later than three days of conclusion of the meeting a consolidated Scrutinizers Report of the Total votes cast in favor or against, if any, to the Chairman or person authorized by him in writing who shall counter sign the same. The chairman or the person authorized by him shall declare the result of the voting forthwith.
- The results declared along with the Scrutinizers Report shall be placed on the Company's website www.suprapacific.com and on the website of CDSL immediately after the result have been

declared by the Chairman. The company shall simultaneously communicate the result to BSE Limited where the shares of the company are listed.

**Details of Directors seeking appointment/re-appointment at the forthcoming AGM
in pursuance of Regulation 36 of SEBI (LODR) Regulations 2015**

| | |
|--|---|
| Name of Director | Shri. Arun Kumar CM |
| DIN | 08381815 |
| Date of Birth | 06/04/1975 |
| Date of Appointment on the Board | 11/03/2020 |
| Expertise in specific functional area | Business Head of a leading Non-Banking Finance Company in South India |
| Qualification | He earned a Bachelor Degree in Commerce in 1995 from Calicut University. In 1999, he secured LLB from Kannur University |
| Relationship with other directors | NA |
| Directorship in other limited companies | NA |
| Membership of Committees in Other Public Limited Companies | NA |
| Shareholding of Director in the Company | 46948 No of shares |

| | |
|--|---|
| Name of Director | Shri. Murali NA |
| DIN | 09201589 |
| Date of Birth | 15/07/1960 |
| Date of Appointment on the Board | 13/08/2020 |
| Expertise in specific functional area | 40 years banking experience with expertise in general banking, treasury, forex and risk management. Worked as Asst. General Manager in Federal Bank, Senior General Manager in South Indian Bank and Senior Vice President in ESAF Small Finance Bank |
| Qualification | M.com & JAIIB |
| Relationship with other directors | NA |
| Directorship in other limited companies | NA |
| Membership of Committees in Other Public Limited Companies | CENTREAL BAZAAR INDIA LIMITED |
| Shareholding of Director in the Company | 2 Shares |

Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 3

M/s. Deloitte Haskins & Sells Chartered Accountants, Kochi (Firm Registration Number: 008072S) vide their letter dated 3rd September, 2021 have resigned from the position of Statutory Auditors of the Company, from the conclusion of the 35th Annual General Meeting of the company, that resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on 3rd September 2021 as per the recommendation of the Audit Committee, and pursuant to the provisions of Section 139(8) of the Companies Act, 2013, have appointed M/s. G. Joseph & Associates, Chartered Accountants, Kochi (FRN:006310S), to hold office as the Statutory Auditors of the Company from the conclusion of 35th Annual General Meeting and to until the conclusion of the 36th Annual General Meeting of the company to fill the casual vacancy caused by the resignation of M/s. Deloitte Haskins & Sells Chartered Accountants, Kochi (Firm Registration Number: 008072S) subject to the approval by the members in ensuring Meeting of the Company, at such remuneration as may be mutually decided by the Board of Directors of the Company and the Statutory Auditors.

The Company has also received consent and eligibility certificate from M/s. G. Joseph & Associates, Chartered Accountants, Kochi (FRN:006310S), to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 3 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the aforesaid Resolution.

The Board recommends an Ordinary Resolution set out in the Notice for approval by the Members

Item No.4

The meeting of Board of Directors and Nomination and Remuneration Committee held on 13th August, 2021, had recommended to the members, the appointment of Shri. Murali NA (DIN: 09201589) as Non-Executive Independent Director of the Company for first term of 5 years.

Shri. Murali NA (DIN: 09201589), aged 61 years, Retired Senior Executive banker having 40 years banking experience with expertise in general banking, Treasury, Forex and Risk Management. Worked as Asst. General Manager in Federal Bank, Senior General Manager in South Indian Bank and Senior Vice President in ESAF Small Finance Bank.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri. Murali NA is appointed as Non-Executive Independent Director. Copy of the draft letter for appointment of Shri. Murali NA as Non-Executive- Independent Director setting out the terms and conditions is available for inspection by the members. The resolution seeks the approval of members for the appointment of Shri. Murali NA as an Independent Director of the Company and he shall not be liable to retire by rotation.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Ordinary Resolution.

The Board recommends the resolution set forth in Item No. 4 for the approval of the Members.

Item No. 5

Pursuant to Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, the Company is required to obtain the approval of its members by way of a special resolution, before making any offer or invitation for issuance of NCDs on a private placement basis. The said approval shall be the basis for the Board to determine the terms and conditions of any issuance of NCDs by the Company for a period of 1 (one) year from the date on which the members have provided the approval by way of the special resolution.

The disclosures required pursuant to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are set out herein below;

- a) **Particulars of the offer including date of passing of board resolution:** This special resolution is being passed in terms of the third proviso to Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 for the issuance of NCDs, from time to time, for a period of 1 (one) year from the date hereof and accordingly this question is not applicable at present. The particulars of each offer shall be determined by the Board of Directors (including any committee duly authorised by the Board of Directors thereof), from time to time;
- b) **Kinds of securities offered and price at which security is being offered:** This special resolution is restricted to the private placement issuance of non-convertible debentures by the Company which may be secured/unsecured/subordinated, rated/unrated, listed/unlisted with the terms of each issuance being determined by the Board of Directors (including any committee duly authorised by the Board of Directors thereof), from time to time, for each issuance;
- c) **Basis or justification for the price** (including premium, if any) at which offer, or invitation is being made: Not applicable
- d) **Name and address of valuer who performed valuation:** Not applicable
- e) **Amount which the company intends to raise by way of such securities:** As may be determined by the Board of Directors from time to time but subject to the limits approved under Section 42 of the Companies Act, 2013 of up to Rs. 250 Crore (Rupees Two Hundred and Fifty Crore only)
- f) **Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principal terms of assets charged as securities:** This special resolution is being passed in terms of the third proviso to Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014 for the issuance of NCDs, from time to time, for the period of 1 (one) year from the date hereof and accordingly this question is not applicable at present. The particulars of each offer shall be determined by the Board of Directors (including any committee duly authorised by the Board of Directors thereof), from time to time.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution, set out at Item No. 5 of the Notice.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members

Item No. 6

Pursuant to Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company is required to obtain approval of its members by way of a special resolution, before making any offer or invitation for issue of Subordinated Debt (Tier II Bond) on a private placement basis. The said approval shall be the basis for the Board to determine the terms

and conditions of any issuance of Subordinated Bonds (Tier II Bond) by the Company for a period of one year from the date on which the members have provided the approval by way of the special resolution.

In view of the above, the approval of the members is sought for issue of Subordinated Debt (Tier II Bond) on private placement basis, in one or more tranches, for a period of 1 (one) year from the date of passing the Resolution, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board of Directors (or any other person authorized by the Board of Directors), at the prevailing market conditions.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution, set out at Item No. 6 of the Notice.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the members

Item No.7

Under Section 2(76) of the Companies Act, 2013, the transaction with M/s Centreal Bazaar India Limited is not falling under related party. But Pursuant to Regulation 23(4) of SEBI (LODR) 2015, all “material” related party transactions shall only be required to have approval of the Shareholders. However, as an abundant caution it is proposed to seek approval of the Shareholders. Your Directors recommends the resolution for the approval by the shareholders of the company.

The particulars as to the related party transactions are furnished below as per the requirements of the prescribed rules and the grounds for having the transactions.

All related party transactions shall be in the ordinary course of business and at arm’s length and shall not be prejudicial to the interest of either parties.

| | |
|---|--|
| Name of the related Party | M/s Centreal Bazaar India Limited |
| Name of the Director who is related, if any | Shri. Joby George and Shri. Sandeep Babu T. |
| Nature of Relationship | Common Directorship/ Common KMP |
| Nature, Material terms, monetary value and particulars of the contract or arrangements | ii. Financing / Lending or rendering financial Services Rs. 48.13 Lacs iii. Procured on lease office premises for functioning of Corporate office Rs.1 Lacs per Month |
| Terms of the Contract/ Service | The Contract/ Service would be for a period of 60 Months w.e.f 1st April, 2021 |
| Any other information relevant or important for the members to take decision on the proposed resolution | Centreal Bazaar India Limited is a public company engaged in big Super Market business in Kerala No approval from shareholders is required pursuant to the provisions of Section 188 of the Companies Act, 2013, since the transactions are in the ordinary course of business and at arm’s length. Further as per Regulation 23(4) of SEBI (LODR) Regulations, 2015 all material related party transaction shall require approval of the shareholders. However, as an abundant caution, your Directors seek your approval. |

The Board recommends the Ordinary Resolution as set out in the Notice for the approval of the members.
Directors as mentioned as related parties above may be deemed to be interested or concerned in the Resolution.

None of the other Directors of the Company or their relatives is in any way, financially or otherwise, concerned or interested in the resolution as set out at Item No.7

Place : Kochi
Date: 13.08.2021

By order of the Board of Directors
Dipu George
Company Secretary
ACS No:38716



DIRECTOR'S REPORT TO THE MEMBERS

Your Directors present herewith the Annual Report of your company together with the Audited Accounts for the year ended 31st March 2021.

| | 2020-2021 | 2019-20 |
|---|---------------------|---------------------|
| Highlights of financial result for the year were as under: | Rs. In Lakhs | Rs. In Lakhs |
| Profit from Operations before Other Income & Interest | 58.76 | (7.78) |
| Add: Other Income | 30.99 | (7.78) |
| Operating Profit before Interest | 89.75 | (7.78) |
| Less: Interest | (76.87) | - |
| | 12.88 | (7.78) |
| Add: Exceptional Income/(Expenses) | - | - |
| Profit Before Tax | 12.88 | (7.78) |
| Provision for Tax | (3.33) | - |
| Prior -period Tax expenses | - | (1.41) |
| Profit After Tax | 9.55 | (9.19) |

OPERATIONS:

During the year, the Company has registered a profit of Rs. 9.55 lacs from the operation of the company as against loss of Rs. 9.19 lacs from previous financial year.

Supra Pacific Management Consultancy Limited ("Supra") is a BSE Listed Non-Banking Finance Company. Supra has been part of the promoter group of M/s Mid-East Portfolio Management Limited (the "listed entity") for more than 15 years, however there was change of management of Supra during the financial year 2019-20. SPA (Share Purchase Agreement) was signed on 11th July 2019 between the erstwhile promoters of Supra and the Acquirers (Present Promoters) to sell 65.58% shares in terms of SEBI (Substantial Acquisition of Shares and Take-Over) Regulations, 2011 and we received the SEBI Observation for Open Offer on 13th November 2019. The prior approval from RBI was granted vide letter dated 29th December 2019 for change in shareholding and management. Consequently, the Open Offer was made to the public by the Acquirers (Present Promoters) on 20th January 2020 to 31st January 2020. And thereafter the change in shareholding and management control was effected on 29th February 2020. The new directors were appointed on the board of Supra on 27th February 2020, 11th March 2020 and 14th July 2020.

For attainment of Minimum public shareholding, the company has sold 5,52,736 equity shares of M/s Sanat Multitrade Private Limited (promoter) through Offer for Sale (OFS) by Stock Exchange Mechanism.

DIVIDEND:

Your Directors regret their inability to recommend any dividend for the year under review.

RESOURCE MOBILATION

Non-Convertible Debentures & Subordinated Debts

Your Company successfully completed Series I, II, III through Private Placement and raised Rs. 14.33 Cr during FY 2020-21 and company has also raised Subordinated Debts representing long term source of funds for the company for Rs. 0.93 lacs during FY 2020-21

DEBENTURE REDEMPTION RESERVE

Pursuant to notification issued by Ministry of Corporate Affairs on 16th August, 2019 in exercise of the powers conferred by subsections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government amended the Companies (Share Capital and Debentures) Rules, 2014.

In the principal rules, in rule 18, for sub-rule (7), the limits with respect to adequacy of Debenture Redemption Reserve (DRR) and investment or deposits for listed companies (other than All India Financial Institutions and Banking Companies as specified in subclause (i)), Debenture Redemption Reserve is not required to maintain in case of public issue of debentures as well as privately placed debentures for NBFCs registered with Reserve Bank of India under section 45-IA of the RBI Act, 1934. Therefore, the Company has not created DRR during the year ended 31 March 2021.

DIRECTORS:

Shri Kishor Shah, Managing Director resigned from his position and continued as Non-Executive Director on 14/07/2020. Due to Change in management and for complying the provision of Regulation 17 of the SEBI (LODR) Regulation 2015, Shri Kishor Shah, Non-Executive Directors of Previous Management resigned from the company with effect from 12th March, 2021.

Shri. Joby George (DIN: 06429801) appointed as Chairman and Managing Director of the Company from 01/08/2020 vide postal ballot dated 26/08/2020.

Shri. Sabu Thomas (DIN: 08224794) appointed as Independent Director vide postal ballot dated 26/08/2020, conveyed his resignation from the Board with effect from 13th August, 2021 due to his personal reasons. And the Board appointed Shri. Murali N A (DIN: 09201589) as Additional Director in the category of Non-Executive Independent Director with effect from 13th August, 2021.

Shri. Abidh Abubakkar (DIN: 08569590) appointed as Independent Director vide postal ballot dated 26/08/2020.

Shri. Sharad Laxman Kulkarni (DIN:07672266) and Shri. Harish Ramappa Kotian,(DIN:02725872) Independent Directors resigned from the Company on 14.07.2020.

Shri. Radhakrishnan, Additional Director (DIN:06375644) resigned from the Company on 04/09/2020 due to pre-occupation.

Shri. Sandeep Babu T (DIN 08242822) appointed as Additional Director on 14/07/2020 and regularized as Director in the 34th AGM held on 30/09/2020.

Smt. Winey Mathew, (DIN: 08771809) appointed as Additional Director (Independent Director) on 14/07/2020 and regularized as Director in the 34th AGM held on 30/09/2020.

Shri. Arun Kumar CM (DIN: 08381815) appointed as Non-Executive Non-Independent Director 30/09/2020.

Shri. Arun Kumar CM, Director (DIN: 08381815) who retire by rotation but being eligible himself offers for re-appointment in the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134 (5) of the Companies Act, 2013, and based on the representations received from the management, your Directors confirm that;

- (i) In the preparation of the Annual Accounts for the year ended 31st March, 2021, the applicable Accounting Standards have been followed and there are no material departures;
- (ii) 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 your Company at the end of the financial year and of the profit & loss of the company for the financial year ended 31st March, 2021.
- (iii) Taken proper and sufficient care to the best of knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- (iv) Prepared the Annual Accounts on a going concern basis.
- (v) Had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) Devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PUBLIC DEPOSIT:

As you are aware, the Company is a Non-Systemically Important Non-Deposit Taking NBFC and hence has not accepted any public deposits

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors of the Company has done twelve board meetings during this financial year which is in compliance with the provisions of the Companies Act, 2013. The details thereof are given in the Corporate Governance Report

KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company

- (i) Shri. Joby George- Managing Director
- (ii) Smt. Reshmi Haridas V- Chief Financial Officer
- (iii) Shri. Dipu George- Company Secretary

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

Particulars under the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 on the Conservation of Energy and Technologies absorption is not applicable to your Company. The Company is not having Foreign Exchange Earnings.

STATUTORY AUDITORS:

M/s Deloitte Haskins and Sells. (Regn.No. 008072S) Chartered Accountants, Kochi were appointed as the Auditors of the Company at the conclusion of the 34th Annual General Meeting (AGM) held on 30th September, 2020 to hold office till the conclusion of the 39th AGM of the Company for a period of 5 years.

Subsequently, circular issued by Reserve Bank of India ("RBI"), Circular No. RBI/2021-22/25 Ref. No. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, which has introduced limits on total number of Audit of NBFCs that can be done by a Firm of Chartered Accountants. Since the limits specified in the aforesaid circular is already exhausted. Therefore M/s Deloitte Haskins & Sells communicate their ineligibility to continue as statutory auditors of the Company in terms of the aforesaid RBI circular, for the year ending March 31, 2022.

In this Regard the Board of Directors at its meeting held on 3rd September 2021 as per the recommendation of the Audit Committee, and pursuant to the provisions of Section 139(8) of the Companies Act, 2013, have appointed M/s. G. Joseph & Associates, Chartered Accountants, Kochi (FRN:006310S), to hold office as the Statutory Auditors of the Company from the conclusion of 35th Annual General Meeting and to until the conclusion of the 36th Annual General Meeting of the company to fill the casual vacancy caused by the resignation of M/s. Deloitte Haskins & Sells Chartered Accountants, Kochi (Firm Registration Number: 008072S) subject to the approval by the members in ensuring Meeting of the Company, at such remuneration as may be mutually decided by the Board of Directors of the Company and the Statutory Auditors.

The Company has also received consent and eligibility certificate from M/s. G. Joseph & Associates, Chartered Accountants, Kochi (FRN:006310S), to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013

PERSONNEL & INDUSTRIAL RELATIONS

Industrial Relations were cordial and satisfactory. There were no employees whose particulars are to be given in terms of Section 134(3)(q) of the companies Act, 2013 read with Rule 5(2) and 5(3) of the companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

CORPORATE GOVERNANCE:

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company, together with a Certificate from the Company's Auditors confirming compliance, forms an integral part of this Report

SUBSIDIARY COMPANIES:

The Company does not have any subsidiary.

CSR POLICY

As per the provisions of Section 135 read with the Section 198 of the Companies Act 2013, the company do not have CSR obligation for the year 2020-21. Accordingly, there has been no meeting of CSR Committee held during the year.

RISK MANAGAMENT

The Company has laid down a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor business risks. The Audit Committee and the Board periodically review the risks and suggest steps to be taken to manage/ mitigate the same through a properly defined framework. During the year, a risk analysis and assessment was conducted and no major risks were noticed, which may threaten the existence of the company

CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company continues to comply with Secretarial Standards on Board Meetings (SS-1) and General Meetings (SS-2), issued by the Institute of Company Secretaries of India.

MANAGEMENT DISCUSSION AND ANALYSIS

A separate report on the Management discussion and analysis forms an integral part of this report.

DECLARATION FROM INDEPENDENT DIRECTORS

Your Company has received necessary declarations from all Independent Directors of the Company confirming that they meet criteria as mentioned in Section 149 of the Act and SEBI LODR.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company other than the sitting fees, commission, if any and reimbursement of expenses incurred for the purpose of attending the meetings of the Board or Committees of the Company.

During the year, a meeting of Independent Directors was held on February 11, 2021 as required under Companies Act, 2013 and in Compliance with requirement under Schedule IV of the Act and as per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and discussed matters specified therein.

FAMILIARISATION PROGRAMME FOR DIRECTORS:

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him under the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other relevant regulations and affirmation taken with respect to the same. The Chairman and the Management has also one to one discussion with the Directors to familiarize with the company's operations.

PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

SECRETARIAL AUDIT

During the year under review, M/s Abhilash NA, Practicing Company Secretary (M.No.F10876 CP:10876) who was appointed as the Secretarial Auditor of the Company has issued the audit report in respect of the secretarial audit of the Company for the financial year ended March 31, 2021.

The Audit Report is attached as **Annexure I** and forms an integral part of this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to Financial Statements forming part of this report.

ANNUAL RETURN:

Annual return in Form-MGT-07 has been posted in the website the link of the same is mentioned below for reference <https://suprapacific.com/policies-investors-information/>

PARTICULARS PURSUANT TO SECTION 197(12) AND THE RELEVANT RULES:

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels. The company regards its employees as great asset.

For the particulars of employees as required to be disclosed in the Directors Report in accordance with the Provisions of Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the Directors state that the company does not have any employee, who

- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rs.1,20,00,000/- rupees per annum;
- (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rs.8,50,000/- rupees per month;
- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations. The scope of the Internal Audit function out sourced to Shri. Paul Jose Retired Banking Professional as of current is well defined in the engagement letter of the Internal Auditor duly approved by the Audit Committee. To maintain its objectivity and independence, the Internal Auditor reports to the Audit Committee.

The Internal Auditor evaluates the adequacy of the internal control system in the Company on the basis of Statement of Operations Procedure, instruction manuals, accounting policy and procedures.

RELATED PARTY TRANSACTIONS:

Contracts / arrangements / transactions entered by the Company during the FY 2020-21 with related parties under Section 188 of the Act were in ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with

related parties which could be considered material in accordance with the provisions of Regulation 23 of SEBI LODR and the Company's policy on related party transactions. Therefore, particulars of contracts / arrangements with related parties under Section 188 in Form AOC-2 is enclosed as **Annexure II** with this report.

PERFORMANCE EVALUATION OF BOARD, COMMITTEES & INDIVIDUAL DIRECTORS

A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out for the year 2020-21 led by the Nomination & Remuneration Committee.

As part of the evaluation process, the performance of non-independent Directors, the Chairman and the Board was done by the independent Directors. The performance evaluation of the respective Committees and that of independent and non-independent Directors was done by the Board excluding the Director being evaluated. The Directors expressed satisfaction with the evaluation process.

NOMINATION AND REMUNERATION POLICY:

The Board of Directors has framed a policy which lays down a frame work in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. More details on the same are given in the Corporate Governance Report

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has in place a whistleblower policy, to support the Code of conduct of the Company. This policy documents the Company's commitment to maintain an open work environment in which employees, consultants and contractors are able to report instances of unethical or undesirable conduct, actual or suspected fraud or any violation of Company's Code of conduct at a significantly senior level without fear of intimidation or retaliation.

POLICY FOR PREVENTION OF SEXUAL HARASSMENT (POSH) OF WOMEN AT WORKPLACE:

In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under, the Company formulated an internal Policy on Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) during the year under review. An internal Complaint Committee has been set up to redress complaints received regarding sexual harassment. All woman employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review there were no complaints received by the Company related to sexual harassment.

APPLICABILITY OF COST AUDIT REQUIREMENTS

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.

KNOW YOUR CLIENT POLICY:

Reserve Bank of India (RBI) has issued guidelines on 'Know Your Customer' (KYC) Guidelines - Anti Money Laundering Standards for Non-Banking Finance Companies (NBFCs) thereby setting standards for prevention of money laundering activities and corporate practices while dealing with their customers vide Circular Nos.: DNBR (PD) CC No. 051/3.10119/2015-16, dated July 1, 2015. Similarly, KYC guidelines have been issued by NSDL and CDSL on customer identification and proof of address at the time of opening the account and for subsequent changes/modification etc. The Company has adopted all

the best practices prescribed by RBI from time to time and shall make appropriate modifications if any necessary to this code to conform to the standards so prescribed.

INTERNAL FINANCIAL REPORT:

The Board has adopted policies and procedures for efficient conduct of business. The Audit Committee evaluates the efficacy and adequacy of financial control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and strives to maintain the Standard in Internal Financial Control.

COMPLIANCE WITH NBFC REGULATIONS

Your Company has complied with all the regulatory provisions of the Reserve Bank of India applicable to Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company.

As on 31 March, 2021, the Capital Adequacy Ratio of the Company is 22.06%, well above the statutory requirement of 15%.

LISTING WITH STOCK EXCHANGES

Your Company confirms that it has paid the Annual Listing Fees for the financial year 2021-22 to BSE where the Company's shares are listed.

MATERIAL AND SIGNIFICANT ORDERS PASSED BY REGULATORS & COURTS:

No significant and material orders have been passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in future.

MAINTENANCE OF COST RECORDS

The Company is an NBFC, and hence the requirement under sub-section (1) of section 148 of the Companies Act, 2013 w.r.t Maintenance of cost records is not applicable

ACKNOWLEDGEMENT:

Our Directors express their sincere appreciation of the co-operation received from shareholders, bankers and other business constituents during the year under review. Our Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff resulting in the performance of the Company during the year.

For and on behalf of the Board of Directors

Joby George
Chairman & Managing Director

(DIN: 06429801)

Place: Kochi

Date: 13th August, 2021

FORM NO.MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021.

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24 A of the Securities and exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015)].

To

The Members,

Supra Pacific Management Consultancy Limited

CIN: L74140MH1986PLC039547,

2nd Floor, 24/563, A7, Kummenchery Plaza,

P/319,Near Municipal Town Hall,

Kalamassery, Ernakulam- 682033

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Supra Pacific Management Consultancy Limited** (hereinafter called the Company), CIN: L74140MH1986PLC039547, 2nd Floor, 24/563, A7, Kummenchery Plaza, P/319,Near Municipal Town Hall, Kalamassery, Ernakulam- 682033 Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my e-verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit during Covid -19 pandemic and subsequent lockdown by the State Government, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March,2021 complied with statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act,1956 (SCRA) and the Rules made thereunder;
- (iii) The Depositories Act,1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act,1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 (SEBI Act): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations,2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. **(Not applicable to the Company during audit period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during audit period);**
- (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009 **(Not applicable to the Company during audit period);** and
- (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 **(Not applicable to the Company during audit period);**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi). The following other laws as may be applicable specifically to the Company;
 - (a) The Reserve Bank of India Act, 1934.
 - (b) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
 - (c) Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015.
 - (d) Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.

I have also examined compliance with the applicable clauses of the following:

- (j) Secretarial Standard on meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into with BSE Ltd.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. *There was one short of the required number of Independent Directors on the Board of the Company for the limited period between 14.07.2020 to 11.03.2021 consequent to the resignation of Independent Directors Shri. Sharad Laxman Kulkarni and Shri. Harish Ramappa Kotian, on 14.07.2020. Nevertheless, the composition of the Board has been regained on 12.03. 2021. The Company is advised to maintain the Board constitution at all time.*
2. *The Company has not achieved minimum public shareholding as on 31.03.2021 pursuant to Regulation 19 A of the Securities Contracts Regulation Rules 1957 r/w Regulation 28 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the Company had taken steps to achieve the minimum public shareholding by resorting to preferential issue of equity shares during the month of February, 2021 but abandoned the issue since the SEBI has not given its approval to the Company's application for approval by way non-speaking order/letter dated 10.06.2021. Subsequently, through Offer for Sale (OFS) of shares through secondary market by promoters, the Company had achieved MPS on 5th and 6th July, 2021 respectively.*
3. *There were 40 days delay in filing Disclosure of Related Party Transaction as per Regulation 23(9)*

of The SEBI LODR Regulation 2015.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non -Executive Directors and Independent Directors except to the extent as specified above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, while dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law, environmental laws and Rules, Regulations, and Guidelines.

I further report, based on the information furnished and upon examination of documents, the Company has made the following preferential issue during the period of audit under review;

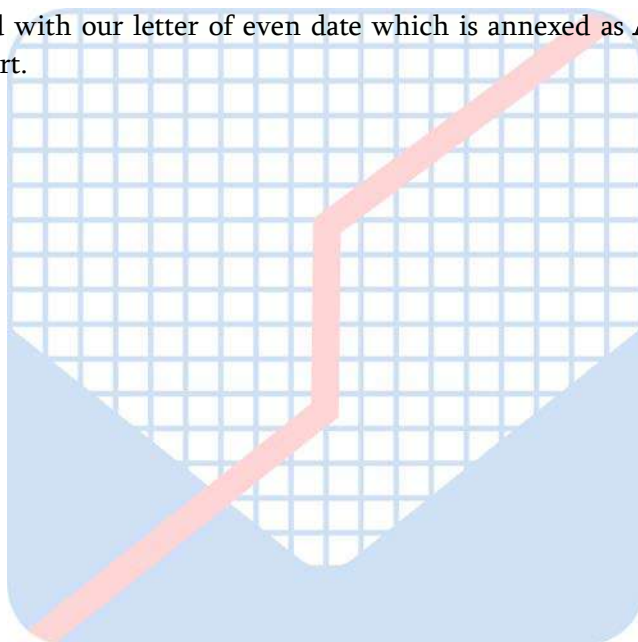
| Sl No | Date of issue | Type of instrument | No of Securities | Face Value and Price | Date allotment of | The number of persons to whom allotment on preferential basis |
|-------|---------------|---|------------------|---|-------------------|---|
| 1 | 04.09.2020 | Secured Non-Convertible Debenture (NCD) | 50000 | Rs. 1000 per NCD aggregating to Rs.5 Crs | 05.10.2020 | 42 |
| 2 | 11.11.2020 | Secured Non-Convertible Debenture (NCD) | 71010 | Rs. 1000 per NCD aggregating to Rs. 7.10 Crs | 15.12.2020 | 64 |
| 3 | 12.01.2021 | Tier II Unsecured Subordinated Debt | 9360 | Rs. 1000 per NCD aggregating to Rs. 93.60 Lakhs | 08.02.2021 | 27 |
| 4 | 17.02.2021 | Secured Non-Convertible Debentures | 22300 | Rs. 1000 per NCD aggregating to Rs. 2.23 Crs | 15.03.2021 | 39 |

Further, the Board of Directors of the Company has approved preferential issue of 19,92,890 equity shares for achieving minimum public shareholding through postal ballot dated 11th February, 2021 and the same got the approval of the shareholders on 26th March, 2021. However, the SEBI rejected Company's application for approval of the issue by way of a non-speaking order/letter dated 10.06.2021. Subsequently, through Offer for Sale (OFS) of shares through secondary market by promoters, the Company had achieved MPS on 5th and 6th July, 2021 respectively.

Other than these, Company has not undertaken any event/action which would have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

| | |
|---|---|
| UDIN : F010876C000754291 Unique Code No. I2015KE2046800 PR No. 728/2020 Date: 09.08.2021 Place: Kochi | Abhilash Nediyaalil Abraham B.B.A, LL.B, F.C.S Company Secretary in Practice M.No. F10876, C.P.No. 14524 Bldg.No.32/1721A, Pallisseri Kavala, NH Bypass, Puthiya Road,Kochi-25 |
|---|---|

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this Report.



Annexure A

To
The Members,
Supra Pacific Management Consultancy Limited
CIN: L74140MH1986PLC039547,
2nd Floor, 24/563, A7, Kummenchery Plaza,
P/319, Near Municipal Town Hall,
Kalamassery, Ernakulam- 682033

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. Further, due to Covid 19 pandemic and subsequent sudden and exponential surge in Covid 19 cases and subsequent lock down, I have carried out the Audit in accordance with the Guidance to Members in Practice to carry out professional assignments during Covid -19 pandemic issued by the Institute of Company Secretaries of India (ICSI) and as per the Covid protocol issued by the State Government.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

| | |
|---|--|
| UDIN : F010876C000754291 Unique Code No. I2015KE2046800 PR No. 728/2020 Date: 09.08.2021 Place: Kochi | Abhilash Nediyaalil Abraham B.B.A, LL.B, F.C.S Company Secretary in Practice M.No. F10876, C.P.No. 14524 Bldg.No.32/1721A, Pallisseri Kavala, NH Bypass, Puthiya Road, Kochi-25 |
|---|--|

Form 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 Act including certain arm's length transactions under third provision thereto:

1. Details of material contracts or arrangements or transactions not at arm's length basis:

Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

| | |
|--|--|
| Name of the related Party | M/s. Centreal Bazaar India Limited |
| Nature of Relationship | Shri. Joby George, Chairman and Managing Director and Shri Sandeep Babu Director are interested |
| Nature, Material terms, monetary value and particulars of the contract or arrangements | (a) Financing / Lending or rendering financial Services Rs. 48.13 Lacs (ii) Procured on lease office premises for functioning of Corporate office Rs.1 Lacs per Month |
| Duration of the Contract / arrangement | 60 Months w.e.f 1 st April, 2021 |
| Salient terms of the contract or arrangements/ transactions | At Competitive rate and at arm's length basis |
| Date of approval by the Board | 28.06.2021 |

For and on behalf of the Board of Director
Joby George
Chairman & Managing Director
DIN: 06429801

Place: Kochi

Date: 13th August, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,
 Supra Pacific Management Consultancy Limited
 CIN: L74140MH1986PLC039547,
 2nd Floor, 24/563, A7, Kummenchery Plaza,
 P/319, Near Municipal Town Hall,
 Kalamassery, Ernakulam- 682033

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Supra Pacific Management Consultancy Limited having CIN L74140MH1986PLC039547 and having registered office at 1-203, Vishal Complex, Narsing Lane, Off S. V. Road, Malad (W), Mumbai City, Maharashtra - 400064 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

| No. | Name of Director | DIN | Date of appointment in Company |
|-----|---|----------|--------------------------------|
| 1 | Shri.Joby George | 06429801 | 27/02/2020 |
| 2 | Shri.Sabu Thomas | 08224794 | 11/03/2020 |
| 3 | Shri.Abidh Abubakkar | 08569590 | 11/03/2020 |
| 4 | Smt.Winey Mathew | 08771809 | 14/07/2020 |
| 5 | Shri.Manikiam Chengalath Parambil Arunkumar | 08381815 | 11/03/2020 |
| 6 | Shri.Sandeep Babu Thonnangamath | 08242822 | 14/07/2020 |
| 7 | Shri.Kishor Amichand Shah | 00015575 | 11/04/1986 |
| 8 | Shri.Harish Ramappa Kotian | 02725872 | 31/03/2003 |
| 9 | Shri.Sharad Laxman Kulkarni | 07672266 | 23/12/2016 |
| 10 | Shri.Radhakrishnan Chundukattil | 06375644 | 11/03/2020 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

| | |
|---|--|
| UDIN : F010876C000804801 Unique Code No. I2015KE2046800 PR No. 728/2020 Date: 19.08.2021 Place: Kochi | Abhilash Nedyalil Abraham B.B.A, LL.B, F.C.S Company Secretary in Practice M.No. F10876, C.P.No. 14524 Bldg.No.32/1721A, Pallisseri Kavala, NH Bypass, Puthiya Road, Kochi-25 |
|---|--|

Report on Corporate Governance

Company's Philosophy on Corporate Governance

Corporate Governance is the combination of practices and compliance with laws and regulations leading to effective control and management of the organization. Your company is committed to the adoption of and adherence to the best corporate governance practices at all times. The Corporate Governance guidelines are in compliance with the requirements of schedule V of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all facets of its operations, and in all its interactions with its stake holders, including shareholders, employees, the government and lenders.

Board of Directors

The Board of Directors has Six members, Five out of Six are Non- Executive Directors (NEDs) who bring in a wide range of skills and experience to the Board. The Company has an Executive Chairman and 50% of the Board of Directors are Independent Directors.

The Composition of the Board as on the date of report was as under:

| Name of the Director | No of shares held | Attendance particulars | | No. of other Directorship and Committee memberships/Chairmanships | | | Relations hip interse Directors |
|---|-------------------|------------------------|-------------|---|---|--|---------------------------------|
| | | Board Meetin gs | Last AGM | Other Directorship in public companies (Including this Company) | Other Committee Membership (Including this company) | Other Committee Chairman Ship (Including this company) | |
| Shri. Joby George (DIN: 06429801) | 488470 | 14 | Present | 2 | 2 | 0 | None |
| Shri. Sabu Thomas (DIN: 08224794) Resigned on 13 th August, 2021 | 2 | 6 | Present | 1 | 2 | 1 | None |
| Shri. Abidh Abubakkar (DIN: 08569590) | 2 | 14 | Present | 1 | 2 | 1 | None |
| Smt. Winey Mathew (DIN: 08771809) | Nil | 4 | Not Present | 1 | 0 | 0 | None |
| Shri. Arun Kumar CM (DIN: 08381815) | 46948 | 14 | Present | 1 | 0 | 0 | None |
| Shri. Sandeep Babu T (DIN:08242822) | 46948 | 13 | Present | 2 | 0 | 0 | None |

| | | | | | | | |
|--|-----|---|---------|---|---|---|------|
| Shri. Kishor Shaha DIN: 00015575) Resigned on 12 th March, 2021 | Nil | 2 | Present | 2 | 2 | 0 | None |
|--|-----|---|---------|---|---|---|------|

- (i) In accordance with Regulation 26 (b) of the SEBI (LODR) Regulations 2015, Membership / Chairmanship of only the Audit Committees and Stakeholders Relationship Committees of all Public Limited Companies has been considered
- (ii) None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 Committees across all the Companies in which he is a Director as per Regulation 26 (1) of SEBI (LODR) Regulations 2015.

Number of Board Meetings, attendance at Board Meetings and previous Annual General meeting

As per Regulation 17(1) of SEBI LODR Regulation 2015 14 Board Meetings were held during the year and the gap between two meetings did not exceed four months.

| Name of the Director | No. of Board Meetings attended during the year | 34 th AGM held on 30 th September, 2020 Attended |
|--|--|--|
| Shri. Joby George | 14 | Yes |
| Shri. Kishor Shah | 2 | No |
| Shri. Abidh Abubakkar | 14 | Yes |
| Shri. Sabu Thomas | 6 | Yes |
| Shri. Radhakrishnan Chundukatti | 0 | No |
| Shri. Manikiam Chengalath Parambil Arunkumar | 14 | Yes |
| Smt. Winey Mathew | 4 | No |
| Shri. Sandeep Babu | 13 | Yes |

Dates of Board Meetings:

29th June 2020, 14th July 2020, 14th August 2020, 4th September 2020, 5th October 2020, 11th November 2020, 15th December 2020, 12th January 2021, 8th February 2021, 11th February 2021, 17th February 2021, 12th March 2021, 15th March 2021 and 29th March 2021.

Due to pre-occupation of business Shri. Radhakrishnan (Non-Executive Director), Shri. Kishore Shah (Non-Executive Director) and Shri. Sabu Thomas (Non-Executive Independent Director) resigned from the Board of the company with effect from 04th September 2020, 12th March, 2021 and 13th August, 2021 respectively.

Independent Directors

The company has complied with the conditions of Section 149(6) of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations, 2015. The company has also obtained declaration of independence from each Independent Directors pursuant to Section 149 (7) of the Companies Act, 2013

Separate meeting of Independent Directors

As per Companies Act 2013 and SEBI Regulation 2015, the meeting of Independent Directors was held on 11.02.2021, without the attendance of Non – Independent Directors, inter alia, discussed and reviewed performance of Non-Independent Directors, the Board as a whole, Chairman of the Company and assessed

the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Weblink where details of Familiarization program imparted to independent Directors disclosed

The Company has adopted a structured programme for orientation of independent directors at the time of their joining so as to familiarize them with the company's operation, business, industry and environment in which it functions and the regulatory environment applicable to it. The Company through its Managing Director / Senior Managerial Personnel makes presentations regularly to the Board, Audit Committee or such other Committees, as may be required, covering, inter-alia, business environmental, business strategies, operations review, quarterly and annual results, budgets, statutory compliance, etc.

The web link where details of Familiarization Programme imparted to Independent Directors are disclosed is as under: <https://suprapacific.com/wp-content/uploads/2021/06/Supra-Pacific-Familiarization-Program-of-ID.pdf>

Matrix / Table containing skills expertise and competencies of the Board of Directors

| Particulars | Detailed list of core skills, expertise and competencies | Name of Directors who have skills, expertise and competence | | | | | |
|--------------|--|---|------------------|----------------------|------------------|--------------------|-------------------|
| | | Shri.Job George | Shri.Sabu Thomas | Shri.Abidh Abubakkar | Smt.Winey Mathew | Shri.Arun Kumar CM | Shri.Sandeep Babu |
| Core Skills | Strategic policy formulation and Advising | ✓ | ✓ | ✓ | | ✓ | ✓ |
| | Regulatory framework knowledge | ✓ | ✓ | ✓ | ✓ | | |
| | Financial Performance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Advising on Risk mitigation and Compliance requirements | ✓ | ✓ | ✓ | ✓ | | |
| Expertise | Knowledge of Finance Industry | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Commercial acumen | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Competencies | Strategic Leadership | ✓ | ✓ | ✓ | | | ✓ |
| | Execution of policies framed by the Board | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Identifying the growth areas for expanding the business | ✓ | ✓ | ✓ | | ✓ | ✓ |

| | | | | | | | |
|--|--|---|---|---|---|---|---|
| | Advising on Business Risks & environment | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
|--|--|---|---|---|---|---|---|

Evaluation of the Board's Performance

The Board has a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board based on the criteria laid down by Nomination and Remuneration Committee which included attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest, adherence to Code of Conduct and Business ethics, monitoring of regulatory compliance, risk assessment and review of Internal Control Systems etc.

Committees of Directors:

Audit Committee

The Audit Committee has been constituted by the Board in compliance with the requirements of Section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulations, 2015.

Terms of reference:

The terms of reference of the Audit Committee covers all the areas mentioned under Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations.

The terms of reference of the Audit Committee, inter-alia is as follows:

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) Recommending the appointment and removal of External Auditors, fixation of Audit Fee and approval for payment for any other services;
- (iii) Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any Related Party Transactions;
 - g. Modified opinion(s) in the draft Audit Report;
- (iv) Review of the quarterly and half yearly financial results with the management and the Statutory Auditors;
- (v) Examination of the financial statement and the Auditors' Report thereon;
- (vi) Review and monitor Statutory Auditor's independence and performance and effectiveness of audit process;
- (vii) Approval or any subsequent modification of transactions with related parties;
- (viii) Scrutiny of Inter-Corporate Loans and Investments;
- (ix) Review of valuation of undertakings or assets of the company wherever it is necessary;

- (x) Evaluation of Internal Financial Controls and Risk Management Systems;
- (xi) Review with the Management, Statutory Auditors and the Internal Auditors about the nature and scope of audits and of the adequacy of internal control systems;
- (xii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- (xiii) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (xiv) Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- (xv) Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- (xvi) Review the functioning of the whistle blower mechanism;
- (xvii) Review and monitor the end use of funds raised through public offers and related matters;
- (xviii) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- (xix) Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading Code and supervise its implementation under the overall supervision of the Board;
- (xx) Review of the following information:
 - (i) Management Discussion and Analysis of financial condition and results of operations;
 - (ii) Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by Management;
 - (iii) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - (iv) Internal Audit Reports relating to internal control weaknesses;
 - (v) The appointment, removal and terms of remuneration of the Chief Internal Auditor
 - (vi) Statement of deviations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)
 - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus in terms of Regulation 32(7), if applicable
- (xxi) Carrying out any other function as may be referred to the Committee by the Board.
- (xxii) Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II to the Listing Regulations.

The composition of the Audit Committee as on date of report was as under:

| Sr. No. | Name of the Director | Designation | No. of Meetings attended during 2020-2021 |
|---------|-----------------------|-------------|---|
| 1 | Shri. Sabu Thomas | Chairman | 6 |
| 2 | Shri. Abidh Abubakkar | Member | 6 |
| 3 | Shri. Joby George | Member | 6 |

The Audit Committee met **Six** times during the year under review. The Committee meeting were held on 29th June 2020, 14th July 2020, 14th August 2020, 5th September 2020, 11th November 2020 and 11th February 2021.

The Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings. The heads of Internal Audit and Finance attend the meetings. The Statutory Auditors are also invited to the meetings.

Nomination & Remuneration Committee:

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations

The composition of the Remuneration Committee as on date of report was as under:

| Sr. No | Name of the Director | Designation | No. of Meetings attended during 2020– 2021 |
|--------|---|-------------|--|
| 1 | Shri. Sabu Thomas | Chairman | 4 |
| 2 | Shri. Abidh Abubakker | Member | 4 |
| 3 | Shri. Joby George (Resigned w.e.f 12 th March, 2021) | Member | 3 |
| 4 | Shri. Sandeep Babu (Appointed w.e.f 12 th March, 2021) | Member | 1 |

The Nomination & Remuneration Committee met **four** times during the year under review. The Committee meeting were held on 29th June 2020, 14th July 2020, 14th August 2020 and 12th March 2021

Terms of Reference:

- To identify persons who are qualified to become directors and who may be appointed in senior management, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- Formulation of the criteria for determining the qualifications, positive attributes and independence of the director and recommend to the Board a policy, relating to remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of independence directors and the Board.
- Devising a policy on Board diversity.

The remuneration policy is in consonance with the existing industry practice and also with the provisions of Companies Act.

Performance Evaluation Criteria for Independent Directors

A. Personal Traits

- Highest personal and professional ethics, integrity, values and Independence
- Inquisitive and objective perspective, practical wisdom and mature judgment.
- Contribution to Board and Committees

B. Other Criteria

- To act in the best interest of minority shareholders of the Company
- Willingness to devote sufficient time to carry out the duties and responsibilities effectively, including attendance at meetings.
- Compliance with the definition of Independent Director as provided in the Act and Listing Regulations.
- Monitoring the implementation of Corporate Governance guidelines and conflict of interest in any of the policies adopted by the Company

Remuneration Policy:

Non-Executive Directors

There is no pecuniary relationship of the Non- Executive Director vis-à-vis the Company, whatsoever. None of the Non- Executive Directors (NEDs) are paid any remuneration whether by way of Commission or Salary.

Remuneration to Non-Executive Directors FY 2020-21

| Name of the Directors | Sitting Fee |
|------------------------|-----------------|
| Shri.Sabu Thomas | 40000 |
| Shri. Adhith Abubakkar | 40000 |
| Shri. Sandeep Babu | 40000 |
| Smt.Winey Mathew | 40000 |
| Shri. Arum Kumar CM | 40000 |
| Shri. Kishor Shah | Nil |
| Total | 2,00,000 |

Executive Directors

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) to the Managing Director. Salary is paid within the range approved by the shareholders. The ceiling on perquisites and allowances as a percentage of salary is fixed by the Board, within the prescribed ceiling; the perquisite package is fixed by the Remuneration Committee.

Remuneration to Directors:

The details of the remuneration paid to the executive Directors are:

| Name | Salary (Rs.) | Commission paid in 2020-2021 | Perquisites (Rs.) | Retirement Benefit (Rs.) | Total (Rs.) |
|-------------------|--------------|------------------------------|-------------------|--------------------------|-------------|
| Shri. Joby George | 6,00,000/- | Nil | Nil | Nil | 6,00,000/- |

Stakeholders Relationship Committee

In terms of Section 178 (5) of the Act and Regulation 20 of the Listing Regulations, the terms of reference of the Stakeholders Relationship Committee as under:

- To consider and resolve the grievances of the security holders of the company, including complaints related to transfer of shares, non-receipt of annual reports, non-receipt of declared dividend, etc.
- To set for the policies relating to and to oversee the implementation of the code of conduct for prevention of insider trading and to review the concerns received under the company's code of conduct.

The present composition of the shareholders'/ Investors' Grievance Committee is as under:

| Name of the Director | Designation | Category of Directorship |
|-----------------------|-------------|---------------------------------|
| Shri. Abidh Abubakkar | Chairman | Non-Executive & Independent |
| Shri. Sabu Thomas | Member | Non-Executive & Independent |
| Shri. Joby George | Member | Non-Executive & Non-Independent |

Shri.Dipu George , Company Secretary was the secretary of the committee

Investors Compliant during the year under review FY 2020-21

| | |
|---|---|
| Compliant Received during the year | 1 |
| Compliant disposed off during the year | 1 |
| Compliant remain unresolved during the year | 0 |

Risk Management Committee:

The composition of the Risk Management Committee as on date of report was as under:

| Sr. No | Name of the Director | Designation |
|--------|-----------------------|-------------|
| 1 | Shri Abidh Abu Bakkar | Chairman |
| 2 | Shri. Sabu Thomas | Member |
| 3 | Shri. Joby George | Member |

General Body Meetings

a) The last three Annual General Meetings (AGMs) were held as under:

| Financial ended | Year | Day & Date | Time | Venue |
|----------------------|------|----------------------------------|----------|------------------|
| 32 nd AGM | | 27 th September, 2018 | 10.00 am | Corporate Office |
| 33 rd AGM | | 27 th September, 2019 | 10.00 am | Corporate Office |
| 34 th AGM | | 30 th September, 2020 | 11.00 am | Through VC |

All special resolutions moved at the last AGM were passed unanimously on a show of hands by the shareholders present at the meeting. None of the business required to be transacted at this AGM is proposed to be passed by postal ballot.

b) Special resolutions have been passed at the last three Annual General Meetings as under:

| Date of AGM | Nature of Special Resolution |
|----------------------------------|---|
| 27 th September, 2018 | NIL |
| 27 th September, 2019 | To increase borrowing limits under section 180(1) (c) of the Companies Act, 2013 |
| 30 th September, 2020 | <ul style="list-style-type: none"> To increase borrowing limits under section 180(1) (c) of the Companies Act, 2013 Issuance of Non- Convertible Debentures by the company Authority to Issue Unsecured Subordinated Debts |

c) Details of Special Resolution passed through postal ballot during the financial year:

| Date of Postal Ballot | Nature of Special resolution |
|-------------------------------|---|
| 26 th August, 2020 | <ul style="list-style-type: none"> Increase in authorized share capital Adoption of MOA as per companies Act, 2013 Amendment in liability clause of the MOA Adoption of new Articles of Association under Companies Act, 2013 Appointment of Shri Joby George as Chairman and Managing Director of the company Appointment of Shri Sabu Thomas as Independent Director Appointment of Shri Abidh Abubakkar as Independent Director Increase borrowing limits under Section 180(1)(c) of the Companies Act, 2013 |
| 26 th March, 2021 | Issue of 19,92,890 Equity shares under Preferential issue |

Whistle Blower Policy

With a view to establish a mechanism for protecting employees reporting unethical behavior, frauds or violation of Company's Code of Conduct, the Board of Directors has adopted a Whistle Blower Policy (a

non-mandatory requirement as per Regulation 18 SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. No person has been denied access to the Audit Committee.

Policy for prevent sexual harassment at the workplace

The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation or intimidation. Every employee is made aware that the Company is strongly opposed to sexual harassment and that such behavior is prohibited both by law. To redress complaints of sexual harassment, a Complaint Committee for the Group has been formed, which is headed by Shri. Joby George.

- number of complaints filed during the financial year - NIL
- number of complaints disposed of during the financial year - NIL
- number of complaints pending as on end of the financial year. -NIL

Details of Non-compliance:

| SL No | Action taken by | Details of violation | Details of Action taken | Obervation/ Remarks |
|-------|-----------------|---|--|--|
| 1 | BSE Limited | 40 days delay in filing the disclosure under Regulation 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 | Fine of Rs. 1,80,000 Plus GST imposed vide their mail dated 18.01.2021 | The company paid the fine vide its letter dated 23.01.2021 |

Disclosures:

Basis of Related Party Transactions:

All transaction entered into by the Company with related parties, during the financial year 2020-21, were in ordinary course of business and on arm's length basis. The Company has formulated a framework for Related Party Transactions which is followed for identifying, entering into and monitoring related party transactions. The deviations, if any, to the said process have been brought to the attention of Audit Committee suitably. The Audit Committee reviews at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval granted.

Web link where policy on dealing with related party transactions;

<https://suprapacific.com/wp-content/uploads/2020/09/SUPRAPACIFIC-PARTY-TRANS-POLICY.pdf>

Disclosure of Accounting Treatment:

The company has adopted Indian Accounting Standards (IND AS) effective 1st April 2019 and accordingly, the financial statements for the Year 2020-21 have been prepared in accordance with the recognition and measurement principle laid down in the IND AS prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.

Board Disclosures - Risk Management:

The Company has laid down procedures to inform the Board of Directors about the risk assessment and minimization procedures. The Audit Committee and the Board of Directors review these procedures, periodically

Proceeds from public issues, right issues, preferential issues etc.:

The Company did not have any of the above issues during the year under review

Annual Secretarial Compliance:

The Company has obtained Annual Secretarial Compliance Report on annual basis from the Company Secretary in Practice for compliance with Regulation 24(A) of SEBI (LODR) Regulations 2015 and the copy of the same is communicated with Stock Exchange (BSE Limited) within prescribed time limit.

Certificate from Practicing Company Secretary

Certificate as required under Part C of Schedule V of Listing Regulations, received from Shri. Abhilash Nediylalil Abraham, Practicing Company Secretary, Kochi, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory has annexed to this Report.

MD and CFO Certification

The Managing Director and CFO of the Company give quarterly / annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015.

Management Discussion and Analysis Report:

The Management Discussion and Analysis Report have been included separately in the Annual Report to the shareholders.

Shareholders

- The quarterly results approved by the Audit Committee / Board of Directors are put on the Company's website www.suprapacific.com under "investor info" section
- The Company has also send Annual Report through email to those shareholders who have registered their email ids with Depository Participants.

Reconciliation of Share Capital Audit

A qualified Practicing Company Secretary has carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical forms and the total number of dematerialized shares held with NSDL and CDSL.

Means of communication

- (i) **Half-yearly report sent to each household of shareholders**
Although, Half-yearly report is not sent to each household of shareholders, the Company normally publishes the same in all India editions of Financial Express [National Daily] and Mumbai Lakshadweep [Regional News Paper].
- (ii) **Quarterly results**
The quarterly results are normally published in all India editions of Financial Express [National Daily] and Mumbai Lakshadweep [Regional News Paper]. Your Company is also uploading regularly quarterly Corporate Governance Report, Shareholding Pattern and other related documents through web-based platforms of BSE. The same can be accessed <https://www.listing.bseindia.com> The same were also displayed in the website of the company, www.suprapacific.com.
The Company did not make any presentation to the analysts / institutional investors

Shareholder Information:

i. Annual General Meeting

| | | |
|----|---------------|--|
| a) | Date and time | 30 th September, 2021 at 11.00 AM |
|----|---------------|--|

| | | |
|----|---|--|
| b) | Venue | The Company is conducting meeting through VC/OAVM pursuant to the MCA Circular dated 15th January 2021 and as such there is no requirement to have a venue for the AGM |
| d) | Book Closure Date | 23 rd September, 2021 to 30 th September, 2021 |
| e) | Dividend payment date | No dividend declared. |
| f) | Financial Calendar: | |
| | Annual General Meeting | 30 th September, 2021 |
| | Result for the quarter ended 30 th June, 2021 | 13 th August, 2021 |
| | Result for the quarter ended 30 th September, 2021 | On or before 14 th November, 2021 |
| | Result for the quarter ended 31 st December, 2021 | On or before 14 th February, 2022 |
| | Result for year ended 31 st March, 2022 | On or before 30 th May, 2022 |

During the year, members of the Company have approved the resolutions, stated in the below table by requisite majority, by means of Postal Ballot, including Electronic Voting (e-voting). The Postal Ballot Notice dated 14.07.2020 along with the Postal Ballot Form was sent in electronic form to the members whose e-mail addresses were registered with the Company / respective Depository Participants. The Company had published a notice in the newspaper on July 27, 2020 in Financial Express (English) and Mumbai Lakshadweep (Marati) in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard - 2. The voting period commenced from Tuesday, 28th July, 2020 at 9:00 A.M. and ends on Wednesday, 26th August, 2020 at 5:00 P.M. The voting rights of members were reckoned on the paid-up value of shares registered in the name of member / beneficial owner (in case of electronic shareholding) as on 21.07.2020. The Board had appointed Shri Abhilash NA, FCS, a Practising Company Secretary, as Scrutiniser to conduct the postal ballot process in a fair and transparent manner and had engaged the services of Central Depository Services (India) Limited (CDSL) as the agency for the purpose of providing e-voting facility. Shri Abhilash NA, Scrutiniser, had submitted his report on the Postal Ballot to the Chairman on 27th August, 2021. On the same day, the Chairman declared that all the resolutions were passed.

| | |
|--|--------|
| Increase authorized capital of the company | Passed |
| Adoption of MOA as per provisions of Companies Act, 2013 | Passed |
| Amendment of the Liability clause IV of the Memorandum of Association | Passed |
| Adoption of Articles of Association as per the provisions of the Companies Act, 2013 | Passed |
| Appointment of Shri. Joby George as Chairman and Managing Director as well as fixation of remuneration pursuant to Schedule V of the Companies Act, 2013 | Passed |
| Appointment of Shri. Sabu Thomas (DIN: 08224794) as independent Director of the Company for a period of 5 years | Passed |
| Appointment of Shri. Abidh Abubakkar (DIN: 08569590) as independent Director of the Company for a period of 5 years | Passed |
| To increase the limits of borrowing by the Board of Directors of the Company under section 180(1)(c) of the companies Act, 2013 | Passed |

i. Listing

| | | |
|----|--|--|
| a) | Listing of Equity shares on Stock Exchanges at | BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, |
|----|--|--|

| | | |
|----|--|--|
| | | Mumbai – 400001 |
| b) | Listing fee | Annual Listing fee for the year 2021-22 have been paid to the Stock Exchange |
| c) | Stock Code: Scrip Code No.: Bombay Stock Exchange | 540168 |
| d) | Demat ISIN Nos. in NSDL and CDSL for Equity Shares | INE268T01015 |

ii. **Stock Market Data :**

(In Rupees)

| Year 2020-2021 | Bombay Stock Exchange | |
|-----------------|-----------------------|-------------------|
| | Month's High Price | Month's Low Price |
| April, 2020 | 16.85 | 16.85 |
| May, 2020 | 16.85 | 16.85 |
| June, 2020 | 16.85 | 16.85 |
| July, 2020 | 17.50 | 16.85 |
| August, 2020 | 18.75 | 17.50 |
| September, 2020 | 20.30 | 18.75 |
| October, 2020 | 20.30 | 20.30 |
| November, 2020 | 19.30 | 19.30 |
| December, 2020 | 19.30 | 19.30 |
| January, 2021 | 19.30 | 19.30 |
| February, 2021 | 19.30 | 19.30 |
| March, 2021 | 19.30 | 19.30 |

iii. The securities of the Company are not suspended from trading during the year.

iv. **Registrar and Share Transfer Agent :**

Purva Share Registry (India) Pvt. Ltd.,
9, Shiv Shakti Industries Estate,
J.R. Boricha Marg, Lower Parel (E),
Mumbai – 400 011.
Tel 022 23016761/ 23012517

v. **Share Transfer System:**

Share Transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The power to approve transfer of securities has been delegated by the Board to the Shareholders / Investors Grievance and Share Transfer Committee, which meets once in a fortnight. Share transfer requests are processed within an average of 15 days from the date of receipt. Letters are sent to the shareholders after transfer of shares in their names giving an option for dematerialization of shares of the physical shares.

vi. (a) **Distribution of Shareholding (as on 31.03.2021):**

| Shareholding of Nominal Value of | For the Year 2020 – 2021 | | | |
|-------------------------------------|--------------------------|------------|-----------|------------|
| | No. of Shareholders | % to Total | In Rupees | % to Total |
| Upto 5,000 | 1,160 | 92.06 | 18,34,730 | 3.34 |
| 5,001 – 10,000 | 65 | 5.16 | 6,17,500 | 1.12 |
| 10,001 – 20,000 | 13 | 1.03 | 231,000 | 0.42 |
| 20,001 – 30,000 | 7 | 0.56 | 155,000 | 0.28 |

| | | | | |
|------------------|-------------|------------|-------------------|---------------|
| 30,001 – 40,000 | 0 | 0.00 | 0.00 | 0.00 |
| 40,001 – 50,000 | 0 | 0.00 | 0.00 | 0.00 |
| 50,001 – 100,000 | 7 | 0.56 | 652,600 | 1.19 |
| 100,001 & above | 8 | 0.63 | 51,51,7179 | 93.65 |
| | 1260 | 100 | 55,008,000 | 100.00 |

(b) Categories of Shareholders (as on 31.03.2021)

| SL No | Category | No of shares | % of shareholding |
|-------|---|----------------|-------------------|
| 1 | Promoters and Associates | 4678336 | 85.05 |
| 2 | Indian Financial institutions, banks, Mutual Fund | 0 | 0.00 |
| 3 | Foreign Institutional Investors/ NRI | 365500 | 6.65 |
| 4 | Resident Individual | 456964 | 8.31 |
| | Total | 5500800 | 100 |

vii. Outstanding GDRs/ADRs Warrants or any Convertible instruments, conversion date and likely impact on Equity (as on 31.3.2021) – Nil

viii. **Dematerialization of shares and Liquidity:**

Over 89.52% of the shares have been dematerialized up to 31st March, 2021. There are 3,943,389 shares in NSDL and 9,81,011 shares in CDSL are demated respectively, to whom all company's mailers and Annual Reports are dispatched in addition to registered members. The shares of the Company are listed in Mumbai Stock Exchange and hence facilitate liquidity.

Liquidity of shares:

The shares of the Company are listed and traded in BSE Limited

| | Investor Correspondence: - | |
|---|---|---|
| 1 | For transfer / dematerialization of shares, payment of dividend on shares and any other query relating to the shares of the Company | Registrar and Share Transfer Agent: Purva Share Registry (India) Pvt. Ltd., 9, Shiv Shakti Industries Estate, J.R. BorichaMarg, Lower Parel (E), Mumbai – 400 011. Tel 022 23016761/ 23012517 |
| 2 | Any query on Annual Report | Secretarial Department Supra Pacific Management Consultancy Ltd Central Tower, Pillar No. 319, Near Municipal Town Hall, Kalamassery, Kochi- 682033 Tel- 0484- 6735544 |

Disclosures with respect to demat suspense account/ unclaimed suspense account

| | |
|---|-----|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; | NIL |
| Number of shareholders who approached listed entity for transfer of shares from suspense account during the year; | NIL |
| Number of shareholders to whom shares were transferred from suspense account during the year; | NIL |

| | |
|---|-----|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; | NIL |
|---|-----|

=====

DECLARATIONS

Compliance with the Code of Business Conduct and Ethics

As provided under Regulation 26(3) of SEBI (LODR) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with **Supra Pacific Management Consultancy Limited** Code of Business Conducts and Ethics for the year ended 31st March 2021.

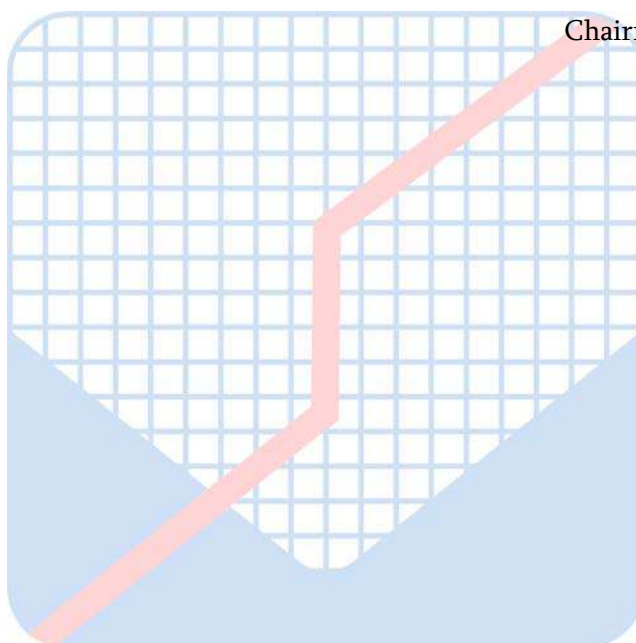
Place: Kochi

Date: 13th August, 2021

For Supra Pacific Management Consultancy Limited

Joby George

Chairman & Managing Director
(DIN: 06429801)



CEO/ CFO CERTIFICATION

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Supra Pacific Management Consultancy Limited (the Company) to the best of our knowledge and belief certify that;

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2021 and that to the best of our knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, no transactions entered in to by the Company during the year, which are fraudulent, illegal, or violation of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting of the company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems over financial reporting.

For Supra Pacific Management Consultancy Ltd

Joby George
Chairman & Managing Director
(DIN: 06429801)

Reshmi Haridas V
Chief Financial Officer

Place: Kochi
Date: 13th August,2021

Practicing Company Secretary Certificate regarding Compliance of Conditions of Corporate Governance

CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
Supra Pacific Management Consultancy Limited

I have examined relevant records of Supra Pacific Management Consultancy Limited (“the Company”) for the purpose of certifying compliance of conditions of Corporate Governance as per Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 (“Listing Regulation”) for the financial year ended 31st March, 2021. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company management. My examination was limited to procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company. It is neither an audit nor an expression of opinion on the financial statement of the Company.

On the basis of my examination of the records produced, explanation and information furnished, I certify that the Company has complied with conditions of Corporate Governance as per Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C,D and E of Schedule V of the securities and exchange Board of India(Listing Obligation and Disclosure Requirement) Regulation, 2015 (“Listing Regulation”) for the financial year ended 31st March, 2021 *except that There was one short of the required number of Independent Directors on the Board of the Company for the limited period between 14.07.2020 to 11.03.2021 consequent to the resignation of Independent Directors Shri. Sharad Laxman Kulkarni and Shri. Harish Ramappa Kotian, on 14.07.2020. Nevertheless, the composition of the Board has been regained on 12.03.2021. Further, there were 40 days delay in filing Disclosure of Related Party Transaction as per Regulation 23(9) of The SEBI LODR Regulation 2015.*

Sd/-

UDIN : F010876C000804823
C.P. No.: 14524
Unique Code No. I2015KE2046800
PR No. 728/2020
Date: 19.08.2021
Place: Kochi

Abhilash Nediylal Abraham
B.B.A, LL.B, F.C.S
Company Secretary in Practice
M.No. F10876, C.P.No. 14524
Bldg.No.32/1721A, Pallisseri Kavala,
NH Bypass, Puthiya Road,Kochi-25

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Directors are pleased to present the Management Discussion and Analysis Report for the year ended 31st March, 2021.

The Management Discussion and Analysis have been included in consonance with the Code of Corporate Governance as approved by The Securities and Exchange Board of India (SEBI). Investors are cautioned that these discussions contain certain forward-looking statements that involve risk and uncertainties including those risks which are inherent in the Company's growth and strategy. The company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report consequent to new information or developments, events or otherwise.

The management of the company is presenting herein the overview, opportunities and threats, initiatives by the Company and overall strategy of the company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The last year (2020-2021) was successful in capital market and the stock market was on their height. There was good development in Primary market and SME platform. The Company sees the good opportunity and development in coming years.

2. OPPORTUNITY AND THREATS

Opportunities

The Indian money market is a market for short-term and long-term funds with maturity ranging from overnight to one year and includes financial instruments that are deemed to be close substitutes of money. It is diversified and has evolved through many stages, from the conventional platform of treasury bills and call money to commercial paper, certificates of deposit, repos, FRAs and IRS more recently.

The Indian money market consists of diverse sub-markets, each dealing in a particular type of short-term credit. The money market fulfills the borrowing and investment requirements of providers and users of short-term funds, and balances the demand for and supply of short-term funds by providing an equilibrium mechanism.

In Stock Market or Capital Market, the first and foremost thing of strength is its ability to provide high return. SEBI is a regulatory body of Indian stock market which protects the interest of the investors which is an added benefit of Stock Market. Large number of securities which provides medium for investment and thus people can make money by way of investing wisely in Stock Market. Large numbers of Brokers are there in Market who plays a role of facilitator for investment.

Threats & Concerns

Some of the key trends of the industry that are favorable to the company to exploit these emerging opportunities are:

- Clients are more comfortable with uniform high quality and quick service.
- There are good prospects for expanding further activities in this direction.

Some of the key changes in the industry unfavorable to the company are:

- Heightened competition
- Increasing Compliances
- Attraction and retention of human capital.
- Regulatory changes.

3. SEGMENTWISE PERFORMANCE

Presently your Company is dealing in one segment i.e. financing like Auto Loan and Gold Loan

4. OUTLOOK

The growing economy and ever-increasing capital market provide a good scope of expansion of financial service sector. Your Company is very well prepared to grab the opportunities. The management is very optimistic about the future of the Company.

5. RISKS AND CONCERNS

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management in the form of a corporate insurance program which has the goal of optimizing the financing of insurable risks by using a combination of risk retention and risk transfer.

The program covers all potential risks relating to business operations of the Company at its various locations.

The Company's business critical software is operated on a server with regular maintenance and back-up of data and is connected with two physically separated servers. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. Updated tools are regularly loaded to ensure a virus free environment.

6. INTERNAL CONTROL SYSTEMS

The Company has implemented a comprehensive system of internal controls and risk management systems for achieving operational efficiency, optimal utilization of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Management information and reporting system for key operational activities form part of overall control mechanism.

7. FINANCIAL PERFORMANCE

The Company has achieved a turnover of Rs. 200.24 Lacs during the current year as against Rs.5.48 Lacs in previous year. During the current year Company achieved profit of Rs. 9.55 Lacs as against Loss of Rs. 9.19 lacs in the previous financial year.

8. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Your company has been able to employ and retain qualified professionals by offering the challenging work environment and compensation. The Company provides in house training to its employees.

- i. The Management believes in maintaining cordial relations with its employees. The management recognizes the importance of Human Resources and effective steps will be taken to strengthen the same depending on the requirements.
- ii. The Company provided excellent working environment so that the individual staff can reach his/her full potential.

- iii. The Company is poised to take on the challenges and march towards accomplishing its mission with success.
- iv. The Company maintained good Industrial/Business relation in market, which enhanced the market reputation of the company and acceptance among the clientele we are targeting and serving.

9. INSURANCE

The Company has insured its assets and operations against all insurable risks including fire, earthquake, flood, and etc. as part of its overall risk management strategies

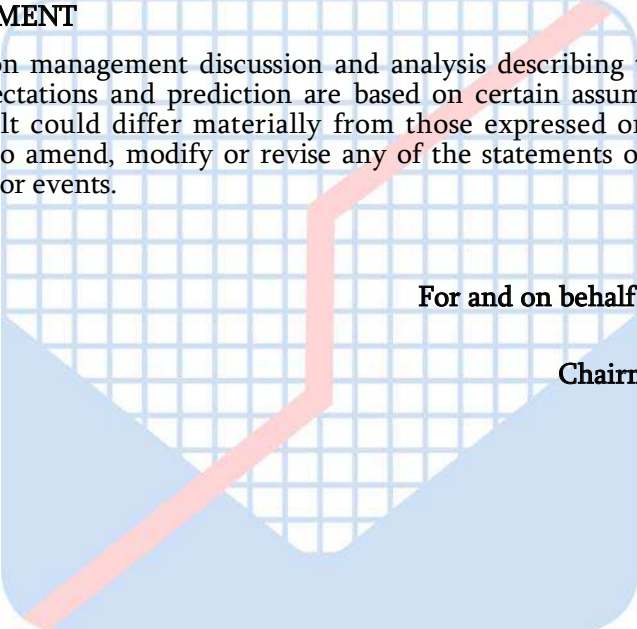
10. KEY FINANCIAL RATIOS

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore, including

- (i) Current Ratio - 4.09
- (ii) Capital Adequacy Ratio- 22.06%
- (iii) Debt Equity Ratio – 3.08

11. CAUTIONARY STATEMENT

Statements in this report on management discussion and analysis describing the company's objectives, projections, estimates, expectations and prediction are based on certain assumption and expectation of future events. Actual result could differ materially from those expressed or implied. The Company assumes no responsibility to amend, modify or revise any of the statements on the basis of subsequent developments, information or events.



For and on behalf of the Board of Directors
Joby George
Chairman & Managing Director
(DIN: 06429801)

Place: Kochi
Date: 13th August, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Supra Pacific Management Consultancy Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Supra Pacific Management Consultancy Limited** (the "Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

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

| Key Audit Matter | Auditor's Response |
|--|--|
| <p>Impairment of carrying value of loans and advances:</p> <p>Management estimates impairment provision using Expected Credit loss model (ECL) for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:</p> <ul style="list-style-type: none">• Timely identification and classification of the impaired loans, and• Determination of probability of | <p>Principal audit procedures performed:</p> <p>We examined Board Policy approving methodologies for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company. The parameters and assumptions used and their rationale and basis are clearly documented.</p> |

| Key Audit Matter | Auditor's Response |
|---|--|
| <p>defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors</p> <p>The Company started retail lending activities in Financial Year 2020-21. The Company doesn't have credit loss history and has assigned PD to each borrower on the basis of the Company's internal rating model on various rating agencies' database and LGD are based on based on the value of collaterals and relevant factors.</p> <p>The estimation of Expected Credit Loss (ECL) on financial instruments involve significant judgements and estimates. Following are points with increased level of audit focus:</p> <ul style="list-style-type: none"> • Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109; • Accounting interpretations and data used to build and run the models; • Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country; • The disclosures made in financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. | <p>We evaluated the design and operating effectiveness of controls across the processes relevant to determination of ECL, including the judgements and estimates.</p> <p>These controls, among others, included controls over the allocation of assets into stages including management's monitoring of stage effectiveness, model monitoring including the need for post model adjustments, model validation, credit monitoring, individual provisions and production of journal entries and disclosures.</p> <p>We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of 31 March 2021 by reconciling it with the balances as per loan balance register as on that date.</p> <p>We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage.</p> <p>For samples of exposure, we tested the appropriateness of determining Exposure at Default (EAD), PD and LGD.</p> <p>For exposure determined to be individually impaired, we tested a samples of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations.</p> <p>For forward looking assumptions used in ECL calculations, we held discussions with management, assessed the assumptions used and the probability weights assigned to the possible outcomes.</p> <p>We performed an overall assessment of the ECL provision including management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macro economic environment.</p> <p>We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.</p> |

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management report but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the management report, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibility 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 control 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 the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements.

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 year and are therefore the key audit matter. 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

The audit of the financial statements of the Company for the year ended 31 March 2020 was carried out by the predecessor auditor. The report of the predecessor auditor on the comparative financial statements dated 29 June 2020 expressed an unmodified opinion.

Our opinion on the financial statements is not modified in respect of the above matter on the comparative financial information.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.008072S)

G. K. Subramaniam
Partner
Membership No.109839
(UDIN: 21109839AAAAIY8481)

MUMBAI, June 28, 2021



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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 **Supra Pacific Management Consultancy Limited** (the “Company”) as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”). 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, 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 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.

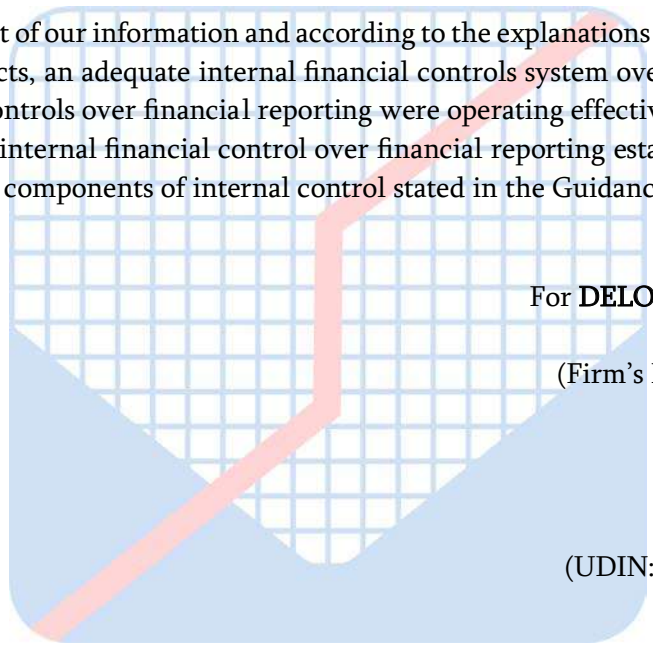
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

MUMBAI, June 28, 2021



For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.008072S)

G. K. Subramaniam
Partner
Membership No.109839
(UDIN: 21109839AAAAIY8481)

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular program of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In respect of immovable properties of land and buildings that have been taken on lease and disclosed as Right of Use asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loans, 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, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company’s interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated. However, the repayment schedule has not been started as on the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantee or security to any director of the Company and hence the provisions of Section 185 of the Act is not applicable to the Company. The Company has complied with the provisions of Section 186 as applicable.
- (v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any deposit during the year and no order in respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals with regard to the Company
- (vi) Having regard to the nature of the Company’s business / activities, reporting under clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Income Tax, Goods and Service Tax, Cess and other material statutory dues where applicable, to it with the appropriate authorities.

- (b) there were no undisputed amounts payable in respect of Income-tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable, except for the dues referred to below:

| Particulars | Assessment Year | Amount (Rs.) |
|----------------------------------|-----------------|--------------|
| Income tax (Self-Assessment Tax) | 2015-16 | 7,10,490/- |

- (c) There are no dues of Income Tax, Goods and Service Tax, cess and other material statutory dues as on 31 March 2021 on account of disputes, except for the dues referred to below:

| Particulars | Assessment Year | Amount (Rs.) | Name of the Authorities |
|----------------------------------|-----------------|--------------|-------------------------|
| Income tax (Self-Assessment Tax) | 2016-17 | 24,90,761/- | Lok Adalat |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to debenture holders. The Company does not have loans or borrowings from to banks, financial institutions and government.
- (ix) In our opinion and according to the information and explanations given to us, the funds raised through non-convertible debentures issued during the year have been applied by the Company for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) To the best of our knowledge and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made private placement of shares. The Company has made private placement of non-convertible debentures during the year.

In respect of the above issue, we further report that:

- a) the requirement of Section 42 of the Act, as applicable, have been complied with; and

- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application of funds.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into non-cash transactions with its directors or persons connected with the directors and hence provisions of section 192 of the Act are not applicable.
- (xvi) In our opinion and according to the information and explanation given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No.008072S)

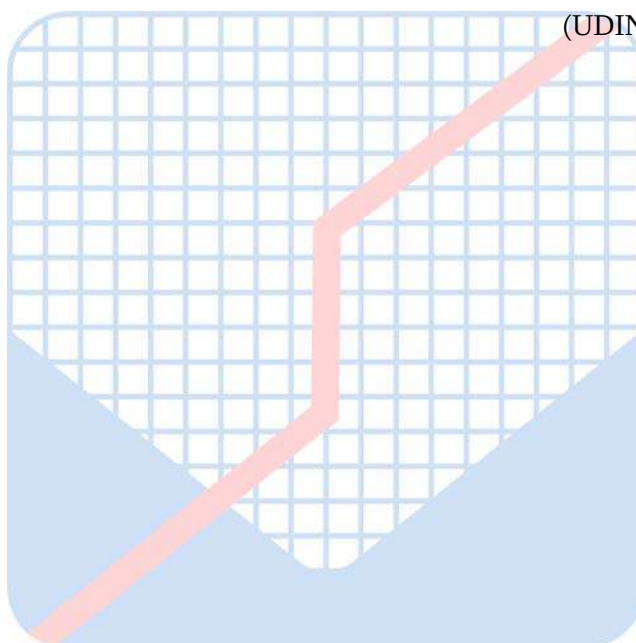
G. K. Subramaniam

Partner

Membership No.109839

(UDIN: 21109839AAAAIY8481)

MUMBAI, June 28, 2021



SUPRA PACIFIC MANAGEMENT CONSULTANCY LIMITED

BALANCE SHEET AS AT 31st MARCH, 2021

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

| Particulars | Note No. | As at 31 March 2021 | As at 31 March 2020 |
|---|----------|------------------------|------------------------|
| I ASSETS | | | |
| 1 FINANCIAL ASSETS | | | |
| a. Cash and cash equivalents | 8 | 68.71 | 92.27 |
| b. Loans | 9 | 2,077.66 | 345.24 |
| c. Investments | 10 | - | 162.10 |
| d. Other financial assets | 11 | 9.39 | - |
| 2 NON-FINANCIAL ASSETS | | | |
| a. Deferred tax asset (Net) | 32 | 22.34 | - |
| b. Property, plant and equipment | 12 | 38.94 | - |
| c. Right of use asset | 37 (C) | 163.48 | - |
| d. Other non-financial assets | 13 | 7.68 | 1.07 |
| Total Assets | | 2,388.20 | 600.68 |
| II LIABILITIES AND EQUITY | | | |
| A. LIABILITIES | | | |
| 1 FINANCIAL LIABILITIES | | | |
| a. Payables | | | |
| (i) Trade payables | 14 | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | 2.76 | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 16.43 | 0.60 |
| b. Debt securities | 16 | 1,495.79 | - |
| c. Borrowings (Other than debt securities) | 17 | - | 33.33 |
| d. Subordinated liabilities | 18 | 94.01 | - |
| e. Lease liability | 37 (C) | 160.14 | - |
| f. Other financial liabilities | 19 | 56.66 | - |
| 2 NON-FINANCIAL LIABILITIES | | | |
| a. Current tax liabilities (net) | 20 | 16.88 | 32.01 |
| b. Provisions | 21 | 14.50 | 0.38 |
| c. Other non-financial liabilities | 22 | 37.33 | 0.23 |
| B. EQUITY | | | |
| a. Equity share capital | 23 | 550.08 | 550.08 |
| b. Other equity | 24 | (56.38) | (15.95) |
| Total Liabilities and Equity | | 2,388.20 | 600.68 |

See accompanying notes to the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants**G.K. Subramaniam**
Partner
Membership No: 109839For and on Behalf of the Board of Directors of
Supra Pacific Management Consultancy Limited**Joby George**
Managing Director
DIN:06429801**Sabu Thomas**
Director
DIN:08224794**Reshmi Haridas V.**
Chief Financial Officer**Dipu George**
Company Secretary &
Compliance OfficerPlace: Mumbai
Date : 28 June 2021Place: Kochi
Date : 28 June 2021

SUPRA PACIFIC MANAGEMENT CONSULTANCY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

| Particulars | Note No. | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|----------|-------------------------------------|-------------------------------------|
| I Revenue from Operations | | | |
| a. Interest Income | | 168.71 | 5.48 |
| b. Fees and Commission Income | 25 | 0.54 | - |
| Total Revenue from Operations | | 169.25 | 5.48 |
| II Other Income | 26 | 30.99 | - |
| III Total Income (I+II) | | 200.24 | 5.48 |
| IV Expenses | | | |
| a. Finance Costs | 27 | 76.87 | - |
| b. Impairment on Financial instruments | 28 | 12.62 | (0.36) |
| c. Employee Benefit Expenses | 29 | 43.89 | 3.71 |
| d. Depreciation and Amortisation Expenses | 30 | 10.57 | 0.08 |
| e. Other expenses | 31 | 43.41 | 9.83 |
| Total Expenses | | 187.36 | 13.26 |
| V Profit/(loss) before tax (III-IV) | | 12.88 | (7.78) |
| VI Tax Expense: | | | |
| Current tax | | 25.67 | - |
| Deferred tax | | (22.34) | - |
| Prior-period tax expenses | | - | (1.41) |
| VII Profit for the year (V-VI) | | 9.55 | (9.19) |
| VIII Other Comprehensive Income | | | |
| IX Total Comprehensive Income for the year | | 9.55 | (9.19) |
| Earnings per equity share (Face value of ₹10/-each) | | | |
| Basic | | 0.17 | (0.17) |
| Diluted | | 0.17 | (0.17) |

See accompanying notes to the financial statements

In terms of our report attached

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Chartered Accountants

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Partner
Membership No: 109839

For and on Behalf of the Board of Directors of
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Managing Director
DIN:06429801

Sabu Thomas
Director
DIN:08224794

Reshmi Haridas V.
Chief Financial Officer

Dipu George
Company Secretary &
Compliance Officer

Place: Mumbai
Date : 28 June 2021

Place: Kochi
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SUPRA PACIFIC MANAGEMENT CONSULTANCY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2021

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

(A) EQUITY SHARE CAPITAL

| | Balance as at 1 April 2019 | Changes during the year 2019-20 | Balance as at 31 March 2020 | Changes during the year 2020-21 | Balance as at 31 March 2021 |
|-----------------------------|-------------------------------|------------------------------------|--------------------------------|------------------------------------|--------------------------------|
| Equity shares of ₹10/- each | 550.08 | - | 550.08 | - | 550.08 |
| Total | 550.08 | - | 550.08 | - | 550.08 |

(B) OTHER EQUITY

| | Statutory Reserve | Profit and Loss Account | Total |
|---|-------------------|----------------------------|----------------|
| Balance as at 1 April 2019 | 2.82 | (9.58) | (6.76) |
| Profit for the year | - | (9.19) | (9.19) |
| Transfer to/from Profit and Loss Account | - | - | - |
| Prior period tax expense | - | - | - |
| Balance as at 1 April 2020 | 2.82 | (18.77) | (15.95) |
| Profit for the year | - | 9.55 | 9.55 |
| Transaction cost for Issue of Equity shares | - | (49.98) | (49.98) |
| Transfer to/from Profit and Loss Account | 1.91 | (1.91) | - |
| Balance as at 31 March 2021 | 4.73 | (61.11) | (56.38) |

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G.K. Subramaniam
Partner
Membership No: 109839

Place: Mumbai
Date : 28 June 2021

For and on Behalf of the Board of Directors of
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Compliance Officer

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Date : 28 June 2021

SUPRA PACIFIC MANAGEMENT CONSULTANCY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2021

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

| | 31 March 2021 | 31 March 2020 |
|--|-------------------|---------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax as per Statement of Profit and Loss | 12.88 | (7.78) |
| Adjusted for: | | |
| Interest income on loans | (139.79) | 5.48 |
| Finance costs | 77.74 | - |
| Profit on sale of property, plant and equipment | (16.33) | - |
| Depreciation and amortisation expenses | 10.57 | 0.08 |
| Impairment on Financial instruments | 12.62 | (0.09) |
| Interest income from others | (8.52) | - |
| | (63.71) | 5.47 |
| Operational cash flow from interest | | |
| Interest received on loans | 111.12 | - |
| Finance costs | (9.49) | - |
| Operating Profit before Working Capital Changes | | |
| Adjusted for: | | |
| Decrease/ (increase) in Loans | (1,716.37) | 64.78 |
| Decrease/ (increase) in Other Financial Assets | (2.14) | 92.40 |
| Decrease/ (increase) in Other Non Financial Asset | (2.33) | 0.22 |
| Increase/ (decrease) in Trade Payables | 18.59 | (15.81) |
| Increase/ (decrease) in Other Financial Liabilities | 52.71 | (2.50) |
| Increase/ (decrease) in Provisions | 14.11 | 22.49 |
| Increase/ (decrease) in Other Non-Financial Liabilities | 5.09 | - |
| Cash Generated from Operations | (1,630.34) | 161.58 |
| Taxes Paid (Net) | (8.80) | (89.02) |
| Net Cash Flow from/ (used in) Operating Activities | (1,588.34) | 70.25 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, plant and equipment | (105.54) | - |
| Proceeds from disposal of Property, plant and equipment | 81.32 | - |
| Proceeds from sale of Investment | 162.10 | - |
| Net Cash Flow from/(used in) Investing Activities | 137.88 | - |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Payment of Security deposits | (15.60) | - |
| Receipt of Security deposits | 6.83 | - |
| Proceeds from finance lease | 4.97 | - |
| Loan raised from Director | - | 20.19 |
| Repayment of loan raised from director | (33.33) | - |
| Proceeds from Issue of Debentures | 1,448.10 | - |
| Proceeds from Subordinated Liabilities | 93.60 | - |
| Transaction cost for Issue of Debt Securities | (14.25) | - |
| Equity Capital raising expenses | (49.98) | - |
| Payment of lease liabilities | (13.44) | - |
| Net Cash Flow from/(used in) Financing Activities | 1,426.90 | 20.19 |
| Net Increase in Cash and Cash Equivalents | (23.56) | 90.44 |
| Opening Balance of Cash and Cash Equivalents | 92.27 | 1.83 |
| Closing Balance of Cash and Cash Equivalents | 68.71 | 92.27 |
| Components of cash and cash equivalents | | |
| Cash and cash equivalents at the end of the year | | |
| -Cash on hand | 0.59 | - |
| -Balances with banks in current accounts | 53.12 | 92.27 |
| -Term deposit with original maturity upto 3 months | 15.00 | - |
| Total | 68.71 | 92.27 |

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Chief Financial Officer

Dipu George
Company Secretary &
Compliance Officer

Place: Mumbai
Date : 28 June 2021

Place: Kochi
Date : 28 June 2021

Notes to the Financial Statements for the year ended 31 March 2021

Corporate Information

Supra Pacific Management Consultancy Limited (Supra Pacific or 'the Company') is a public limited company domiciled in India and incorporated on 12th April 1986 in Mumbai, Maharashtra. Its shares are listed on BSE Limited. The Company is a Non-Banking Finance Company ('NBFC'), which provides a wide range of fund based services including two wheeler loans, gold loans, etc. The Company is a Non-Systemically Important Non-Deposit taking NBFC (NBFC-ND). The Company is registered with the Reserve Bank of India (RBI).

The registration details are as follows:

Reserve Bank of India Registration no : 13. 01238

Corporate Identity Number (CIN) : L74140MH1986PLC039547

Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act and the RBI guidelines/regulations to the extent applicable on an accrual basis.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value.

The financial statements are presented in INR, which is also the Company's functional currency and all values are rounded to the nearest Lakh, except when otherwise indicated.

Presentation of financial statement

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented separately. Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

i. The normal course of business

ii. The event of default

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Statement of compliance

These separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the generally accepted accounting principles as referred to in paragraph 2 "Basis of Preparation" above.

Impact of COVID-19

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 in accordance which, the customers had to provided an opt-in moratorium of three months on the payment of all principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard, even if overdue as on February 29, 2020, excluding the collections already made in the month of March 2020. The Company commenced Two-wheeler Loan Business only in May, 2020 and none of the customers opted for the moratorium.

Further, the Company has, based on current available information and based on the policy approved by the board, determined the prudential estimate of provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company's management has considered all available internal and external information including credit reports and economic forecasts upto the date of approval of these financial statements. Accordingly, the Company has made prudential estimate of provision for expected credit loss on financial assets as at March 31, 2021. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets.

The extent to which the COVID-19 pandemic will impact the Company's future results will depend on developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. The Company will continue to closely monitor any material changes to future economic conditions.

Significant accounting policies (also refer to note 2 above)

Financial instruments

Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model is assessed on the basis of aggregated portfolios based on observable factors. These factors include:

- Reports reviewed by the entity's key management personnel on the performance of the financial assets
- The risks impacting the performance of the business model (and the financial assets held within that business model) and its management thereof
- The compensation of the managing teams (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of trades.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

The Company also assesses the contractual terms of financial assets on the basis of its contractual cash flow characteristics that are solely for the payments of principal and interest on the principal amount outstanding.

'Principal' is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

Financial assets measured at amortised cost

These Financial assets comprise bank balances, loans, investments in debt securities and other financial assets.

Financial Assets with contractual terms that give rise to cash flows on specified dates, and represent solely payments of principal and interest on the principal amount outstanding; and are held within a business model whose objective is achieved by holding to collect contractual cash flows are measured at amortised cost. These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability.

Financial assets measured at fair value through other comprehensive income

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income (a separate component of equity). Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date the Company does not have any financial instruments measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments are generally accounted for as at fair value through the profit and loss account unless an irrevocable election has been made by management to account for at fair value through other comprehensive income. Such classification is determined on an instrument-by-instrument basis.

Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not designated in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

Derivatives

The Company enters into derivative transactions with various counterparties like interest rate and currency swaps and forwards. The Company undertakes derivative transactions to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts are generally banks.

a) Financial Assets or Liabilities at Fair Value through Profit and Loss

This category includes derivative financial assets/ liabilities which are not designated as hedges.

Although the Company believes that these derivative instruments constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivatives that is either not designated as a hedge, or is designated but is ineffective as per Ind AS 109, is categorised as a financial asset or liability, at fair value through profit and loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit and loss and the resulting exchange gain or loss are included in the other income/ expenses.

b) Cash flow Hedge:

The Company designates certain foreign exchange forwards and swaps contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on certain balance sheet liabilities.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of derivative instruments is recognised in other comprehensive income and accumulated in the cash flow hedge reserve.

Any ineffective portion of changes in the fair value of the derivatives is recognised immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in the cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve till the period the transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related transaction.

Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

Recognition and derecognition of financial assets and liabilities

A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers. Financial assets at fair value through profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs.

The Company derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. A financial liability is derecognised from the balance sheet when the Company has discharged its obligation or the contract is cancelled or expires.

Impairment of financial assets

The Company recognises impairment allowance for expected credit loss on financial assets held at amortised cost.

The Company recognises loss allowances (provisions) for expected credit losses on its financial assets (including non-fund exposures) that are measured at amortised costs or at fair value through other comprehensive income account.

The Company applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- loan commitments.

No ECL is recognised on equity investments.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime ECL – not credit impaired

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.

Stage 3: Lifetime ECL – credit impaired

Exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the stage for impairment

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose.

This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowances reverts from lifetime ECL to 12-months ECL.

The loss allowances for these financial assets is based on a 12-months ECL.

When an asset is uncollectible, it is written off against the related allowance. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the allowances in the profit and loss statement.

The Company assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

Measurement of ECLs

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. The Company has grouped its various financial assets in to pools containing loans bearing homogeneous risks characteristics. The probability of default for the pools are computed based on the historical trends, adjusted for any forward looking factors. Similarly the Company computes the Loss Given Default based on the recovery rates.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive.
- Financial guarantee contracts: as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Company does not have any debt instruments measured at fair value through OCI.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The Financial assets and liabilities are presented in ascending order of their liquidity. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

Revenue from operations

Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets measured through amortised cost method.

The EIR in case of a financial asset is computed

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows
- c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Dividend Income

Dividend income is recognised

- a. When the right to receive the payment is established,
- b. it is probable that the economic benefits associated with the dividend will flow to the entity and
- c. the amount of the dividend can be measured reliably.

Fees & Commission Income

Fees and commissions other than those which forms part of EIR are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Processing fee which is not form part of effective interest rate has been recognised as and when it accrue.

Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date the Company does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

Expenses

Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

- As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- By considering all the contractual terms of the financial instrument in estimating the cash flows
- Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

Defined Benefit schemes

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'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

Other income and expenses

All Other income and expense are recognized in the period they occur.

Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Foreign currency translation

Functional and presentational currency

The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Property, Plant and equipment (PPE)

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation is calculated using the Straight Line Method (SLM) to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated.

The estimated useful lives are, as follows:

| Particulars | Useful life estimated by Company |
|-------------------------|----------------------------------|
| Computer | |
| - End User equipment | 3 years |
| - Server | 6 years |
| Furniture & Fixtures | |
| - Safe and strong rooms | 10 years |
| Office Equipment | 5 years |
| Electrical fittings | 10 years |
| Buildings | 30 years |
| Vehicles | 10 years |
| Plant & Equipment | 15 years |

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.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives.

Intangible assets comprising of software are amortised on a straight-line basis over a period of 6 years, unless it has a shorter useful life.

The Company's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and 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.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Contingent Assets and Liabilities

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize or disclose contingent asset in the financial statements.

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.

Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Board of Directors (BOD) of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The BOD, which has been identified as being the chief operating decision maker. The Company is engaged in the business of i) Lending finance and ii) Fees & commission income. The said business are aggregated for the purpose of review of performance by CODM. Accordingly, the Company has concluded that the business of lending finance and fees & commission income to be the only reportable segment.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its ECL model in the context of actual loss experience and adjust when necessary.

In case, higher provisions are to be considered as per the prudential norms of the Reserve Bank of India, they are considered.

Expected Credit Loss:

As per Ind AS 109, the loan losses are to be provided based on ECL method. ECL is measured at 12-month ECL for Stage 1 loan assets and at Lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, i.e., $ECL = PD \times EAD \times LGD$

- **PD:** Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio. The PD is computed for Stage 1, Stage 2 and Stage 3 independently by determining default rates based on the historical data after giving due weightage for abnormal period and events, probability of roll back etc.

- **EAD:** Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected draw down on committed facilities, etc.

- **LGD:** Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

Notes to the Financial Statements for the year ended 31 March 2021

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 8 Cash and cash equivalents

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--|--------------------------------|--------------------------------|
| Cash in hand | 0.59 | - |
| Balance with banks- in current accounts | 53.12 | 92.27 |
| Bank deposit with maturity of less than 3 months | 15.00 | - |
| Total | 68.71 | 92.27 |

The bank deposits earn interest at fixed rates.

Note 9 Loans

| | As at 31 March 2021 | As at 31 March 2020 |
|---|--------------------------------|--------------------------------|
| (i) Vehicle Loans | 2,157.76 | - |
| (ii) Gold Loan | 7.32 | - |
| (iii) Project Finance | 13.04 | 346.37 |
| Less: Effective Interest Rate Adjustment | 86.71 | - |
| Total (A) Gross Total | 2,091.41 | 346.37 |
| Less: Impairment loss allowance | 13.75 | 1.13 |
| Net Total (A) | 2,077.66 | 345.24 |
| (B) Out of Above | | |
| (i) Secured by tangible assets | 2,077.66 | - |
| (ii) Unsecured | - | 345.24 |
| Total (B)-Net | 2,077.66 | 345.24 |
| (C) Out of Above | | |
| (i) Loans in India | | |
| -Public Sector | - | - |
| -Others | 2,077.66 | 345.24 |
| (ii) Loans Outside India | - | - |
| Total (C)-Net | 2,077.66 | 345.24 |

Note:

(i) Secured Exposures are secured by underlying assets hypothecated with the company

(ii) There is no loan assets measured at FVOCI or FVTPL or designated at FVTPL

Notes to the Financial Statements for the year ended 31 March 2021

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 10 Investments

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--|--------------------------------|--------------------------------|
| Investment in Equity Instruments | | |
| At Amortised Cost | | |
| <u>Quoted Equity Shares</u> | | |
| 131,000 equity shares of Mid East Portfolio Management Ltd (FV Rs.10) | - | 13.10 |
| <u>Unquoted Shares</u> | | |
| 149,000 11% Cumulative preference shares of MidEast Portfolio Management Ltd (FV Rs.100) | - | 149.00 |
| Total (A) | - | 162.10 |
| (i) Investments in India | - | 162.10 |
| (ii) Investments outside India | - | - |
| Total (B) | - | 162.10 |
| Less: Allowance for impairment loss (C) | - | - |
| Total- Net (D)= (A)-(C) | - | 162.10 |
| Aggregate market value of quoted investment | - | 10.60 |
| Aggregate market value of unquoted investment | - | 149.00 |
| Total | - | 159.60 |

Note 11 Other financial assets

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---------------------|--------------------------------|--------------------------------|
| Interest Receivable | 0.01 | - |
| Lease Receivables | 0.70 | - |
| Security Deposits | 7.25 | - |
| Other Receivables | 1.43 | - |
| Total | 9.39 | - |

Notes to the Financial Statements for the year ended 31 March 2021

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 12 Property, plant and equipment

| Particulars | Electrical Fittings | Office Equipments | Furniture & Fixtures | Computers | Total |
|----------------------------------|------------------------|----------------------|-------------------------|-----------|--------|
| Cost: | | | | | |
| At 1st April 2019 | - | 1.47 | 2.42 | 0.60 | 4.49 |
| Write offs | | (1.47) | (2.42) | (0.60) | (4.49) |
| At 31st March 2020 | - | - | - | - | - |
| Additions | 18.85 | 26.00 | 56.08 | 4.61 | 105.54 |
| Disposals | 11.28 | 21.72 | 31.99 | - | 64.99 |
| At 31st March 2021 | 7.57 | 4.28 | 24.09 | 4.61 | 40.55 |
| Accumulated Depreciation: | | | | | |
| At 1st April 2019 | - | 1.40 | 2.41 | 0.60 | 4.41 |
| Write offs | - | (1.40) | (2.41) | (0.60) | (4.41) |
| At 31st March 2020 | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| Depreciation for the year | 0.15 | 0.19 | 0.53 | 0.75 | 1.61 |
| At 31st March 2021 | 0.15 | 0.19 | 0.53 | 0.75 | 1.61 |
| Carrying Amount: | | | | | |
| At 1st April 2019 | - | 0.07 | 0.01 | - | 0.08 |
| At 31st March 2020 | - | - | - | - | - |
| At 31st March 2021 | 7.42 | 4.09 | 23.56 | 3.86 | 38.94 |

Notes to the Financial Statements for the year ended 31 March 2021
(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 13 Other non-financial assets

| | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Particulars | | |
| Prepaid Expenses | 6.01 | - |
| Staff Advance | 0.64 | - |
| Balance receivable from Government authorities | 1.03 | 1.07 |
| Total | 7.68 | 1.07 |

Note 14 Trade payables

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Particulars | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 2.76 | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 16.43 | 0.60 |
| Total | 19.19 | 0.60 |

Note 15(i) Disclosures required under Section 22 of the Micro, Small & Medium Enterprises Development Act, 2006

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and

| | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Particulars | | |
| The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year. | 2.76 | - |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| Total | 2.76 | - |

Note 16 Debt securities

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Particulars | | |
| At Amortised Cost | | |
| Redeemable Non-Convertible Debentures (Secured) | 1,479.31 | - |
| Deferred Income-Debentures | 1.47 | |
| Debenture Application Pending Allotment | 15.00 | |
| Interest Accrued on Debenture Application | 0.01 | |
| Total | 1,495.79 | - |
| Debt securities in India | 1,495.79 | |
| Debt securities outside India | - | |
| Total | 1,495.79 | - |

Notes to Financial Statements for the year ended 31 March 2021

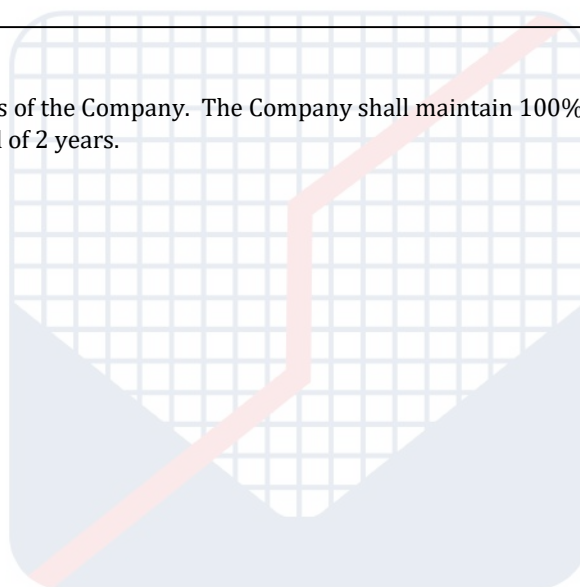
(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 16 Debt securities (Contd.....)**Detail of redeemable non-convertible debentures**

| Sr. No. | Private Placement/ Public issue | Date of allotment | Date of redemption | Nominal value per debenture | Total number of debentures | Rate of interest p.a. | Face value (₹) | As at 31 March 2021 | As at 31 March 2020 | Secured/ Unsecured | Terms of redemption |
|------------------------------------|------------------------------------|----------------------|-----------------------|-----------------------------------|----------------------------------|--------------------------|-------------------|------------------------|------------------------|-----------------------|------------------------|
| 1 | Private Placement | 5-Oct-20 | 5-Oct-22 | ₹ 1,000 | 50,000 | 12.00% | 1,000.00 | 500.00 | - | Secured | On Maturity |
| 2 | Private Placement | 15-Dec-20 | 15-Dec-22 | ₹ 1,000 | 71,010 | 12.00% | 1,000.00 | 710.10 | - | Secured | On Maturity |
| 3 | Private Placement | 15-Mar-21 | 15-Mar-23 | ₹ 1,000 | 22,300 | 11.00% | 1,000.00 | 223.00 | - | Secured | On Maturity |
| Total amount | | | | | | | | 1,433.10 | - | | |
| Effective Interest Rate Adjustment | | | | | | | | 46.21 | - | | |
| Net Amount | | | | | | | | 1,479.31 | - | | |

Nature of Security

Debentures are secured by a floating charge on the book debts of the Company. The Company shall maintain 100% security cover on the outstanding balance of debenture with accrued interest any time. Debentures are offered for a period of 2 years.



Notes to the Financial Statements for the year ended 31 March 2021
(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 17 Borrowings (Other than debt securities)

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--------------------|------------------------|------------------------|
| Loan from Director | - | 33.33 |
| Total | - | 33.33 |

Note 18 Subordinated liabilities

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| At amortised cost | | |
| Redeemable Non-Convertible Debentures (Unsecured) - Subordinated Debt | 90.90 | - |
| Deferred Income-Sub-debt | 3.11 | - |
| Total | 94.01 | - |
| Subordinated liabilities in India | 94.01 | - |
| Subordinated liabilities outside India | - | - |
| Total | 94.01 | - |



Notes to Financial Statements for the year ended 31 March 2021

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 18 Subordinated liabilities (Contd.....)**Detail of subordinated liabilities**

| Sr. No. | Private Placement/ Public issue | Date of allotment | Date of redemption | Nominal value per instrument | Total number of debentures | Rate of interest p.a. | Face value (₹) | As at 31 March 2021 | As at 31 March 2020 | Secured/ Unsecured | Terms of redemption |
|------------------------------------|------------------------------------|----------------------|-----------------------|------------------------------------|----------------------------------|--------------------------|-------------------|------------------------|------------------------|-----------------------|------------------------|
| 1 | Private Placement | 8-Feb-21 | 8-Feb-26 | ₹ 1,000 | 9,360 | 11.00% | 1,000.00 | 93.60 | - | Unsecured | On Maturity |
| Total amount | | | | | | | | 93.60 | - | | |
| Effective Interest Rate Adjustment | | | | | | | | (2.70) | - | | |
| Net Amount | | | | | | | | 90.90 | - | | |



Notes to the Financial Statements for the year ended 31 March 2021
(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 19 Other financial liabilities

| | As at | As at |
|--------------------------|---------------|---------------|
| Particulars | 31 March 2021 | 31 March 2020 |
| Payable to dealers | 52.71 | |
| Security deposit payable | 3.95 | - |
| Total | 56.66 | - |

Note 20 Current tax liabilities (net)

| | As at | As at |
|---|---------------|---------------|
| Particulars | 31 March 2021 | 31 March 2020 |
| Current tax provision (net of advance tax) | 16.88 | 32.01 |
| Total | 16.88 | 32.01 |

Note 21 Provisions

| | As at | As at |
|------------------------------------|---------------|---------------|
| Particulars | 31 March 2021 | 31 March 2020 |
| Provision for compensated absences | 0.11 | |
| Provision for expenses | 14.39 | 0.38 |
| Total | 14.50 | 0.38 |

Note 22 Other non-financial liabilities

| | As at | As at |
|-----------------------|---------------|---------------|
| Particulars | 31 March 2021 | 31 March 2020 |
| Statutory remittances | 37.33 | 0.23 |
| Total | 37.33 | 0.23 |



Notes to the Financial Statements for the year ended 31 March 2021
(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 23 Equity share capital

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Authorised | | |
| 5,00,00,000 (March 31, 2020:60,00,000) Equity Shares of ₹10/- each | 5,000.00 | 600.00 |
| Issued, Subscribed and Paid-up | | |
| 55,00,800 (March 31, 2020:55,00,800) Equity Shares of ₹10/-each | 550.08 | 550.08 |
| Total | 550.08 | 550.08 |

(a) Reconciliation of Shares at the Beginning and at the End of the reporting period

Equity shares of ₹10 each issued, subscribed and fully paid

| Particulars | No. of Shares | Amount in ₹ |
|------------------------------|------------------|--------------------|
| As at 1st April 2019 | 55,00,800 | 5,50,08,000 |
| Issued during the year | - | - |
| As at 1st April 2020 | 55,00,800 | 5,50,08,000 |
| Issued during the year | - | - |
| As at 31st March 2021 | 55,00,800 | 5,50,08,000 |

Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Shares held by each Shareholder holding more than 5% of the Paid-up Capital

| Particulars | 31 March 2021 | | 31 March 2020 | |
|----------------------------------|---------------|--------------|---------------|--------------|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Sanat Multitrade Private Limited | 36,07,500 | 65.58% | 36,07,500 | 65.58% |
| Joby George | 4,88,470 | 8.88% | 4,88,470 | 8.88% |
| Radhakrishnan Chundukattil | 4,88,470 | 8.88% | 4,88,470 | 8.88% |

Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has not issued shares for consideration other than cash during the period of five year immediately preceding the reporting date.

Minimum Public Shareholding:

As a pre-condition to every listed company, amongst other conditions, the company is required to maintain a public shareholding of at least twenty five per cent. The company is listed in BSE Limited from 26th October 2016 and there was a change in the shareholding and management effective from 29th February 2020. The present management has decided to increase the Minimum Public Shareholding (MPS) to the desired level within a period of 12 months to comply with Rules 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules 1957 read with Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, from the date of take over i.e. on or before 28th February, 2021. Accordingly, the company had applied to SEBI to grant approval for issue of shares on Preferential Allotment basis to achieve the MPS. SEBI vide its letter dated 10th June, 2021 rejected the application of the company and advised to ensure compliance of the above regulations.

The company has re-filed the application with SEBI on 21st June, 2021, mentioning its inability to proceed with the other options available under the above regulations. The said application is pending before the SEBI as on date.

Note 24 Other equity

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Statutory Reserves | 4.73 | 2.82 |
| Balance in the Statement of Profit and Loss | (61.11) | (18.77) |
| Total | (56.38) | (15.95) |

| Particulars | Amount |
|--|----------------|
| Statutory Reserve as per Section 45 IC of RBI Act, 1934 | |
| At 1st April 2019 | 2.82 |
| Add: Transfer from surplus balance in the Statement of Profit and Loss | - |
| At 1st April 2020 | 2.82 |
| Add: Transfer from surplus balance in the Statement of Profit and Loss | 1.91 |
| At 31st March 2021 | 4.73 |
| Statement of Profit and Loss | |
| At 1st April 2019 | (9.58) |
| Add: Transfer from surplus balance in the Statement of Profit and Loss | (9.19) |
| Less: Transfer to Statutory Reserve | - |
| At 1st April 2020 | (18.77) |
| Add: Transfer from surplus balance in the Statement of Profit and Loss | 9.55 |
| Less: Transaction cost for Issue of Equity Shares | (49.98) |
| Less: Transfer to Statutory Reserve | (1.91) |
| At 31st March 2021 | (61.11) |

Reserve u/s. 45-IA of the Reserve Bank of India Act, 1934 ("the RBI Act, 1934")

Reserve u/s. 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by RBI.

Surplus in the statement of profit and loss

Surplus in the statement of profit and loss is the accumulated available profit/ (loss) of the Company carried forward from earlier years. These reserves, if any, are free reserves which can be utilised for any purpose as may be required.

Notes to the Financial Statements for the year ended 31 March 2021

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 25 Fees and commission income

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| Fees/charges on loan transactions | 0.54 | - |
| Total | 0.54 | - |

Note 26 Other income

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| Income from sub-lease | 5.83 | - |
| Profit from disposal of property, plant and equipment | 16.33 | - |
| Commission received | 7.92 | - |
| Interest income from banks | 0.91 | - |
| Total | 30.99 | - |

Note 27 Finance costs

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| On financial liabilities measured at amortised cost | | |
| Interest on debt securities | 64.84 | - |
| Interest on subordinated liabilities | 1.86 | - |
| Interest on deferred lease liability | 10.17 | - |
| Total | 76.87 | - |

Note: There is no financial liability measured at FVTPL.

Note 28 Impairment on financial instruments

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|------------------------------------|-------------------------------------|-------------------------------------|
| Provision for expected credit loss | 12.62 | (0.36) |
| Total | 12.62 | (0.36) |

Note 29 Employee benefits expenses

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Salaries, wages and bonus | 37.55 | 1.71 |
| Staff Welfare expenses | 0.23 | - |
| Directors Remuneration | 6.00 | 2.10 |
| Leave Encashment Provision (refer note 35) | 0.11 | (0.10) |
| Total | 43.89 | 3.71 |

Notes to the Financial Statements for the year ended 31 March 2021

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 30 Depreciation and amortisation

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|-------------------------------------|---|---|
| Depreciation of assets | 1.61 | 0.08 |
| Amortisation of right of use assets | 8.96 | - |
| Total | 10.57 | 0.08 |

Note 31 Other expenses

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Listing fees & Demat charges | 4.25 | 4.60 |
| Legal and professional charges | 14.08 | 1.60 |
| Auditors fees (refer note (i) below) | 12.50 | 0.43 |
| Other certification charges | - | 0.10 |
| Computer software & maintenance charges | 2.32 | 0.07 |
| Travelling expenses | 0.08 | 0.08 |
| Printing and stationery | 1.99 | 0.66 |
| Advertisement charges | 0.18 | 0.35 |
| Postage and telephone expenses | 0.87 | 0.35 |
| Office expenses | 0.34 | - |
| Bank charges | 0.44 | - |
| Membership subscription | 0.20 | 0.35 |
| Building utility expenses | 0.29 | - |
| Directors sitting fees | 2.00 | - |
| Rates & taxes | 3.87 | 1.24 |
| Total | 43.41 | 9.83 |

Note (i)

| Payment to auditors | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|----------------------------|---|---|
| Statutory audit fees | 7.50 | 0.43 |
| Limited reviews | 5.00 | - |
| Total | 12.50 | 0.43 |

Notes to the Financial Statements for the year ended 31 March 2021

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 32 Income tax

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, (a) the provision for current and deferred tax has been determined at the rate of 25.17% and (b) the deferred tax assets and deferred tax liabilities as on April 01, 2019 have been restated at 25.17%.

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

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Current tax | 25.67 | - |
| Adjustment in respect of current income tax of prior years | - | (1.41) |
| Deferred tax relating to origination and reversal of temporary differences | (22.34) | - |
| Total tax charge | 3.33 | (1.41) |

Reconciliation of total Income tax charge:

| Particulars | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Profit before tax for computation | 12.88 | (7.78) |
| Add/(Less) : (Allowances) / Disallowances (Net) | 89.13 | 0.08 |
| Adjusted profit before tax for income tax | 102.01 | (7.70) |
| Current tax as per Books | 25.67 | - |
| Adjustment of earlier year taxes | - | - |
| Total tax as given in Books | 25.67 | - |
| Statutory income tax at the rate of 25.17% (31 March 2020 : 34.94%) | 25.67 | - |

Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

| Particulars | Deferred Tax Assets | Deferred Tax Liabilities | Statement of Profit and Loss |
|---|------------------------|-----------------------------|------------------------------|
| | 31 March 2021 | 31 March 2021 | 2020-21 |
| Property Plant & Equipment | - | (1.76) | (0.44) |
| Right of Use Asset (Net of Lease Liabilities) | (3.34) | - | (0.84) |
| Investment in Leased Property | - | - | - |
| Impairment Allowance for Financial Assets | 13.75 | - | 3.46 |
| Debt Instruments measured at amortised cost | - | (13.72) | (3.45) |
| Financial assets measured at amortised cost | 86.71 | - | 21.81 |
| Other Financial assets measured at amortised cost | 8.35 | - | 2.10 |
| Other Financial Liabilities | - | (1.21) | (0.30) |
| Total | 105.47 | (16.69) | 22.34 |
| Net Deferred tax asset as at 31 March 2021 | 22.34 | | |

There was no deferred tax asset/liability reported in the previous financial year ended 31st March 2020.

Notes to the Financial Statements for the year ended 31 March 2021

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 33 Earnings per share

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Net profit for calculation of basic earnings per share | 9.55 | (9.19) |
| Weighted average number of equity shares in calculating basic earnings per share (Nos.) | 55,00,800 | 55,00,800 |
| Weighted average number of equity shares in calculating diluted earnings per share (Nos.) | 55,00,800 | 55,00,800 |
| Basic earnings per share (Rs.) | 0.17 | (0.17) |
| Diluted earnings per share (Rs.) | 0.17 | (0.17) |

Note 34 Segment reporting

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

Note 35 Retirement benefit plan**Defined contribution plan**

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance is currently not applicable to the Company since its staff strength is below the threshold prescribed. Hence, the Company, has not made any Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for its employees.

Defined benefit plan

The Payment of Gratuity Act, 1972 is applicable to establishment with 10 or more employees. For this purpose, the Company is considering only the employees who have successfully completed their probation period of 6 months. As on 31st March 2021, the Company has only six employees who have completed the probation period.

Privilege Leave benefits

Privilege leave entitlements are recognised as a liability as per the rules of the Company. The liability for accumulated leaves which can be availed and/or encashed at any time during the tenure of employment.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for compensated leave of absence.

Net employee benefit expense recognised in the statement of profit and loss

| Components of employer expense | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Current service cost | 0.11 | - |
| Past Service Cost | - | - |
| Net Interest on net defined benefit liability/ (asset) | - | - |
| Total employer expense | 0.11 | - |

The principal assumptions used in determining leave encashment obligations for the Company's plans are shown below:

| Particulars | 31 March 2021 | 31 March 2020 |
|--------------------|---------------|---------------|
| Discount rate | 6.80% | - |
| Attrition rate | 1.00% | - |
| Salary Growth Rate | 7.00% | - |

Changes in the present value of the defined benefit obligation are as follows:

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Opening defined benefit obligation | - | 0.09 |
| Transfer in/out | - | (0.09) |
| Interest cost | - | - |
| Current service cost | 0.11 | - |
| Benefits paid | - | - |
| Past service cost | - | - |
| Actuarial loss / (gain) from changes in financial assumptions | - | - |
| Actuarial loss / (gain) from experience over the past year | - | - |
| Closing defined benefit obligation | 0.11 | - |

Notes to the Financial Statements for the year ended 31 March 2021
(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 36 Related party disclosures

| Relationship | Name of the party |
|--|---|
| Parent Company | Sanat Multitrade Private Limited |
| Associates / Enterprises owned or significantly influenced by key management personnel or their relatives. | Central Financial Credit & Investment Co-operative India Ltd. Centreal Bazaar India Limited |
| Key Management Personnel | Mr. Joby George- Chairman cum Managing Director Mr. Arunkumar - Director Mr. Sandeep Babu T.-Director Mr. Kishor A Shah- Director (resigned w.e.f. 12th March 2021) Mr. Dipu George- Company Secretary Ms. Reshmi Haridas V. Chief Financial Officer Ms. Smithamol (wife of Mr. Joby George)* Mr. Christy Joby (son of Mr. Joby George)* Ms. Andrea Joby (daughter of Mr. Joby George)* |
| Relatives of Key Management Personnel | |

* No transactions with these related parties

Related Party transactions during the year:

| Particulars | Parent Company | | Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives | | Key Management Personnel | | Relatives of Key Management Personnel | |
|---|----------------------------------|----------------------------------|---|----------------------------------|----------------------------------|----------------------------------|---------------------------------------|----------------------------------|
| | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
| Debentures and Subordinate Bond issued during the year | | | | | | | | |
| Sanat Multitrade Private Limited | 60.00 | - | - | - | - | - | - | - |
| Mr. Joby George | - | - | - | - | 10.00 | - | - | - |
| Mr. Sandeep Babu T. | - | - | - | - | 5.00 | - | - | - |
| Investments sold during the year | | | | | | | | |
| Mid-east Portfolio Management Limited | - | - | 162.10 | - | - | - | - | - |
| Interest expense | | | | | | | | |
| Sanat Multitrade Private Limited | 3.77 | - | - | - | - | - | - | - |
| Mr. Joby George | - | - | - | - | 0.65 | - | - | - |
| Mr. Sandeep Babu | - | - | - | - | 0.04 | - | - | - |
| Sitting Fee to Directors | | | | | | | | |
| Mr. Arun Kumar | - | - | - | - | 0.50 | - | - | - |
| Mr. Sandeep Babu T. | - | - | - | - | 0.50 | - | - | - |
| Remuneration to Directors | | | | | | | | |
| Mr. Kishor A Shah | - | - | - | - | - | 2.10 | - | - |
| Mr. Joby George | - | - | - | - | 6.00 | - | - | - |
| Remuneration to Other KMPs | | | | | | | | |
| Mr. Dipu George | - | - | - | - | 6.75 | - | - | - |
| Ms. Reshmi Haridas V. | - | - | - | - | 11.50 | - | - | - |
| Reimbursement of expenses | | | | | | | | |
| Mr. Dipu George | - | - | - | - | 0.04 | - | - | - |
| Ms. Reshmi Haridas V. | - | - | - | - | 0.02 | - | - | - |
| Loan from Director during the year | | | | | | | | |
| Kishor A. Shah | - | - | - | - | - | 33.33 | - | - |
| Loan from Director repaid during the year | | | | | | | | |
| Kishor A. Shah | - | - | - | - | 33.33 | - | - | - |
| Security Deposit | | | | | | | | |
| Central Financial Credit & Investment Co-operative India Ltd. | - | - | 6.83 | - | - | - | - | - |
| Sale of assets | | | | | | | | |
| Central Financial Credit & Investment Co-operative India Ltd. | - | - | 81.32 | - | - | - | - | - |
| Rent & Other Expenses received | | | | | | | | |
| Central Financial Credit & Investment Co-operative India Ltd. | - | - | 5.70 | - | - | - | - | - |
| Corporate Loan Provided during the year | | | | | | | | |
| Centreal Bazaar India Limited | - | - | 13.00 | 150.00 | - | - | - | - |
| Repayment of Corporate Loan | | | | | | | | |
| Centreal Bazaar India Limited | - | - | 150.00 | - | - | - | - | - |
| Interest received | | | | | | | | |
| Centreal Bazaar India Limited | - | - | 3.65 | - | - | - | - | - |

| Particulars | Parent Company | | Associates / Enterprises owned or significantly influenced by Key Management Personnel or their relatives | | Key Management Personnel | | Relatives of Key Management Personnel | |
|--|---------------------|---------------------|---|---------------------|--------------------------|---------------------|---------------------------------------|---------------------|
| | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
| Balance Outstanding as at the year end: | | | | | | | | |
| Security Deposit | | | | | | | | |
| Central Financial Credit & Investment Cooperative India Ltd. | - | - | 6.83 | - | - | - | - | - |
| Corporate Loan Outstanding | | | | | | | | |
| Centreal Bazaar India Limited | - | - | 13.00 | - | - | - | - | - |
| Amounts payable to related parties | | | | | | | | |
| Interest payable on Debt securities | | | | | | | | |
| Sanat Multitrade Private Limited | 3.51 | - | - | - | - | - | - | - |
| Mr. Joby George | - | - | - | - | 0.59 | - | - | - |
| Mr. Sandeep Babu T. | - | - | - | - | 0.03 | - | - | - |
| Amounts receivable from related parties | | | | | | | | |
| Central Financial Credit & Investment Cooperative India Ltd. | - | - | 0.56 | - | - | - | - | - |
| Loan from director | | | | | | | | |
| Kishor A Shah | - | - | - | - | - | 33.33 | - | - |
| Investments | | | | | | | | |
| Mideast Portfolio Management Ltd | - | - | - | 162.10 | - | - | - | - |

Note:

- (i) Related parties have been identified on the basis of the declaration received by the management and other records available.
(ii) The transactions disclosed above are exclusive of GST



Notes to the Financial Statements for the year ended 31 March 2021

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 37 Contingent liabilities, commitments and leasing arrangements**A. Contingent liabilities**

There are no pending claims against the Company.

B. Commitments

Undrawn commitment given to borrowers- Less than one year- ₹ 35.13 Lakh (Previous Year: Nil)

Estimated amount of contracts remaining to be executed on capital account - ₹ 100 Lakh (Previous Year: Nil)

C. Leasing Arrangements

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 (Leases). The standard prescribes the lessee to recognise Right of Use (ROU) assets and corresponding Lease Liabilities in its Balance Sheet for the entire period of the lease. For charging costs to the Profit & Loss Account, actual lease rentals are substituted with amortization of the ROU asset as well as a notional finance cost on the lease liability. Although the nature of expenses under leases has changed, this does not impact the Company's business or cash flows, which remains the same.

The discount rate is generally based on the incremental borrowing rate with similar tenure.

During the year the company has taken two branches premises on lease. Below are the changes made during the year in the carrying value of:

-Right-of-use assets

| Particulars | Amount |
|-------------------------------------|---------------|
| Balance as at 1 April 2020 | - |
| Additions | 172.44 |
| Deletion | - |
| Amortisation on Right Of Use assets | (8.96) |
| Balance as at 31 March 2021 | 163.48 |

-Lease liabilities

| Particulars | Amount |
|--|---------------|
| Balance as at 1 April 2020 | |
| Additions | 161.87 |
| Deletion | - |
| Payment of Lease liabilities | (11.75) |
| Finance cost accrued during the period | 10.02 |
| Balance as at 31 March 2021 | 160.14 |

- Amounts recognised in statement of profit and loss

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Depreciation expense on right-of-use assets | 8.96 | - |
| Interest expense on lease liabilities | 10.02 | - |

The total cash outflow for leases amount to ₹29.04

Maturity analysis of Lease Liability

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|--------------------------------|--------------------------------|
| Not later than one year | 13.20 | - |
| Later than one year but not later than four years | 59.25 | - |
| Later than four years | 87.69 | - |
| | 160.14 | - |

The entity does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the entity's treasury function.

During the year the Company has sub-leased one of its premises taken on lease.

-Profit on Sub Lease

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|--------------------------------|--------------------------------|
| Net Investment during the Year | 58.39 | - |
| Cost of Leased Asset used for Sub Lease | (52.56) | - |
| Profit on Sub Lease | 5.83 | - |

Notes to the Financial Statements for the year ended 31 March 2021

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 38 Risk management

Risk is an integral part of the any business and sound risk management is critical to the success of any business venture. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company has a risk management framework which covers risk associated with the financial assets and liabilities. The Board of Directors of the company are responsible for the overall risk management approach, approving risk management strategies and principles. The company have a risk management policy which covers all the risk associated with its assets and liabilities.

The main objective is to create and protect shareholder value by minimizing threats or losses and identifying and maximizing opportunities and thereby ensuring sustainable business growth with stability. The Risk Management systems also promote a pro-active approach in reporting, evaluating and resolving risks associated with the business.

Risk Management Framework

The Board of Directors and the Audit Committee are responsible for the overall risk management and for approving the risk management policies, strategies and principles so that the management controls the risks through properly defined processes

The Board plays a pivotal role in the effective management of the risk mitigation process within the Company. The Board is responsible for framing, implementing and monitoring the risk management plan and to ensure that appropriate systems for risk management are in place. The Audit Committee evaluates the internal financial controls and efficacy of the risk management systems, reviews all hedging strategies/risk treatment methodologies vis a vis compliance with the Risk Management Policy and relevant regulatory guidelines and ensures periodic review of operations and contingency plans and reports to Board in order to counter possibilities of adverse factors having a bearing on the risk management systems.

The Board has constituted the Risk Management Committee, which is responsible for monitoring the overall risk process within the Company. The Risk Management Committee has the responsibility to oversee the development, implementation and maintenance of the Company's overall risk management framework and its appetite, strategy, principles and policies, to ensure they are in line with emerging regulatory, corporate governance and industry best practice. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

Identification of Risk and Analysis

Risk identification and mitigation is obligatory on all verticals and functional heads who, with the inputs from their team members, are required to report the material risks to the concerned levels of the Company along with their considered views and recommendations for risk mitigation.

The Company has identified the following potential risks that could have an adverse impact on the Company:

1. Credit Risk
2. Operational Risk
3. Compliance Risk
4. Reputational Risk
5. Strategic Risk
6. Liquidity Risk

While each of the risk has significance, all except the Credit Risk can be managed and controlled through internal processes. It is the Credit Risk management which needs both internal and external factors in equal measure to be effective and controlled.

Credit Risk

This is the major risk anticipated in connection with the nature of operations of the company. While a lot would need to be done internally to monitor it and control it, the external factors also plays its role in the final impact of the credit risk. Credit risk is the risk of default or non-repayment of loan by a borrower, which involves monetary loss to the company, both in terms of principal and interest. In the portfolio of an NBFC, the losses stem from outright default due to the inability or unwillingness of a customer or counterparty to meet commitments in relation to repayment, trading, settlement and other financial transactions. Alternatively, losses result from reduction in portfolio value arising from actual or perceived deterioration in credit quality due to any event affecting the borrower / a group of borrowers. The effective management and reporting of credit risk is a critical component of comprehensive risk management and is essential for the long-term success of any banking and financial services organization. It ensures that risks are identified in advance and corrective action taken. Credit risk management encompasses identification, measurement, monitoring, control and reporting of the credit risk exposures.

The major risk that the Company faces is the default and / or delay in payment of EMIs (principal and interest) by the customers within the due time. To mitigate the said risk, the Company measures the credit history, capacity to repay, loan amount and loan conditions and associated collateral, if any, of the customer before sanctioning/dispersing loan and has an efficient post disbursement monitoring mechanism to take corrective and timely action when ever required to minimise the probability of default/loss.

In order to mitigate the impact of credit risk in the future profitability, the company makes reserves basis the expected credit loss (ECL) model for the outstanding loans as balance sheet date.

The below discussion describes the Company's approach for assessing impairment as stated in the significant accounting policies.

Methodology for assessment of Expected Credit loss on loan asset-Refer note on Impairment of Loans portfolio in significant accounting policies.

Asset & Liability Management

Asset and Liability Management (ALM) is defined as the practice of managing risks arising due to mismatches in the asset and liabilities. Company's funding consists of both long term as well as short term sources with different maturity patterns and varying interest rates. On the other hand, the asset book also comprises of loans of different duration and interest rates. Maturity mismatches are therefore common and has an impact on the liquidity and profitability of the company. It is necessary for Company's to monitor and manage the assets and liabilities in such a manner to minimize mismatches and keep them within reasonable limits.

The objective of this policy is to create an institutional mechanism to compute and monitor periodically the maturity pattern of the various liabilities and assets of Company to (a) ascertain in percentage terms the nature and extent of mismatch in different maturity buckets, especially the 1-30/31days bucket, which would indicate the structural liquidity (b) the extent and nature of cumulative mismatch in different buckets indicative of short term dynamic liquidity and (c) the residual maturity pattern of repricing of assets and liabilities which would show the likely impact of movement of interest rate in either direction on profitability. This policy will guide the ALM system in Company.

The scope of ALM function can be described as follows:

- Liquidity risk management
- Management of market risks
- Others

Liquidity Risk

Liquidity Risk arises largely due to maturity mismatch associated with assets and liabilities of the Company. Liquidity risk stems from the inability of the Company to fund increase in assets, manage unplanned changes in funding sources and meet financial commitments when required.

The table below provide details regarding the contractual maturities of significant financial assets and liabilities as on:-

Maturity pattern of financial assets and financial liabilities as at 31 March 2021:

| Particulars | Less than 3 months | Over 3 months & upto 6 months | Over 6 months & upto 1 year | 1 to 3 years | 3 to 5 years | Over 5 years | Total* |
|---|--------------------|-------------------------------|-----------------------------|-----------------|---------------|--------------|-----------------|
| Financial assets | | | | | | | |
| Cash and cash equivalents | 68.71 | - | - | - | - | - | 68.71 |
| Loans | 237.00 | 211.13 | 403.22 | 1,219.12 | 7.19 | - | 2,077.66 |
| Investments | - | - | - | - | - | - | - |
| Other financial assets | 1.44 | 0.70 | - | - | 7.25 | - | 9.39 |
| Total financial assets | 307.15 | 211.83 | 403.22 | 1,219.12 | 14.44 | - | 2,155.76 |
| Financial liabilities | | | | | | | |
| Trade Payables | 19.19 | - | - | - | - | - | 19.19 |
| Debt securities | 15.00 | - | - | 1,480.79 | - | - | 1,495.79 |
| Borrowings (Other than debt securities) | - | - | - | - | - | - | - |
| Subordinated liabilities | - | - | - | - | 94.01 | - | 94.01 |
| Lease liability | 3.07 | 3.16 | 6.97 | 59.61 | 30.36 | 56.97 | 160.14 |
| Other financial liabilities | 52.71 | - | - | - | 3.95 | - | 56.66 |
| Total financial liabilities | 89.97 | 3.16 | 6.97 | 1,540.40 | 128.32 | 56.97 | 1,825.79 |
| Net financial assets/(liabilities) | 217.18 | 208.67 | 396.25 | (321.27) | (113.88) | (56.97) | 329.97 |

Maturity pattern of financial assets and financial liabilities as at 31 March 2020:

| Particulars | Less than 3 months | Over 3 months & upto 6 months | Over 6 months & upto 1 year | 1 to 3 years | 3 to 5 years | Over 5 years | Total* |
|---|--------------------|-------------------------------|-----------------------------|--------------|--------------|--------------|---------------|
| Financial assets | | | | | | | |
| Cash and cash equivalents | 92.27 | - | - | - | - | - | 92.27 |
| Bank balances other than above | - | - | - | - | - | - | - |
| Loans | 345.24 | - | - | - | - | - | 345.24 |
| Investments | 162.10 | - | - | - | - | - | 162.10 |
| Total financial assets | 599.61 | - | - | - | - | - | 599.61 |
| Financial liabilities | | | | | | | |
| Trade Payables | 0.60 | - | - | - | - | - | 0.60 |
| Borrowings (Other than debt securities) | 33.33 | - | - | - | - | - | 33.33 |
| Total financial liabilities | 33.93 | - | - | - | - | - | 33.93 |
| Net financial assets/(liabilities) | 565.68 | - | - | - | - | - | 565.68 |

*Amount represents net balance after the adjustments on account of Indian Accounting Standards

Financial instrument (continued)

Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The Company is primarily exposed to Interest rate risk as under.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is subject to interest rate risk, primarily since it lends to customers at fixed rates and for maturity periods different from the funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks. The Interest Rate Risk is mitigated by availing funds at very competitive rates through diversified borrowings and for different tenure

Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures and staff education.

The carrying value and fair value of other financial instruments by categories as of March 31, 2021 were as follows:

| Particulars | Carrying amount | Fair value | | | |
|-----------------------------|-----------------|--------------|-----------------|-----------------|-----------------|
| | Amortised cost | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | | |
| Cash and cash equivalents | 68.71 | 68.71 | - | - | 68.71 |
| Loans | 2,077.66 | - | - | 2,077.66 | 2,077.66 |
| Investments | - | - | - | - | - |
| Other financial assets | 9.39 | - | 9.39 | - | 9.39 |
| Total | 2,155.76 | 68.71 | 9.39 | 2,077.66 | 2,155.76 |
| Liabilities: | | | | | |
| Trade payables | 19.19 | - | 19.19 | - | 19.19 |
| Debt securities | 1,495.79 | - | 1,495.79 | - | 1,495.79 |
| Borrowings | - | - | - | - | - |
| Subordinated liabilities | 94.01 | - | 94.01 | - | 94.01 |
| Lease liability | 160.14 | - | - | 160.14 | 160.14 |
| Other financial liabilities | 56.66 | - | 56.66 | - | 56.66 |
| Total | 1,825.79 | - | 1,665.65 | 160.14 | 1,825.79 |

The carrying value and fair value of financial instruments by categories as of March 31, 2020 were as follows:

| Particulars | Carrying amount | Fair value | | | |
|-----------------------------|-----------------|---------------|---------------|----------|---------------|
| | Amortised cost | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | | |
| Cash and cash equivalents | 92.27 | 92.27 | - | - | 92.27 |
| Loans | 345.24 | - | 345.24 | - | 345.24 |
| Investments | 162.10 | 10.60 | 149.00 | - | 159.60 |
| Other financial assets | 1.07 | - | 1.07 | - | 1.07 |
| Total | 600.68 | 102.87 | 495.31 | - | 598.18 |
| Liabilities: | | | | | |
| Trade payables | 0.60 | - | 0.60 | - | 0.60 |
| Debt securities | - | - | - | - | - |
| Borrowings | 33.33 | - | 33.33 | - | 33.33 |
| Security deposits | - | - | - | - | - |
| Subordinated liabilities | - | - | - | - | - |
| Other financial liabilities | - | - | - | - | - |
| Total | 33.93 | - | 33.93 | - | 33.93 |

Measurement of fair values

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only.

Financial instrument (continued)

Short-term financial assets and liabilities

The Company has not disclosed the fair values for financial instruments which are short term in nature because their carrying amounts are a reasonable approximation of fair value.

Borrowings

The debt securities, borrowings and subordinated liabilities are primarily variable rate instruments. Accordingly, the fair value has been assumed to be equal to the carrying amount.

Loans, Dealer trade advances and other receivables

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, foreign exchange risk, probability of default and loss given default estimates.

Investments

Investment in preference shares had been taken as Level II.

Transfers between levels I and II

There has been no transfer in between level I and level II.

Capital management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk

The company monitors capital using adjusted net debt (total borrowings net of cash and cash equivalents) to equity ratio.

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--|---------------------------|---------------------------|
| Gross debt | 1,589.80 | 33.33 |
| Less: | | |
| Cash and cash equivalents | 68.71 | 92.27 |
| Adjusted net debt | 1,521.09 | (58.94) |
| Total equity | 493.70 | 534.13 |
| Adjusted net debt to equity ratio | 3.08 | (0.11) |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the bank to immediately call loans and borrowings.

Regulatory capital *

| Particulars | Carrying amount | |
|---------------------------|---------------------------|---------------------------|
| | As at 31 March 2021 | As at 31 March 2020 |
| Tier I Capital | 471.36 | 425.44 |
| Tier II Capital | 94.01 | - |
| Total Capital | 565.37 | 425.44 |
| Risk weighted assets | 2,136 | 508 |
| Tier I Capital Ratio (%) | 22.06% | 83.68% |
| Tier II Capital Ratio (%) | 4.40% | - |

Tier 1 capital consists of shareholders' equity and retained earnings. Tier II Capital consists of general provision and loss reserve against standard assets and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier I). Tier 1 and Tier II has been reported on the basis of Ind AS financial information.

* The above computations are as per IND AS. RBI related accounting implications on account of IND AS adoption are not considered in the above computations, as RBI is yet to provide guidance on Ind AS implications in CRAR computations.

Financial instrument (continued)

The Company's exposure to credit risk for loans and advances by type of counterparty is as follows. All these exposures are within India.

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|----------------------------------|------------------------|------------------------|
| (I) Retail loans | 2,091.41 | 346.37 |
| Less : Impairment loss allowance | 13.75 | 1.13 |
| Total | 2,077.66 | 345.24 |

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - financial instruments.

Staging:

As per the provision of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. Company has staged the assets based on the Day past dues criteria and other market factors which significantly impacts the portfolio.

| Days past dues status | Stage | Provisions |
|-----------------------|---------|---------------------|
| Current | Stage 1 | 12 Months Provision |
| 1-30 Days | Stage 1 | 12 Months Provision |
| 31-90 Days | Stage 2 | Lifetime Provision |
| 90+ Days | Stage 3 | Lifetime Provision |

Expected credit loss ("ECL"):

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

- Probability of default ("PD")
- Loss given default ("LGD")
- Exposure at default ("EAD")
- Discount factor ("D")

Probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future.

LGD:

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods. Various approaches are available to compute the LGD. The Company has considered the workout LGD approach by considering the probable losses and recoveries as it doesn't have any historical data in this regard.

EAD:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. The Company has modelled EAD based on the contractual and behavioural cash flows till the lifetime of the loans considering the expected prepayments.

ECL computation:

Conditional ECL at DPD pool level was computed with the following method:

Conditional ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarised below:

| Stage | Provisions | As at 31 March 2021 | As at 31 March 2020 |
|--|--------------------|------------------------|------------------------|
| Stage 1 | 12 month provision | 0.66% | 0.33% |
| Stage 2 | Lifetime provision | 1.39% | 0.00% |
| Amount of expected credit loss provided for | | 13.75 | 1.13 |

The Company does not have Stage 3 assets.

Notes to the Financial Statements for the year ended 31 March 2021

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 39 Disclosure pursuant to RBI Notification - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 Dated 13 March 2020

- A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments

| Asset Classification as per RBI Norms | Asset Classification as per Ind AS 109 | Gross Carrying Amount as per Ind AS | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|--|-------------------------------------|---|---------------------|--|--|
| (1) | (2) | (3) | (4) | (5)=(3)-(4) | (6) | (7)=(4)-(6) |
| Performing Assets | | | | | | |
| Standard Assets | Stage 1 | 2,091.41 | 13.75 | 2,077.66 | 5.23 | 8.52 |
| | Stage 2 | | | - | | - |
| Subtotal | | 2,091.41 | 13.75 | 2,077.66 | 5.23 | 8.52 |
| Non-Performing Assets (NPA) | | | | | | |
| Substandard | Stage 3 | - | - | - | - | - |
| Doubtful- upto 1 year | Stage 3 | - | - | - | - | - |
| 1 to 3 years | Stage 3 | - | - | - | - | - |
| More than 3 years | Stage 3 | - | - | - | - | - |
| Subtotal for doubtful | | - | - | - | - | - |
| Loss | Stage 3 | - | - | - | - | - |
| Subtotal for NPA | | - | - | - | - | - |
| | | | | | | |
| | Stage 1 | - | - | - | - | - |
| | Stage 2 | - | - | - | - | - |
| Other Items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage3 | - | - | - | - | - |
| Subtotal | | - | - | - | - | - |
| Total | Stage 1 | 2,091.41 | 13.75 | 2,077.66 | 5.23 | 8.52 |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| | Total | 2,091.41 | 13.75 | 2,077.66 | 5.23 | 8.52 |

Provision as per IRACP norms is taken as 0.25% of the outstanding loans as per RBI circular for Non-Systemically Important Non-Deposit taking Company.

Note 40 Miscellaneous
i) Registration obtained from other financial sector regulators

| Regulator | Registration No. |
|---|--|
| Reserve Bank of India | Certificate of Registration no : 13. 01238 |
| Ministry of Corporate Affairs | L74140MH1986PLC039547 |
| Ministry of Finance (Financial Intelligence Unit - India (FIU-IND)) | FIUREID : FINBF11240 |

ii) Disclosure of Penalties imposed by RBI and other regulators

- a) Imposed by BSE during the year ended 31st March, 2021 is ₹ 6.80 Lakh and during the year ended 31st March, 2020 is ₹ NIL
b) No Penalty has been imposed by RBI during the year ended 31st March, 2021 and during the year 31st March, 2020.

Notes to the Financial Statements for the year ended 31 March 2021

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 41 Provisions and Contingencies

| Particulars | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Break-up of Provision and contingencies in statement of profit and loss | | |
| Provision towards NPA | - | - |
| Provisions for depreciation on Investment | - | - |
| Provision made towards current tax | 25.67 | - |
| Provision for litigation | - | - |
| Provision for Standard Assets | 12.62 | (0.36) |

Note 42 Draw down from Reserves

There are no drawdown reserves from statutory reserves during the year.

Note 43 Disclosures as required under Appendix I of Governance of Liquidity Risk Management as per Master Direction issued by RBI vide notification no. DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016**Public Disclosure on Liquidity Risk****(i) Funding concentration based on significant counter party (Both deposits and borrowings) (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)**

| Type of Instrument | Number of Significant Counter parties | As on 31 March 2021 | % of Total Deposits | % of Total Liabilities |
|--------------------|---------------------------------------|---------------------|---------------------|------------------------|
| Deposits | Nil | Nil | Nil | Nil |
| Borrowings | Nil | Nil | Nil | Nil |

(ii) Top 20 Large Deposits (Guidelines on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies on November 04, 2019) - Not Applicable**(iii) Top 10 Borrowings (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)**

| Particulars | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Top 10 Borrowings as on reporting date | 283.80 | 33.33 |
| Percentage of Top 10 Borrowings to total borrowings of the Company as on the reporting date | 17.85% | 100.00% |

(iv) Funding Concentration based on significant Instrument / Product

| Name of Instrument / Product | 31 March 2021 | % of Total Liabilities | 31 March 2020 | % of Total Liabilities |
|---|-----------------|------------------------|---------------|------------------------|
| Secured Non Convertible Debentures | 1,433.10 | 75.65% | - | 0.00% |
| Subordinated Debt | 93.60 | 4.94% | - | 0.00% |
| Other Loans (Loans From Directors & Relatives) | - | 0.00% | 33.33 | 50.08% |
| Total | 1,526.70 | 80.59% | 33.33 | 50.08% |

(v) Stock Ratios

| Stock Ratios | As at 31 March 2021 | As at 31 March 2020 |
|--|---------------------|---------------------|
| Commercial Paper as a % of Total Public Funds | Nil | Nil |
| Commercial Paper as a % of Total Liabilities | Nil | Nil |
| Commercial Paper as a % of Total Assets | Nil | Nil |
| Non Convertible Debentures(NCDs)(Original Maturity of Less than one year) as a % of Total Public Funds | Nil | Nil |
| Non Convertible Debentures(NCDs)(Original Maturity of Less than one year) as a % of Total Liabilities | Nil | Nil |
| Non Convertible Debentures(NCDs)(Original Maturity of Less than one year) as a % of Total Assets | Nil | Nil |
| Other Short Term Liabilities as a % of Total Public Funds | 18.08% | NA |
| Other Short Term Liabilities as a % of Total Liabilities | 15.17% | 51.33% |
| Other Short Term Liabilities as a % of Total Assets | 12.03% | 5.69% |

(vi) Institutional set up for liquidity risk management (Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019)

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk. The Board approves the governance structure, policies, strategy and the risk tolerance limit for the management of liquidity risk. The Board of Directors approves the constitution of Risk Management Committee (RMC) for the effective supervision and management of various aspects including liquidity risks faced by the company.

Notes to the Financial Statements for the year ended 31 March 2021

(All amounts are in Lakh of Indian Rupees, unless otherwise stated)

Note 44 Customer Complaints

| Particulars | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| No. of complaints pending at the beginning of the year | Nil | Nil |
| No. of complaints received during the year | Nil | Nil |
| No. of complaints redressed during the year | Nil | Nil |
| No. of complaints pending at the end of the year | Nil | Nil |

45 Subsequent events

There are no significant subsequent events that have occurred after the reporting period till the date of these financial statements.

46 Previous year figures

Previous year figures have been regrouped / re-classified wherever necessary to conform current year's classification.

For and on Behalf of the Board of Directors of
Supra Pacific Management Consultancy Limited

Joby George
Managing Director
DIN:06429801

Sabu Thomas
Director
DIN:08224794

Reshmi Haridas V.
Chief Financial Officer

Dipu George
Company Secretary &
Compliance Officer

Place: Kochi
Date : 28 June 2021



REGISTERED OFFICE

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