



# SPS FINQUEST LIMITED

CIN : L67120MH1996PLC098051

25<sup>th</sup> Annual Report

## ANNUAL REPORT

2020-2021

Directors	:	Mr. Sandeep P. Shah, Chairman Mr. Girish T. Jajoo, Managing Director Mr. Priyesh Jhaveri, Independent Director Ms. Ankita M. Shah, Independent Director
Company Secretary	:	Mrs. Sarita H Jotaniya
Bankers	:	Indusind Bank Bank of India
Auditors	:	Kochar & Associates
Registered Office	:	R-514, 5 <sup>th</sup> Floor, Rotunda Building, B.S.Marg, Fort, Mumbai- 400 001. PhoneNo.022-22722488 Website : <a href="http://www.spsfinquest.co.in">www.spsfinquest.co.in</a> Email : <a href="mailto:info@spsfinquest.co.in">info@spsfinquest.co.in</a> CIN : L67120MH1996PLC098051
Registrar & Share Transfer Agent	:	Universal Capital Securities Pvt.Ltd. (Formerly known as M/s.Mondkar Computers Pvt.Ltd.) C-101, 247 Park, LBS Road Vikroli west, Mumbai 400 083 Tel: 022- 28207203-05 Fax: 022- 28207207 Email ID :- <a href="mailto:info@uniseq.in">info@uniseq.in</a> , Web :- <a href="http://www.uniseq.in">www.uniseq.in</a> .

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**[NOTICE]**

NOTICE is hereby given that the 25<sup>th</sup> Annual General Meeting of the Members of SPS Finquest Limited will be held at 11.00 a.m. on Tuesday, the 28th September, 2021 at Room No.514, Rotunda Building, 5<sup>th</sup> floor, B.S. Marg, Fort, Mumbai 400 001, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2021 and Statement of Profit & Loss Account for the year ended on that date along with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Sandeep P. Shah (DIN 00368350), who retires by rotation and being eligible offers himself for re-appointment.

*On behalf of the Board of Directors*

FOR SPS FINQUEST LTD.

SANDEEP P. SHAH  
(CHAIRMAN)  
(DIN: 00368350)

**Registered Office:**

Room No.514, Rotunda Building  
B.S. Marg, Fort,  
Mumbai 400 001

Date: 24<sup>th</sup> August, 2021

**NOTES:**

1. **A Member entitled to attend and vote is entitled to appoint one or more proxy (ies) to attend and vote instead of himself and the proxy (ies) need not be a member.**
2. The proxy to be effective should be deposited at the registered office of the Company not less than forty eight hours before the commencement of the Meeting.
3. The Register of Members and the Share Transfer Books will remain closed from 22/09/2021 to 28/09/2021 (both days inclusive).
4. As required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, profile of Directors seeking appointment/ re-appointment at the Annual General Meeting is provided separately in this report.
5. Members desiring any information as regards accounts or operations of the Company are requested to send their queries in writing at least seven days in advance of the date of the meeting so as to enable the management to keep the information ready.
6. The members who hold shares in electronic form are requested to write their client ID and DP ID and those who hold shares in physical form, are requested to write their Folio number in the attendance slip for attending the meeting.

7. Corporate member, intending to send their authorized representatives to attend the meeting, are requested to send a duly certified copy of the Board resolution, authorizing their representatives to attend and vote at the meeting.
8. The shareholders, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity since the trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of possibility of loss of documents and bad deliveries.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of permanent account number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Share Transfer Agents.
10. In line with the circulars issued by Ministry of Corporate Affairs ((MCA) and Securities and Exchange Board of India (SEBI), the notice of the 25<sup>th</sup>AGM along with the Annual Report for the financial year 2020-21 are being sent only by electronic mode to those Members, whose e-mail addresses are registered with the Company/Depositories. Members may please note that this Notice and Annual Report 2020-21 will also be available on the Company's website at [www.spsfinquest.co.in](http://www.spsfinquest.co.in) and websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
11. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management & Administration) Rules, 2014, the members are informed that the Company is pleased to offer remote e-voting facilities as an alternative mode to voting at the meeting. Necessary arrangements have been made by the Company with the National Securities Depository Services Ltd. (NSDL) to facilitate e-voting. The instructions for remote e-voting are provided in the Annexure-A to this notice.
12. Details of Directors seeking appointment/ re-appointment at the 25<sup>th</sup> Annual General Meeting as required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are given hereunder:

<b>Name of the Director</b>	<b>Mr. Sandeep P. Shah</b>
Date of Birth	19/10/1972
Date of Appointment	20/05/2010
Qualification	B.Com.
Brief Profile	Mr. Sandeep P. Shah has carried the legacy of Shri Pramod P Shah. He has more than two decades business experience in Capital and Money Market.
Directorship held in other Public Companies (excluding Section 25 and foreign Companies)	Modella Woollens Limited
Memberships/ Chairmanship of committees of other companies (includes only Audit & Shareholders/ Investors Grievance/ Stakeholders Relationship Committee)	Modella Woollens Limited Member - Audit , Nomination & Remuneration Committee, Stakeholders Relationship Committee
Shareholding in the Company (Equity)	41,74,650 Equity Shares

## Annexure A

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

The remote e-voting period begins on 25<sup>th</sup>, September, 2021 at 9:00 A.M. and ends on 27<sup>th</sup>, September, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 21<sup>st</sup> September 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 21<sup>st</sup> September 2021.

**How do I vote electronically using NSDL e-Voting system?**




*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Access to NSDL e-Voting system****A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular 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.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="678 1024 1393 1493">1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li data-bbox="678 1524 1393 1661">2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li data-bbox="678 1692 1393 1902">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ section. A new screen will open.</li> </ol>

	<p>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 <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>  <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their 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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>

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. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period
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**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. NSDL and CDSL.**

Login type	Helpdesk details
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
-----------------------------------------------------------------------	-------------------------



a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
  
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically on NSDL e-Voting system.****How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period Now you are ready for e-Voting as the Voting page opens.
3. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
4. Upon confirmation, the message “Vote cast successfully” will be displayed.
5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [ucshukla@rediffmail.com](mailto:ucshukla@rediffmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to **Ms Pallavi Mhatre, Manager** at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories/ company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide 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 [info@spsfinquest.co.in](mailto:info@spsfinquest.co.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [info@spsfinquest.co.in](mailto:info@spsfinquest.co.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors hereby presents their 25<sup>th</sup> Annual Report on the business and operations of the Company together with the audited Statements of the accounts for the year ended on 31<sup>st</sup> March, 2021.

**SUMMARY OF FINANCIAL PERFORMANCE:**

(Amount in Rs. Lacs)

	<b>Year Ended 31-03-2021</b>	<b>Year Ended 31-03-2020</b>
<b>Total Revenue</b>	<b>2331.47</b>	<b>811.08</b>
Less: Expenses	1487.29	2270.15
<b>Profit/(Loss) before Depreciation, Amortization and Tax</b>	<b>844.18</b>	<b>(1459.07)</b>
Less : Depreciation, Amortization	3.33	4.30
<b>Profit Before tax</b>	<b>840.85</b>	<b>(1463.37)</b>
Less : Current Tax	3.00	130.00
Less : Deferred Tax	76.61	(159.28)
Short/(Excess) Provision for tax for earlier years	--	--
<b>Profit/(Loss) After Tax</b>	<b>761.24</b>	<b>(1434.08)</b>

**DIVIDEND**

Your Directors have not recommended any dividend.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to be best of their knowledge, confirm that –

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

**MANAGEMENT DISCUSSION AND ANALYSIS**

To avoid duplication of certain information in Directors' Report and Management Discussion & Analysis, the Board of Directors of your Company has presented the composite summary of performance and functions of the Company.

**INDUSTRY STRUCTURE AND DEVELOPMENT:**

Your Company is Non-banking Finance Company mainly engaged in the stock financing and providing inter-corporate loans. NBFCs are strictly regulated by Reserve Bank of India by its guidelines and notifications.

## REGULATIONS

The Capital Market is regulated by stringent rules and regulations of the Securities & Exchange Board of India (SEBI) and the stock exchanges. The Company, being registered with the Reserve Bank of India as Non-Banking Finance Company (NBFC), is also subjected to strict rules and guidelines notified by the Reserve Bank of India from time to time. Your Company is committed to the best Corporate Governance practices based on conscience, openness, fairness, transparency, compliances and ethical practices towards attaining performance with integrity and accountability thereby paving the way for enhanced investors' and stakeholders' confidence. Thus, ensuring long term success.

## PERFORMANCE

The year 2020-21 was challenging for each one of us. Under such scenario, Directors are glad to report that in the financial year 2020-21, the Company turned the corner by making pre-tax profit of Rs.840.85 lakhs as against loss of Rs.1463.37 lakhs a year ago. The main reasons for this remarkable performance were –

- 1) improved sentiments in capital market;
- 2) higher income generation; and
- 3) control over expenses.

The Company recorded the total income of Rs.2331.47 lakhs including other income of Rs.1495.66 lakhs as against Rs.811.08 lakhs in the previous year.

Your Directors do not propose to transfer any amount to general reserve. A sum of Rs. 1,52,24,805 is transferred to Reserve Fund in terms of Section 45 IC(1) of RBI Act, 1934.

## MATERIAL CHANGES AND COMMITMENT

There have been no material change and commitment affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of this report.

## OPPORTUNITY

Following factors will enable your Company to generate higher revenue with improved margin:

- 1) Improved sentiments in capital market is expected to sustain in the current year.
- 2) Government's efforts to stimulus economic growth will improve economic condition of the country. Indian economy is one of the fastest growing economy in the world.
- 3) Good monsoon will have an added advantage so far as economy is concerned.

## THREATS:

Expected/highly rumored third wave of Covid-19 pandemic may force the Government and authorities to impose further lock-downs and compel the Government to undertake unplanned expenses. This may adversely affect the economy.

## FUTURE OUTLOOK

The Covid-19 pandemic has had a significant impact on lives, livelihoods and the business. By the time conditions appeared to be improving in last quarter of the financial year 2020-21, the second wave of pandemic in February- March, 2021 further aggravated the situation. Operational challenges mounted due to restricted movement and disrupted supply lines during the first few months of the pandemic. Severe state level lock-downs and restrictions by the regulatory authority has brought the situation under control. As the

predictions of a third wave is in the offing, the focus of the management of your Company shall continue to be on our people's health and safety, caring the communities in which we operate, simultaneously ensuring uninterrupted business activity to meet our customers need.

Various stimulus being provided by the Government to bring the economy on the track will show the results in long to medium terms. Good monsoon in Maharashtra and other states will also result in better crop with reasonable pricing. The management of your Company is optimistic on the growth trajectory for the year 2021-22 and foresees to record higher revenue with improved margin compared to the financial year 2020-21

**SUBSIDIARY:**

The Company does not have any subsidiary, joint venture or associate company.

**CONSOLIDATED FINANCIAL STATEMENT:**

Since the Company does not have any subsidiary company or associate or joint venture, consolidated financial statements are not prepared.

**CORPORATE GOVERNANCE:**

Provisions of para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 are not applicable to your Company. Hence, report on Corporate Governance is not annexed.

**LOANS, GUARANTEE AND INVESTMENT:**

Particulars of loans and investments made by the Company pursuant to Section 186 of the Companies Act, 2013 are given in the notes to the Financial Accounts, which forms part of the Annual Report. The Company has not given any guarantee.

**PUBLIC DEPOSIT:**

Your Company has not accepted any deposits from the public, its shareholders or employees during the year under review.

**TRANSACTION WITH RELATED PARTIES:**

All the transactions with related parties entered into during the financial year 2020-2021 were on arm's length basis and also in the ordinary course of business. Details of all related party transactions are placed before the audit committee. The policy on related party transactions as approved by the Board of Directors is placed on the Company's website.

Since all the transactions with the related parties entered into by the Company were in ordinary course of business and were on arm's length basis, Form AOC-2 is not applicable.

**CONSERVATION OF ENERGY, ETC.**

Since your Company is not engaged in any manufacturing activity, information as required under the provisions of Section 143(3)(m) of the Act is not furnished. During the year under review, the Company neither earned nor spent any foreign exchange.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Your Directors regret to inform the sad demise of Mr. Pramod Shah on 15<sup>th</sup> January, 2021. He was the founder of your Company. Under his leadership, the Company was listed on SME platform of BSE Limited

and had grown many fold. The Board of Directors places on record its deep sense of appreciation and gratitude for valued guidance as also services of Mr. Pramod Shah.

Ms. Hema M. Shah resigned as an Independent Director with effect from 19th March, 2021.

The members of the Company appointed Mr. Sandeep P. Shah as Executive Chairman on 3<sup>rd</sup> July, 2021 by postal ballot.

To comply with the Articles of Association of the Company and the Companies Act, 2013, Mr. Sandeep P. Shah (DIN: 00368350) shall retire by rotation in the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

During the year under review, none of the non-executive directors had any pecuniary relationship or transactions with the Company.

The Company has the following personnel as the Key Managerial Personnel (KMP) under Section 203 of the Companies Act, 2013:

1. Mr. Sandeep P. Shah, Executive Chairman
2. Mr. Girish Jajoo, Managing Director
3. Mr. Subhash R. Yadav, Chief Financial Officer
4. Ms. Sarita Jotaniya, Company Secretary.

#### **DISCLOSURE BY INDEPENDENT DIRECTORS**

All the Independent Directors have furnished declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

#### **AUDIT COMMITTEE**

The Committee presently comprises of Ms. Ankita M. Shah and Mr. Priyesh Jhaveri, both Independent Directors and Mr. Girish Jajoo, Managing Director. All the members of the Committee are having financial and accounting knowledge. The Committee met 4 times during the financial year 2020-21.

#### **NOMINATION & REMUNERATION COMMITTEE/POLICY**

The said Committee presently comprises of Ms. Ankita Shah and Mr. Priyesh Jhaveri, both Independent Directors and Mr. Sandeep Shah, Director. The Committee met once during the financial year.

The Nomination and Remuneration Policy recommended by the Nomination & Remuneration Committee is duly approved and adopted by the Board of Directors. The said policy is annexed to the report as Annexure 1.

#### **STAKEHOLDER RELATIONSHIP COMMITTEE**

The Stakeholder Relationship Committee consists of three members viz. Mr. Sandeep Shah, Chairman, Ms. Ankita Shah and Mr. Girish Jajoo as its members. The Committee mainly looks into redressal of shareholders and investors grievances with respect to transfer of shares, dematerialization of shares, non-receipt of annual report or declared dividend, etc. The shareholders grievances committee met once during the year. During the year ended 31<sup>st</sup> March, 2021, the Company did not receive any complaint from any of its members.

#### **BOARD MEETINGS**

Five meetings of the Board were held during the year under review. One meeting of the Independent Directors was also held during the year.

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 the Board of Directors had done the annual evaluation of its own performance, its committees and individual directors. The Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of criteria such as the contribution of the individual director to the Board and committee meetings.

**CSR COMMITTEE**

The Company does not fulfill any of the three criteria specified in Section 135(1) of the Companies Act, 2013 and as such is not required to comply with the provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

**INTERNAL CONTROL SYSTEM**

Adequate internal control systems are in place to maintain quality of product, proper accounting as per norms and standards prescribed, asset maintenance and its proper use. The Company has an independent internal auditor, who periodically reviews the accounts and reports to the Audit Committee.

**RISK MANAGEMENT**

The management continuously access the risk involved in the business and all out efforts are made to mitigate the risk with appropriate action. All the assets of the Company are adequately covered by comprehensive insurance.

**EMPLOYEE:**

Relations between the management and employees were cordial through-out the year.

The particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as annexure 2 and forms part of this report.

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Management Personnel) Rule, 2014, and forming part of Directors' Report for the year ended 31st March, 2021 is given in a separate annexure to this report. The said annexure is not being sent alongwith this report to the members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Members, who are interested in obtaining these particulars, may write to the Company Secretary at the Registered Office of the Company. The aforesaid annexure is also available for inspection by the members at the registered office of the Company, 21 days before the 25<sup>th</sup> annual general meeting and upto the date of the said annual general meeting during normal business hours on working days.

**STATUTORY AUDITORS**

According to Directors, there is no adverse remarks made by Statutory Auditors in their report. Notes to the accounts are self explanatory to comments/observation made by the auditors in their report. Hence, no separate explanation is given.

M/s. Kochar & Associates, Chartered Accountants, Statutory Auditors of your Company, were appointed as Statutory Auditors by the members of the Company in their 21st Annual General Meeting held on 26th September, 2017 for consecutive five years.



**INTERNAL AUDITORS**

The Internal Auditors, Mrs. Bhavna Pandya, Chartered Accountant, are the internal auditors of the Company, who plays an important role in strengthening the internal control. The Internal Auditors reports to the Audit Committee.

**SECRETARIAL AUDIT**

During the year, Secretarial Audit was carried out by Mr. Dhruvalkumar Baladha, Practicing Company Secretary, for the financial year 2020-21. The report on the Secretarial Audit is appended as Annexure 3 to this report. According to the Board of Directors the report does not have any adverse remark.

**COST AUDIT**

Provisions relating to cost audit is not applicable to your Company.

**ANNUAL RETURN**

Pursuant to the provisions of Section 92(3) and Section 134 (3)(a) of the Companies Act, 2013 a copy of the Annual Return of the Company for the year ended 31<sup>st</sup> March, 2021 is placed on the website of the Company at [www.spsfinquest.co.in](http://www.spsfinquest.co.in).

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

No such order was passed by any of the authorities, which impacts the going concern status and company's operations in future.

**VIGIL MECHANASIM**

The Company has a vigil mechanism policy to deal with instances of fraud and mismanagement. The whistle blower policy is adopted by the Board of Directors and is hosted on the website of the Company.

**FRAUD REPORTING**

During the year, no fraud whether actual, suspected or alleged was reported to the Board of Directors.

**PREVENTION OF SEXUAL HARRASSMENT AT WORKPLACE**

Provisions of the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act are not applicable to the Company in absence of any woman employee.

**CAUTIONARY STATEMENT**

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis may constitute forward looking statements within the meaning of applicable laws and regulations. Although the expectations are based on the reasonable assumption, the actual results might differ.

**ACKNOWLEDGEMENT**

The Directors wish to place on record their deep sense of appreciation to the Company's Bankers, all the staff members for their unstinted support. Your directors also wish to thank the shareholders for confidence reposed in the management of the Company.

For and on behalf of the Board

Mumbai,  
24<sup>th</sup> August, 2021

(SANDEEP P. SHAH)  
CHAIRMAN  
(DIN: 00368350)

## Annexure 1

**Nomination and Remuneration Committee Policy of SPS Finquest Ltd.****1. OBJECTIVE**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read with relevant rules thereto and Clause 49 of the Listing Agreement. The Key Objectives of the Committee are:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity.
- To develop a succession plan for the Board and to regularly review the plan.

**2. DEFINITIONS**

- a) Act means the Companies Act, 2013 as amended from time to time and the Rules made thereunder.
- b) Board means Board of Directors of the Company.
- c) Directors mean Directors of the Company.
- d) Key Managerial Personnel means – (i) Chief Executive Officer or the Managing Director or Whole-time Director or the Manager; (ii) Chief Financial Officer; (iii) Company Secretary; and (iii) such other officer as may be prescribed.
- e) Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

**3. ROLE OF COMMITTEE****3.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

- 3.1.1 Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.2 Identify persons who are qualified to become Director and persons, who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- 3.1.3 Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

**3.2 Policy for appointment and removal of Director, KMP and Senior Management****3.2.1 Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director or Managing Director, who has attained the age of seventy years; Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

### 3.2.2 Term / Tenure

#### a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole-time Director and designate them for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director;
- Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

### 3.2.3 Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### 3.2.4 Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act and rules made thereunder.

### 3.2.5 Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 3.3 Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

### 3.3.1 General

a) The remuneration / compensation / commission etc. to the Managing Director, Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission payable to Managing Director, Whole-time Director and Director shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to the Managing Director, Whole-time Director and Directors shall be in accordance with the conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

c) Increments/revision to the existing remuneration/compensation payable to Managing Director, Whole-time Director and Directors may be recommended by the Committee to the Board, which should be within the limits approved by the Shareholders.

d) Where any insurance is taken by the Company on behalf of its Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any

liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel; Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

3.3.2 Remuneration to Whole-time, Managing Director, Directors, KMP and Senior Management Personnel:

a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If Managing Director and/or Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

3.3.3 Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof; Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

#### 4. MEMBERSHIP

4.1 The Committee shall consist of a minimum three (3) non-executive directors, majority of them being independent.

4.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.

4.3 Membership of the Committee shall be disclosed in the Annual Report.

4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

#### 5. CHAIRPERSON

5.1 Chairperson of the Committee shall be an Independent Director.

5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## 6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

## 7. COMMITTEE MEMBERS' INTERESTS

7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## 8. DUTIES OF COMMITTEE

A) The duties of the Committee in relation to nomination matters shall include:

8.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

8.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment;

8.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.

8.4 Determining the appropriate size, diversity and composition of the Board;

8.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

8.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

8.7 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

8.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

8.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;

8.10 Recommend any necessary changes to the Board; and

8.11 Considering any other matters, as may be requested by the Board.

B) The duties of the Committee in relation to remuneration matters shall include:

8.12 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

8.13 To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

9 To delegate any of its powers to one or more member(s) of the Committee.

## 10. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings shall be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

## Annexure 2

**Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Rule	Particulars			
(1)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	a	Mr. Girish Jajoo, Managing Director	<b>2.98 : 1</b>
			None of the other Directors were in receipt of any remuneration	
(2)	The percentage increase in remuneration of each Director, Chief Financial officer, Chief Executive Officer, Company Secretary in the financial year	a	Mr. Girish Jajoo, Managing Director	<b>Nil</b>
		b	Mr. Subhash Yadav, Chief Finance Officer	<b>Nil</b>
		d	Ms. Sarita Jotaniya, Company Secretary	<b>Nil</b>
(3)	The percentage increase in the median remuneration of employees on the rolls of the Company			<b>Nil</b>
(4)	The number of permanent employees on the rolls of the Company			<b>11</b>
(5)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There is no increase in the remuneration of managerial personnel as also for others. This is based on other factors relevant for the purpose.		
(6)	It is hereby confirmed that the remuneration is as per the Remuneration Policy of the Company			

For and on behalf of the Board

Mumbai,  
August 24, 2021

(SANDEEP P. SHAH)  
CHAIRMAN  
(DIN: 00368350)

SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
SPS Finquest Limited,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SPS Finquest Limited (hereinafter called 'the Company'). 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 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, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board process 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 on 31<sup>st</sup> 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 borrowing (**Not applicable since there was no FDI, ODI and/or ECB**);
- (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;
- (vi) The following Acts/Guidelines specifically applicable to the Company:
  - (a) Reserve Bank of India Act, 1934; and
  - (b) Notifications/circulars pertaining to Non-Banking Finance Company issued by RBI from time to time.

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

- a) Secretarial Standard with regard to meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines as applicable, mentioned above.

I report that during the year under review there was no action/event in pursuance of –

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (d) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998.



- (e) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and/or SEBI (Share Based Employee Benefits) Regulations, 2014.
- (f) The Securities and Exchange board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.

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, rules, regulations and guidelines.

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

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. The changes in the composition of the Board of Directors that took place during the year 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.
- As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board and its Committees were unanimous and no dissenting views have been recorded.

I further report that during the audit period there was no other specific event/action in pursuance to the above referred laws, rules, regulations, guidelines, etc. having major bearing on the Company's affairs.

Place: Rajkot  
Date: 30/08/2021

(DHURVALKUMAR BALADHA)  
COMPANY SECRETARY  
FCS: 10562/CP: 14265  
UDIN: F010562C000859344

**Note: This report is to be read with my letter of even date, which is annexed as 'ANNEXURE' and forms an integral part of this report**

## ANNEXURE

To,  
The Members,  
SPS Finquest Limited,

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

1. Maintenance of secretarial record is the responsibility of the management of the Corporation. 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 the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Corporation.
4. Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to future viability of the Corporation nor of the efficacy or effectiveness with which the management has conducted the affairs of the Corporation.

Place: Rajkot  
Date: 30/08/2021

(DHURVALKUMAR BALADHA)  
COMPANY SECRETARY  
FCS: 10562/CP: 14265  
UDIN: F010562C000859344

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **SPS Finquest Limited**  
**Report on the Audit of the Ind AS Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **SPS FINQUEST LTD** (“the Company”), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to be communicated in our report.

**Information other than financial statements and Auditors Report thereon**

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

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

**Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), Statement of changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specifies under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the companies Act 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial control in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

A. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

B. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, statement of Profit and Loss Account including Other Comprehensive Income, Statement of changes in Equity and the statement of Cash Flow dealt with by this Report is in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position as on 31<sup>st</sup> March 2021.
- 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.

C. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For Kochar & Associates**  
**Chartered Accountants**  
**FRN No.105256W**  
**Sd/-**

**CA. Piyush Kochar**  
**Partner**  
**M. No. 106049**

**UDIN: 21106049AAAACS4435**

**Place: Mumbai**  
**Date: 25/06/2021**

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**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 1, under 'Report on other Legal and Regulatory Requirements', in the Independent Auditor's Report of even date to the members of SPS Finquest Ltd. ("the Company") on the financial statements for the period ended March 31, 2021.]

- i. In Respect of its fixed assets:
  - a. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
  - c. The company does not hold any immovable properties.
- ii. The management has physically verified stocks of shares and debentures. In our opinion the frequency of verification is reasonable. No material discrepancies were noticed on such verification.
- iii. According to the information and explanation given to us the company has not advanced Unsecured Loans to the Companies, or other parties maintained under Section 189 of the Companies Act 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from the public during the period under review. Accordingly paragraph 3(v) of the order is not applicable.
- vi. To the best of our knowledge and as explained to us, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act 2013 for the products of the company. Accordingly paragraph 3(vi) of the order is not applicable.
- vii. In respect of statutory dues:

The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, goods and service tax, provident fund, investor education and protection fund, employee's state insurance, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, provident fund, investor education and protection fund, employees state insurance, cess and other undisputed statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable.

According to the information and explanation given to us, there are no dues of income tax, service tax provident fund, investor education and protection fund, employees state insurance and cess that have not been deposited on account of any dispute.

- viii. According to the records of the company examined by us and the information and explanations given to us, the company did not have any outstanding dues to financial institution or bank as at the balance sheet date. Further the Company has not issued any debentures as at the balance sheet date.

- ix. In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud done by the company or any fraud done on the company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanation given to us and based on our examination of the records of the company the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly paragraph 3(xii) of the order is not applicable.
- xiii. According to the information and explanation given to us and based on our examination of the records of the company, transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanation given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him, requiring compliance with Section 192 of the Companies Act 2013.
- xvi. The company being an NBFC is registered under Section 45-IA of the RBI Act 1934.

**For Kochar & Associates**  
**Chartered Accountants**  
**FRN No.105256W**

Sd/-

**CA. Piyush Kochar**  
**Partner**  
**M. No. 106049**  
**UDIN: 21106049AAAACS4435**  
**Place: Mumbai**  
**Date: 25/06/2021**



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

We have audited the internal financial controls over financial reporting of SPS Finquest Ltd. ('the Company') as of 31 March 2021 in conjunction with our audit of the financial statements of the company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :-

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the Management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Kochar & Associates**  
**Chartered Accountants**  
**FRN No.105256W**

Sd/-

**CA. Piyush Kochar**  
**Partner**  
**M. No. 106049**  
**Place: Mumbai**  
**Date: 25/06/2021**

**SPS Finquest Limited**  
CIN : L67120MH1996PLC098051  
Balance Sheet as at 31<sup>st</sup> March, 2021 (Amount in Rs.)

Particulars	Notes	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	2	3,789,860	6,535,712
Loans	3	351,079,131	248,544,256
Other financial Asset	3a	90,546,060	-
Investment	4	174,209,861	418,076,574
		<b>619,624,912</b>	<b>673,156,542</b>
<b>Non Financial Assets</b>			
Income Tax Asset (Net)	5	33,594,365	14,137,336
Deferred Tax Assets (Net)	6	3,393,511	11,054,729
Property, Plant & Equipment	7	896,800	1,162,905
Other Non-Financial Assets	8	60,719	66,711
		<b>37,945,395</b>	<b>26,421,681</b>
		<b>657,570,307</b>	<b>699,578,223</b>
<b>LIABILITIES ANDEQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Derivative Financial Instrument	9	36,952,650	1,060,575
Trade Payable	10	-	-
- Total Outstanding Dues to Micro, Small and Medium Enterprises		-	-
- Total Outstanding Dues to other than Micro, Small and Medium Enterprises		377,006	127,076
Debt Securities	11	-	926,730
Borrowing (Other than Debt Securities)	12	277,354,732	427,063,619
Other Financial liabilities	13	-	6,688,293
		<b>314,684,388</b>	<b>435,866,293</b>
<b>Non - Financial Liabilities</b>			
Current Tax Liabilities (Net)		-	-
Deferred Tax Liabilities (Net)		-	-
Provision	14	988,360	-
Other Non-Financial Liabilities	15	3,290,940	1,229,338
		<b>4,279,300</b>	<b>1,229,338</b>
<b>EQUITY</b>			
Equity Share Capital	16	45,057,000	45,057,000
Other Equity	17	293,549,619	217,425,592
		<b>338,606,619</b>	<b>262,482,592</b>
<b>Total Liabilities and Equity</b>		<b>657,570,307</b>	<b>699,578,223</b>
<b>Significant Accounting Policies and Notes on Accounts</b>	1 to 33		

As per our attached report of even date

**For and on behalf of**  
**Kochar & Associates**  
Chartered Accountants FRN 105256W

Sd/-

**CA. Piyush Kochar**  
Partner  
M. No. 106049  
UDIN 20106049AAACB8312  
Place : Mumbai 25/06/2021

**For and on behalf of the**  
**Board**  
**SPS Finquest Limited**

Sd/-

**Sandeep Shah**  
Director  
DIN No. 00368350

Sd/-

**Girish Jajoo**  
Managing Director  
DIN No.03108620

Place : Mumbai 25/06/2021

## SPS Finquest Limited

CIN : L67120MH1996PLC098051

Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2021 (Amount in Rs.)

Particulars	Notes	Year ended 31.03.2021	Year ended 31.03.2020
<b>REVENUE</b>			
Revenue from operations	18	83,581,673	46,848,213
Other Income	19	149,566,037	34,259,971
<b>Total Revenue</b>		<b>233,147,710</b>	<b>81,108,184</b>
<b>EXPENSES</b>			
Employee benefit expense	20	7,121,235	5,273,790
Finance Costs	21	84,790,617	37,547,154
Depreciation and amortization expense	7	333,105	430,146
Other expenses	22	56,817,509	184,193,717
<b>Total Expenses</b>		<b>149,062,465</b>	<b>227,444,806</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>84,085,245</b>	<b>(146,336,623)</b>
Exceptional Items		-	-
<b>Profit/(loss) before tax from Continuing Operations</b>		<b>84,085,245</b>	<b>(146,336,623)</b>
Income Tax expense:			
(1) Current tax		300,000	13,000,000
(2) Deferred tax liability / (Asset)		7,661,218	(15,928,157)
(3) Tax of earlier years		-	-
<b>Total Tax expenses</b>		<b>7,961,218</b>	<b>(2,928,157)</b>
<b>Profit/(loss) for the year</b>		<b>76,124,027</b>	<b>(143,408,465)</b>
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Changes in Fair Value through OCI (FVOCI) Equity Instrument		-	-
Tax impact on above		-	-
B (i) Items that will be reclassified to profit or loss		-	-
<b>Other Comprehensive Income for the Year, Net of tax</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year)</b>		<b>76,124,027</b>	<b>(143,408,465)</b>
<b>Earnings per equity share [Face Value of Re. 10 each (PY Re. 10 each)]</b>	23		
(1) Basic		16.90	(31.83)
(2) Diluted		16.90	(31.83)

As per our attached report of even date

For and on behalf of  
Kochar & Associates

Chartered Accountants FRN 105256W

Sd/-

CA. Piyush Kochar

Partner

M. No. 106049

UDIN 20106049AAACB8312

Place : Mumbai 25/06/2021

For and on behalf of the  
Board

SPS Finquest Limited

Sd/-

Sandeep Shah

Director

DIN No. 00368350

Sd/-

Girish Jajoo

Managing Director

DIN No.03108620

Place : Mumbai 25/06/2021

## SPS Finquest Limited

CIN : L67120MH1996PLC098051

Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2021

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Operating activities</b>		
Profit Before Tax	84,085,245	(146,336,623)
<b>Adjustments to reconcile profit before tax to net cash inflow</b>		
Profit on Mutual Fund Investment	(1,477,573)	(412,746)
Profit on Sale of Commercial Paper	(34,894,522)	(1,101,092)
Dividend Income	(30,688)	(1,176,404)
Profit/(Loss) on Derivatives	47,946,727	20,029,448
Provisions against Standard Assets	256,980	(240,002)
Profit/Loss on fair value of investment	(77,681,449)	178,256,730
Interest Paid	84,790,617	37,547,154
Depreciation	333,105	430,146
Operating Profit before working capital changes	<b>103,328,443</b>	<b>86,996,611</b>
<b>Working capital adjustments :-</b>		
Increase / (Decrease) in Trade and Other Payables	249,930	(43,837)
(Increase) / Decrease in Other Financial Assets	(90,546,060)	-
(Increase) / Decrease in Other Non Financial Assets	5,992	3,679
(Increase) / Decrease in Income Tax (Assets)	(19,757,029)	(24,302,854)
Increase / (Decrease) in Derivative Instrument	35,892,075	(138,962,606)
Increase / (Decrease) in Other Financial Liabilities	(6,945,273)	(44,949,031)
Increase / (Decrease) in Other Non Financial Liabilities	3,049,962	1,211,783
	<b>25,278,039</b>	<b>(120,046,253)</b>
<b>Net cash flow from operating activities</b>	<b>25,278,039</b>	<b>(120,046,253)</b>
<b>Investing activities</b>		
Purchase of property, plant & equipment and intangible assets	(67,000)	(62,399)
Dividend Received	30,688	1,176,404
Loans Given/Repaid	(102,534,875)	95,760,694
Sale / Purchase of Investments	309,973,529	(310,846,549)
<b>Net cash flow used in investing activities</b>	<b>207,402,342</b>	<b>(213,971,850)</b>
<b>Financing activities</b>		
Proceeds of other short-term borrowings (Net)		
Deposits Received / Paid	(149,708,887)	376,160,649
Interest paid	(85,717,347)	(37,469,985)
<b>Net cash flow from financing activities</b>	<b>(235,426,234)</b>	<b>338,690,664</b>
<b>Increase in cash and cash equivalents</b>	<b>(2,745,852)</b>	<b>4,672,562</b>
Cash and cash equivalents at the beginning of the year	6,535,712	1,863,150
Cash and cash equivalents at the end of the year	<b>3,789,860</b>	<b>6,535,712</b>

Note : The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'

## Components of Cash and Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Cash in Hand	13,973	30,175
Other Bank Balances	3,775,887	6,505,537
<b>Total</b>	<b>3,789,860</b>	<b>6,535,712</b>

As per our attached report of even date

**For and on behalf of  
Kochar & Associates**

Chartered Accountants FRN 105256W

Sd/-

**CA. Piyush Kochar**

Partner

**M. No. 106049****UDIN 20106049AAACB8312****Place : Mumbai 25/06/2021****For and on behalf of the  
Board****SPS Finquest Limited**

Sd/-

**Sandeep Shah**

Director

**DIN No. 00368350****Place : Mumbai 25/06/2021**

Sd/-

**Girish Jajoo**

Managing Director

**DIN No.03108620**

SPS Finquest Limited  
CIN : L67120MH1996PLC098051  
Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2021

**Equity Share Capital**

(Amount in Rs.)

Equity Share Capital	Balance as at April 01, 2019	Changes in equity share capital during the year	Balance as at March 01, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
Paid up Capital	45,057,000	-	45,057,000	-	45,057,000

Particulars	Security Premium	General Reserve	Retained Earnings	Reserve Fund as per Reserve Bank of India Act 1934	Equity Component of Liability Instrument	Total
<b>Balance as on April 01, 2019</b>	217,464,000	10,000	125,136,617	18,055,907	167,533	360,834,057
Profit for the year	-		(143,408,465)			(143,408,465)
Other Comprehensive Income :			-			-
<b>Balance as at March 31, 2020</b>	217,464,000	10,000	(18,271,848)	18,055,907	167,533	217,425,592
Profit for the year			76,124,027			76,124,027
Transfer within equity			(15,057,273)	15,224,806	(167,533)	-
Other Comprehensive Income :			-			-
<b>Balance as at March 31, 2021</b>	217,464,000	10,000	42,794,906	33,280,713	-	293,549,619

As per our attached report of even date

**For and on behalf of**  
**Kochar & Associates**  
Chartered Accountants  
FRN 105256W

**For and on behalf of the**  
**Board**  
**SPS Finquest Limited**

Sd/-

**CA. Piyush Kochar**  
Partner

**M. No. 106049**  
**UDIN 20106049AAACB8312**  
**Place : Mumbai 25/06/2021**

Sd/-

**Sandeep Shah**  
Director  
**DIN No. 00368350**

Sd/-

**Girish Jajoo**  
Managing Director  
**DIN No.03108620**

**Place : Mumbai 25/06/2021**

SPS Finquest Limited  
CIN : L67120MH1996PLC098051  
Notes to financial statements for the year ended 31<sup>st</sup> March, 2021

**Note 1: COMPANY INFORMATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A COMPANY INFORMATION**

SPS Finquest Limited ('the Company'), incorporated in India, is a public limited company, headquartered in Mumbai. The Company is a Non-Banking Financial Company ('NBFC') engaged in providing asset finance through its pan India branch network. The Company is registered as a Systemically Important Deposit Accepting NBFC as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934 with effect from 4 September 1998. The equity shares of the Company are listed on the Bombay Stock Exchange ("BSE") in India.

**B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**B.1 Statement of compliance and basis for preparation and presentation of financial statements**

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Company's financial statements upto and for the year ended 31 March 2019 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on accrual basis, unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended), prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India (RBI) for NBFCs and the guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable, collectively referred as "Previous GAAP".

These standalone or separate financial statements were approved by the Company's Board of directors and authorised for issue on 25 June, 2021.

**B.2 Functional and presentation currency**

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

**B.3 Basis of measurement**

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

**B.4 Measurement of fair values**

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or



liability, either directly or indirectly.

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### **B.5 Use of estimates and judgments and Estimation uncertainty**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimate and judgment or complexity in determining the carrying amount of some assets and liabilities.

#### **Effective Interest Rate (EIR) Method**

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgment regarding the expected behavior and life-cycle of the instruments, as well as

expected changes to other fee income/expense that are integral parts of the instrument.

#### **Impairment of Financial Assets**

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

#### **B.6 First-time adoption of Ind AS – mandatory exceptions and optional exemptions Overall**

**Principle**

The Company has prepared the opening balance sheet as per Ind AS as of 1st April 2018 (“the transition date”) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from Previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as mentioned below:

**Deemed cost for property, plant and equipment and intangible assets -**

The Company has elected to measure property, plant and equipment at its Previous GAAP carrying amount and use that Previous GAAP carrying amount as its deemed cost at the date of transition to Ind AS.

**B.7 Revenue recognition :****a) Recognition of interest income on loans**

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at amortised cost and debt instruments designated at FVTPL. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

**b) Fee and commission income :**

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection.

Commission and brokerage income earned for the services rendered are recognised as and when they are due.

**c) Dividend and interest income on investments:**

- Dividends are recognised in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

- Interest income from investments is recognised when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**B.8 Property, Plant and Equipments (PPE)**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Spare parts which meet the definition of Property, Plant and Equipment are capitalized as Property, Plant and Equipment. In other cases, the spare part is inventorised on procurement and charged to the Statement of Profit and Loss on consumption.

An item of property, plant and equipment and any significant part initially recognised separately as part of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values and useful lives of property, plant and equipment are reviewed at regular intervals and changes, if any, are accounted in line with revisions to accounting estimates.

#### **B.9 Depreciation and Amortisation:**

Depreciation on Plant, Property and Equipment has been provided on the Written down Value basis, over the estimated useful lives of assets. The Company provides pro-rata depreciation from the date of addition / up to the date of deletion made during the reporting period. Intangible assets are amortized on a Written Down Value basis over the estimated useful economic life.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposal of the asset and the resultant gains or losses are recognized in the statement of Profit and Loss.

The useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act.

#### **B.10 Financial instruments :**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **a. Financial Assets**

##### **Initial Recognition**

In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### **Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

##### **Financial Assets at Amortised Cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

**Financial Assets Measured at Fair Value**

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

**Impairment of financial instruments :**

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

**De-recognition of Financial Assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**b. Equity Instruments and Financial Liabilities**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**i) Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

**ii) Financial Liabilities****1)Initial Recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

## **2) Subsequent Measurement**

The measurement of financial liabilities depends on their classification, as described below

### **Financial liabilities at FVTPL**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

### **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

## **3) De-recognition of Financial Liabilities**

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### **c. Offsetting Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

### **d. Derivative financial instruments**

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognised in Statement of profit and loss.

## **B.11 Impairment of Non-Financial Assets**

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of

an asset exceeds its recoverable amount. Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can

be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

#### **B.12 Provisions, Contingent Liabilities and Contingent Assets**

The company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resource is remote, no provision or disclosure is made. Contingent liabilities are disclosed by way of a note.

Contingent assets are not recognized. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

#### **B.13 Taxes on Income**

Income Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

##### **Current Tax:**

Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act 1961 after considering tax allowances and exemptions, if any.

##### **Deferred Tax:**

A deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance sheet date. Deferred tax charge or credit is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

#### **B.14 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 deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For 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

SPS Finquest Limited  
CIN : L67120MH1996PLC098051  
Notes to financial statements for the year ended 31<sup>st</sup> March, 2021

**Note 2 : Cash and cash equivalents**

(Amount in Rs.)

Particulars	As at 31.03.2021	As at 31.03.2020
Cash in Hand	13,973	30,175
<b>Balances with Banks:</b>		
On current accounts	3,775,887	6,505,537
	<b>3,789,860</b>	<b>6,535,712</b>

**Note 3 : Loans**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>(A) Loans (at amortised cost) :</b>		
Retail loans	253,139,029	249,167,174
Small and Medium Enterprise (SME) financing	-	-
Inter corporate deposits to related parties	9,88,20,000	-
<b>Total (Gross)</b>	<b>351,959,029</b>	<b>249,167,174</b>
Less : Impairment loss allowance	<b>879,898</b>	<b>622,918</b>
<b>Total (Net)</b>	<b>351,079,131</b>	<b>248,544,256</b>
<b>B) Secured by</b>		
i) Secured by tangible assets	253,139,029	20,890,123
ii) Secured by intangible assets	-	228,134,820
iii) Covered by bank / Government guarantees	-	-
iv) Unsecured	9,88,20,000	142,231
<b>Total (Gross)</b>	<b>351,959,029</b>	<b>249,167,174</b>
Less : Impairment loss allowance	<b>879,898</b>	<b>622,918</b>
<b>Total (Net)</b>	<b>351,079,131</b>	<b>248,544,256</b>
<b>C) i) Loans in India</b>		
a) Public Sector	-	-
b) Others	351,959,029	249,167,174
<b>Total (Gross)</b>	<b>351,959,029</b>	<b>249,167,174</b>
Less : Impairment loss allowance	<b>879,898</b>	<b>622,918</b>
<b>Total (Net) - C-(i)</b>	<b>351,079,131</b>	<b>248,544,256</b>
<b>ii) Loans outside India</b>	-	-
Less : Impairment loss allowance	-	-
<b>Total (Net) - C-(ii)</b>	-	-
<b>Total (Net) - C (i+ii)</b>	<b>351,079,131</b>	<b>248,544,256</b>

Note: There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL

**Note 3a : Other Financial Asset**

Particulars	As at 31.03.2021	As at 31.03.2020
Receivable from Modella Woollens Ltd	19,500,000	-
Accrued Interest On Bond	425,067	-
Receivable from Broker	70,620,993	-
	<b>90,546,060</b>	-

**Note 4 : Investment**

Particulars	As at	As at
	31.03.2021	31.03.2020
<b>Investments in equity instruments of Other companies at Fair Value through Profit or Loss (Quoted and fully paid up)</b>		
17000 equity shares of ARTEFACT PROJECTS EQ of Rs 10 each fully paid (P.Y.17000)	578,000	468,350
Nil equity shares of BHEL of Rs.2 each fully paid (P.Y. 327033)	-	6,802,286
Nil equity shares of CDSL of Rs.10 each fully paid (P.Y. 7000)	-	1,502,200
50000 equity shares of CONCURRENT (INDIA) I of Rs 10 each fully paid (P.Y. 50000)	76,771	76,771
Nil equity shares of D B REALTY of Rs 10 each fully paid (P.Y. 96397)	-	495,481
5000 equity shares of DRA CONSULTANTS LTD of Rs 10 each fully paid (P.Y. 5000)	29,250	29,250
Nil equity shares of ENKEI WHEELS - EQ of Rs 10 each fully paid (P.Y. 1579)	-	249,561
69127 equity shares of FORBES & COMPANY LTD. of Rs 10 each fully paid (P.Y.108325)	119,212,968	83,312,758
226854 equity shares of INFOMEDIA PRESS LTD. of Rs 10 each fully paid (P.Y.2,15,161)	859,777	292,619
100000 equity shares of INFIBEAM AVENUES LTD- BONUS of Rs 1 each fully paid (P.Y. Nil)	4,740,000	-
Nil equity shares of ONGC-EQ of Rs 10 each fully paid (P.Y. 15000)	-	1,024,500
Nil equity shares of STERLING & WILSON SOLAR-EQ of Rs10 each fully paid (P.Y.11019)	-	847,361
24572 equity shares of STONE INDIA LTD. of Rs 10 each fully paid (P.Y.24,572)	242,034	242,034
5 equity shares of SUYOG TELEMATICS LTD. of Rs 10 each fully paid (P.Y. 5)	2,069	1,671
Nil equity shares of TATA MOTORS LTD. of Rs 2 each fully paid (P.Y. 1800)	-	127,890
9802 equity shares of VADILAL ENTERPRISES LTD. of Rs 10 each fully paid(P.Y. 6001)	17,804,353	6,150,725
Nil equity shares of VADILAL INDUSTRIES LTD of Rs 10 each fully paid (P.Y.1000)	-	452,050
<b>Investment in Bond</b>		
<b>(At Fair Value, Trade, Long Term, Quoted)</b>		
4 NCD- SUNNY VIEW ESTATES PVT LTD (P.Y.316)	4,000,000	316,000,000
<b>Investments in Mutual Funds at Fair Value through Profit or Loss</b>		
<b>Quoted</b>		
0.117 units of HDFC LDF R-DDIV R (P.Y. Nil As at 01.04.2018 Nil)	1	1
1.062 units of NIP Liquid Bees (P.Y. 0.878 As at 01.04.2018 .878 units)	1,062	1,062
0.426 Frank USBF R-D- DIV-R (P.Y. 0.213 As at 01.04.2018 0.213)	4	4
5700 units of SBI MAGNUM ULTRA SHORT DURATION FUND REGULAR GROWTH (P.Y. Nil)	26,663,572	-
	<b>174,209,861</b>	<b>418,076,574</b>

**Note 5 : Income Tax Asset (Net) Unsecured, Considered Good**

Unsecured, Considered Good

Particulars	As at	As at
	31.03.2021	31.03.2020
Advance Tax & TDS (net of provisions)	33,594,365	14,137,336
	<b>33,594,365</b>	<b>14,137,336</b>

**Note 6 : Deferred Tax Assets (Net)**

Particulars	As at	As at
	31.03.2021	31.03.2020
Deferred Tax	3,393,511	11,054,729
	<b>3,393,511</b>	<b>11,054,729</b>



**Note 7 : Property, Plant & Equipment**

Particulars	Computers	Television	Air conditioner	Vehicles	Refrigerator	Total
<b>Year Ended March 31, 2021</b>						
<b>Gross Carrying Amount</b>						
Opening Gross Carrying Amount	332,349	33,990	82,650	1,958,414	7,490	2,414,893
Additions	67,000	-	-	-	-	67,000
Disposals	-	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>399,349</b>	<b>33,990</b>	<b>82,650</b>	<b>1,958,414</b>	<b>7,490</b>	<b>2,481,893</b>
<b>Accumulated Depreciation</b>						
Opening Accumulated Depreciation	269,656	31,926	51,611	891,850	6,945	1,251,988
Depreciation charge during the year	48,436	364	8,038	276,096	171	333,105
Disposals	-	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	<b>318,092</b>	<b>32,290</b>	<b>59,649</b>	<b>1,167,946</b>	<b>7,116</b>	<b>1,585,093</b>
<b>Net Carrying Amount</b>	<b>81,257</b>	<b>1,700</b>	<b>23,001</b>	<b>790,468</b>	<b>374</b>	<b>896,800</b>

**Note 8 : Other Non-Financial Assets  
Unsecured, Considered Good**

Particulars	As at 31.03.2021	As at 31.03.2020
Prepaid Expenses	56,168	64,627
Advance recoverable in cash or in kind or for the value to be received	4,551	2,084
	<b>60,719</b>	<b>66,711</b>

**Note 9 : Derivative Financial Instrument**

Particulars	As at 31.03.2021	As at 31.03.2020
Derivatives Instruments	36,952,650	1,060,575
	<b>36,952,650</b>	<b>1,060,575</b>

**Note 10 : Trade Payable**

Particulars	As at 31.03.2021	As at 31.03.2020
Total Outstanding Dues to Micro, Small and Medium Enterprises	-	-
Total Outstanding Dues to other than Micro, Small and Medium Enterprises	377,006	127,076
	<b>377,006</b>	<b>127,076</b>

The Company had sought confirmation from the vendors whether they fall in the category of Micro, Small and Medium Enterprises. Based on the information available, the required disclosure for Micro, Small and Medium Enterprises under the above Act is given below :

Particulars	As at 31.03.2021	As at 31.03.2020
The principal amount remaining unpaid to any supplier as at the end of accounting year ;	-	-
interest due thereon remaining unpaid at the end of accounting year;	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

**Note 11 : Debt Securities  
(Unsecured)**

Particulars	As at 31.03.2021	As at 31.03.2020
Redeemable 9% Preference Shares *	-	915,730
<b>Loans and Advances repayable on Demand (Unsecured)</b>		
Loan from Directors	-	11,000
	-	<b>926,730</b>
Debt securities in India	-	<b>926,730</b>
Debt securities Outside India	-	-
	-	<b>926,730</b>

\* Preference Share would be redeemable at par at the end of 20 years from the date of allotment i.e 03.02.2001. These shares would carry a fixed non cumulative dividend of 9% p.a.

**Note 12 : Borrowing (Other than Debt Securities)  
(Unsecured)**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>(Unsecured)</b>		
Inter Corporate Deposits	277,354,732	427,063,619
	<b>277,354,732</b>	<b>427,063,619</b>
Borrowing in India	<b>277,354,732</b>	<b>427,063,619</b>
Borrowing Outside India	-	-
	<b>277,354,732</b>	<b>427,063,619</b>

**Note 13 : Other Financial liabilities**

Particulars	As at 31.03.2021	As at 31.03.2020
Payable to Broker	-	6,688,293
	-	<b>6,688,293</b>

**Note 14 : Provision**

Particulars	As at 31.03.2021	As at 31.03.2020
Gratuity	988,360	-
	<b>988,360</b>	-

**Note 15 : Other Non-Financial Liabilities**

Particulars	As at 31.03.2021	As at 31.03.2020
Statutory Dues Payable	3,290,940	1,229,338
	<b>3,290,940</b>	<b>1,229,338</b>

**Note 16 : Equity Share capital**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Authorised Capital</b>		
<b>Equity Share Capital</b>		
49,00,000 (P.Y. 49,00,000) Equity Shares of Rs.10 each	49,000,000	49,000,000
1,00,000 (P.Y. 1,00,000 and As At 01.04.2018 1,00,000)9% Non-Cumulative Redeemable Preference Shares of Rs 10 Each	1,000,000	1,000,000
<b>Issued, Subscribed and Fully Paid Up</b>		
45,05,700 (P.Y. 45,05,700) Equity Shares of Rs.10 each fully paid up	45,057,000	45,057,000
	<b>45,057,000</b>	<b>45,057,000</b>

**a) Reconciliation of shares outstanding at the beginning and at the end of the period**

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	No. of Shares	Amount (Rs.)	No. of Shares
<b>Equity Shares</b>				
At the beginning of the period	4,505,700	4,505,700	45,057,000	4,505,700
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>4,505,700</b>	<b>4,505,700</b>	<b>45,057,000</b>	<b>4,505,700</b>

**b) Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder 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.

**c) Details of Shareholders holding more than 5% shares in the company:**

Particulars	As at 31.03.2021		As at 31.03.2020	
	No.	% holding	No.	% holding
Mr Pramod P Shah	-	0.00%	1,304,600	28.95%
Mr Sandeep P Shah	1,677,000	37.22%	710,800	15.78%
Mrs Kalpana Shah	329,900	7.32%	151,500	3.36%
A & N Ventures Pvt. Ltd.	436,800	9.69%	436,800	9.69%
Shapoorji Pallonji & Company Pvt. Ltd.	254,400	5.65%	254,400	5.65%
Goswami Infratech Pvt. Ltd.	249,600	5.54%	249,600	5.54%
Galina Consultancy Services Pvt. Ltd.	249,600	5.54%	249,600	5.54%
Shapoorji Pallonji Finance Pvt. Ltd.	246,400	5.47%	246,400	5.47%
SPS Multi Commodity LLP	278,400	6.18%	238,400	5.29%

**Note 17 : Other Equity**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Security Premium</b>		
Balance at the beginning of the year	217,464,000	217,464,000
Add: received on Shares issued during the year	-	-
Balance as at the end of the period	<b>A</b> 217,464,000	217,464,000
<b>General Reserve</b>		
Balance at the beginning of the year	10,000	10,000
Add: received on Shares issued during the year	-	-
Balance as at the end of the period	<b>B</b> 10,000	10,000
<b>Statutory reserve</b>		
Balance at the beginning of the year	18,055,907	18,055,907
Add: Transferred from surplus in the statement of profit and loss	15,224,805	-
Balance as at the end of the period	<b>C</b> 33,280,713	18,055,907
<b>Equity Component of Liability Instrument</b>		
Balance at the beginning of the year	167,533	167,533
Add: Transfer within Equity	(167,533)	-
Balance as at the end of the period	<b>E</b> -	167,533
<b>Retained earnings</b>		
Balance at the beginning of the year	(18,271,848)	125,136,617
Add : Profit for the year	76,124,027	(143,408,465)
Add : Transfer within equity	167,533	-
Transfer to Statutory Reserve Fund- RBI 45IC	(15,224,805)	-
Balance as at the end of the period	<b>F</b> 42,794,906	(18,271,848)
<b>Total (A+B+C+D+E+F)</b>	<b>293,549,619</b>	<b>217,425,592</b>

**Note : Nature and purpose of reserve Statutory reserve**

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of Profit for the period is transferred to the fund for the year.

**Securities Premium**

This Reserve represents the premium on issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

**General Reserve**

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

**Retained earnings**

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

**Note 18 : Revenue from operations**

<b>Particulars</b>	<b>Year ended 31.03.2021</b>	<b>Year ended 31.03.2020</b>
<b>Interest Income</b>		
Interest on Stock Funding	33,120,396	36,577,828
Interest Inter Corporate Deopsit	3,910,293	-
Interest on IPO Funding	1,072,325	5,681,453
Interest on Other Loan	25,478,659	4,196,448
Interest on Education / Personal Loan	-	269,785
<b>Other</b>		
Legal & Other Charges Received	-	122,699
	<b>83,581,673</b>	<b>46,848,213</b>

**Note 19 : Other Income**

<b>Particulars</b>	<b>Year ended 31.03.2021</b>	<b>Year ended 31.03.2020</b>
Dividend on Shares	30,688	1,176,404
Profit on sale of Derivative	-	20,029,448
Interest on Bonds	459,534	26,374,343
Profit/(Loss) on sale of Shares	35,022,272	(15,824,712)
Profit on sale of Commercial Paper / Bond / SGL	34,894,522	1,101,092
Changes in fair Value of Bonds	-	750,647
Reversal of Provision against Standard Assets	-	240,002
Profit on sale of Mutual funds	1,477,573	412,746
Revaluation of Current Investment	77,681,449	-
	<b>149,566,037</b>	<b>34,259,971</b>

**Note 20 : Employee benefit expense**

<b>Particulars</b>	<b>Year ended 31.03.2021</b>	<b>Year ended 31.03.2020</b>
Director's Remuneration	1,160,900	1,163,400
Salaries and Employee Benefits	4,908,335	4,073,865
Gratuity Exp	988,360	-
Staff Welfare	63,640	36,525
	<b>7,121,235</b>	<b>5,273,790</b>

**Note 21 : Finance Costs**

<b>Particulars</b>	<b>Year ended 31.03.2021</b>	<b>Year ended 31.03.2020</b>
Interest on Loan	84,790,617	37,547,154
	<b>84,790,617</b>	<b>37,547,154</b>

**Note 22 : Other expenses**

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Demat Charges	22,369	18,460
Depository Charges	33,730	38,940
Donation	490,000	505,000
Audit Fees	88,500	88,500
Business Promotion Exp	100,410	49,459
Computer Expenses	26,876	27,113
Consultancy & Professional Charges	198,980	2,152,000
Conveyance	173,376	150,726
Processing Fees	3,398,356	-
Professional Tax	2,500	2,500
Printing and Stationery	15,882	51,444
Revaluation of Current Investments	-	178,256,730
Loss on sale of. Derivatives	47,946,727	-
Registrar & Transfer Agents Chgs	31,860	31,860
Provisions against Standard Assets	256,980	-
Rent	1,870,800	1,420,800
SLB Lending Fees	1,816,120	705,989
Miscellaneous Expenses	344,042	694,194
	<b>56,817,509</b>	<b>184,193,717</b>

**Payment to auditor includes :**

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Audit Fees	88,500	88,500
<b>Total</b>	<b>88,500</b>	<b>88,500</b>

**Note 23 : Earnings per equity share [Face Value of Re. 10 each (PY Re. 10 each)]**

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Weighted average number of shares outstanding during the period	4,505,700	4,505,700
Weighted average number of Potential Equity shares outstanding during the year	4,505,700	4,505,700
Total number of Potential Equity Share for calculating Diluted Earning Per share	4,505,700	4,505,700
<b>Net Profit \ (Loss) after tax available for equity shareholders</b>	76,124,027	(143,408,465)
<b>Basic Earning per share (in Rs.)</b>	16.90	(31.83)
<b>Diluted Earning per share (in Rs.)</b>	16.90	(31.83)

**Note 25: Disclosure regarding Related Party**

As required under Ind AS 24 "Related Party Disclosure" (Ind AS-24), following are details of transactions during the year with the related parties of the Company as defined in Ind AS 24:

**i. Key Management Personnel**

Name	Designation
Mr. Sandeep Shah	Director
Mr. Girish Jajoo	Director

ii. Associate Enterprise

SPS Share Brokers P. Ltd.

iii. Transactions during the year

Particulars	Nature of Transaction	Year ended 31st March, 2021	Year ended 31st March, 2020
SPS Share Brokers P. Ltd.	Brokerage Paid	352,221	2,207,559
	Transaction Charges Paid	1,712,789	2,921,938
	Rent Paid	70,800	70,800
	Demat Charges	22,369	18,460
Girish Jajoo	Directors Remuneration	1,163,400	1,163,400
Prmod Shah	Interest Paid	68,332	4,363,551
	Loans Received	65,000,000	471,000,000
	Loans Paid	65,000,000	471,000,000
Sandeep Shah	Interest Paid	31,764	-
	Loans Received	162,500,000	-
	Loans Paid	162,500,000	-

iv. Balance outstanding at the end of the year

Particulars	As at 31st March, 2021	As at 31st March, 2020
Prmod Shah	-	11,000
SPS Share Brokers P. Ltd.	70,620,993	6,688,294

**Note 26 : Segment Reporting**

The Company's operating segments are established on the basis of those components that are evaluated regularly by the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments', in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

**Information about Primary Business Segment**

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. The Company is engaged in NBFC activities during the year, consequently the Company does not have separate reportable business segment for the year ended March 31, 2021.

**Information about Secondary Geographical Segment**

The Company is engaged in providing services to customers located in India, consequently the Company does not have separate reportable geographical segment for the year ended March 31, 2021.

**Note 27 : CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maintain strong credit rating and healthy capital ratios in order to support its business and maximize the shareholder value.

Particulars	As at March 31, 2021	As at March 31, 2020
Gross debt (inclusive of long term and short term borrowing)	277,354,732	427,990,349
Less: Cash And Cash Equivalentents	3,789,860	6,535,712
Net debt	<b>273,564,872</b>	<b>421,454,637</b>
Equity	338,606,619	262,482,592
Total Capital	<b>612,171,491</b>	<b>683,937,229</b>
Gearing ratio	45%	62%

**Note 28: Fair Value Measurement****A. Accounting classification and fair values**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

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

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial Asset & Liabilities as at 31st March 2021	Refer note	Carrying Amount				Fair Value			
		FVTPL	FVT OCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>									
Cash and cash equivalents	2			3,789,860	3,789,860	3,789,860			3,789,860
Loans	3			351,079,131	351,079,131			351,079,131	351,079,131
Other Financial Asset	3a			90,546,060	90,546,060	90,546,060			90,546,060
Investment	4	174,209,861			174,209,861	174,209,861			174,209,861
<b>Total Financial Assets</b>		<b>174,209,861</b>	<b>-</b>	<b>445,415,051</b>	<b>619,624,912</b>	<b>268,545,781</b>	<b>-</b>	<b>351,079,131</b>	<b>619,624,912</b>
<b>Financial Liabilities:</b>									
Derivative Financial Instrument	9			36,952,650	36,952,650		36,952,650		36,952,650
Trade Payable	10			377,006	377,006			377,006	377,006
Debt Securities	11			-	-			-	-
Borrowing (Other than Debt Securities)	12			277,354,732	277,354,732			277,354,732	277,354,732
Other Financial liabilities	13			-	-			-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>314,684,388</b>	<b>314,684,388</b>	<b>-</b>	<b>36,952,650</b>	<b>277,731,738</b>	<b>314,684,388</b>

Financial Asset & Liabilities as at 31st March 2020	Refer note	Carrying Amount				Fair Value			
		FVTPL	FVT OCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>									
Cash and cash equivalents	2			6,535,712	6,535,712	6,535,712			6,535,712
Loans	3			248,544,256	248,544,256			248,544,256	248,544,256
Investment	4	418,076,574			418,076,574	418,076,574			418,076,574
<b>Total Financial Assets</b>		<b>418,076,574</b>	<b>-</b>	<b>255,079,968</b>	<b>673,156,542</b>	<b>424,612,286</b>	<b>-</b>	<b>248,544,256</b>	<b>673,156,542</b>
<b>Financial Liabilities:</b>									
Derivative Financial Instrument	9			1,060,575	1,060,575		1,060,575		1,060,575
Trade Payable	10			127,076	127,076			127,076	127,076
Debt Securities	11			926,730	926,730			926,730	926,730
Borrowing (Other than Debt Securities)	12			427,063,619	427,063,619			427,063,619	427,063,619
Other Financial liabilities	13			6,688,293	6,688,293			6,688,293	6,688,293
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>435,866,293</b>	<b>435,866,293</b>	<b>-</b>	<b>1,060,575</b>	<b>434,805,718</b>	<b>435,866,293</b>



**Note 30 : Financial risk management framework**

A wide range of risks may affect the Company's business and operational / financial performance. The risks that could have significant influence on the Company are market risk, credit risk and liquidity risk. The Company's Board of Directors reviews and sets out policies for managing these risks and monitors suitable actions taken by management to minimise potential adverse effects of such risks on the company's operational and financial performance.

**i. Credit risk**

Credit risk is the risk of financial loss to the Company that a customer or counter party to a financial instrument fails to meet its obligations. The Company is exposed to credit risk from its operating activities (primarily Loans receivables) and from its financing activities, including deposits with banks, mutual funds, financial institutions and other financial instruments.

The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at 31st March, 2021 and 31st March, 2020 is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets for which loss allowances is measured using 12 months Expected credit loss (ECL) Cash and cash equivalents	3,789,860	6,535,712
Financial assets for which loss allowances is measured using Life time Expected credit loss (ECL) Loans	351,079,131	248,544,256
<b>Total</b>	<b>354,868,991</b>	<b>255,079,968</b>

**ii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Company through effective fund management of the Company's short, medium and long-term funding and liquidity management requirements.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**A. Maturity profile of non-derivative financial liabilities**

31st March 2021	Upto 1 year	1-5 years	More than 5 years	Total
Trade Payable	377,006	-	-	377,006
Debt Securities	-	-	-	-
Borrowing (Other than Debt Securities)	172,354,732	105,000,000	-	277,354,732
Other Financial liabilities	-	-	-	-

31st March 2020	Upto 1 year	1-5 years	More than 5 years	Total
Trade Payable	127,076	-	-	127,076
Debt Securities	926,730	-	-	926,730
Borrowing (Other than Debt Securities)	427,063,619	-	-	427,063,619
Other Financial liabilities	6,688,294	-	-	6,688,294

**B. Maturity profile of derivative financial liabilities**

31st March 2021	Upto 1 year	1-5 years	More than 5 years	Total
<b>Gross Settled</b>				
Equity index / stock derivative	36,952,650			36,952,650

31st March 2020	Upto 1 year	1-5 years	More than 5 years	Total
<b>Gross Settled</b>				
Equity index / stock derivative	1,060,575			1,060,575

**iii. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

**A. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's total debt obligations with floating interest rates.

**B. Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk is limited since all significant transactions are in Indian Rupees.

**C. Other price risk**

The Company is not exposed to any other price risk.

**Note 31 : Defined Benefit Plans:****The Defined Benefit Plan is as below:****Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. It provides for lump sum payment to vested employees at retirement, on death while in employment or on termination of the employment in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Company's Scheme, as applicable. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable based on an actuarial valuation.

The plan typically exposes the Company to actuarial risks such as : interest rate risk, longevity risk and salary risk.

The most recent actuarial valuation of the present value of the defined obligation was carried out at 31st March 2021 by an independent actuary. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

**A. Principal actuarial assumptions used :****The principal assumptions used for the purposes of the actuarial valuation are as follows:**

Particulars	Gratuity as at
	31st March 2021
	Rs.
Discount Rate Current	6.49%
Salary Growth Report	10%
Withdrawal Rate	10%
Rate of Return on Plain Assets	NA

**B. Expenses Recognized in Statement of Profit & Loss**

Particulars	Gratuity as at
	31st March 2021
	Rs.
Service Cost	
Current Service Cost	988,360
Past Service Cost	-
Net Interest Cost	-
Total Included in " Employee Benefit Expenses"	988,360

**C. Expenses Recognized in Other Comprehensive Income**

Particulars	Gratuity as at
	31st March 2021
	Rs.
Components of Actuarial Gain/Losses or Obligations	
Actuarial (Gains )/ Losses on Obligation for the Periods-	

Due to Changes in demographic assumptions	-
Actuarial (Gain)/Losses on Obligation for the periods-	
Due to changes in financial assumption	-
Actuarial (Gain)/Losses on Obligation for the periods-	
Due to experience adjustment	-
Amount Recognized in Other Comprehensive Income	-

**D. Amounts to be recognized in Balance Sheet**

Particulars	Gratuity as at
	31st March 2021
	Rs.
Present Value of Defined Benefit Obligation as at the end of the year	-988,360
Recognized Under :	
Provisions	988,360
Present Value of Defined Benefit Obligation as at the end of the year	988,360

**E. Movement in Present Value of Defined Benefit Obligation**

Particulars	Gratuity as at
	31st March 2021
	Rs.
Opening defined benefit obligation	-
Current Service Cost	988,360
Interest Cost	-
Past Service Cost	-
Remeasurement (gains)/losses	-
Benefit Payable	-
Closing defined benefit obligation	988,360

**F. Maturity Profile of Defined Benefit Obligation**

Projected Benefits Payable in Future Years From the Date of Reporting	Gratuity as at
	31st March 2021
	Rs.
1st Following Year	56,634
2nd Following Year	116,850
3rd Following Year	56,561
4th Following Year	76,378
5th Following Year	77,988
Sum of Years 6 to 10	435,613
Sum of years 11 and above	932,925

**G. Sensitivity Analysis**

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumption in isolation. While each of these sensitivities holds all other assumption constant, in practice such assumption rarely change in isolation and the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the method and assumption used in the preparation of the Sensivity Analysis from previous year.

Projected Benefits Payable in Future Years From the Date of Reporting	As At
	31st March 2021
	Rs.
Projected Benefit Obligation on Current Assumptions	Gratuity
Impact of + 1 % Change in Rate of Discounting	-69,678
Impact of - 1 % Change in Rate of Discounting	78,910
Impact of + 1 % Change in Rate of Discounting	75,505
Impact of - 1 % Change in Rate of Discounting	-68,167
Impact of + 1 % Change in Rate of Discounting	-22,382
Impact of - 1 % Change in Rate of Discounting	24,205

**H . Other Disclosures**

a) The weighted average duration of the obligations as at 31/3/2021 is 9 years

b) The company expects to contribute Rs Nil t the plan during Financial Year 21-22

**Note 32: Disclosure as required by Para 13 of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.**

	Liabilities Side:	Amount Outstanding	Amount Overdue
1	Loans and Advances availed by the non banking financial company inclusive of interest accrued there on but not paid: (a) Debentures: Secured Unsecured Loan (Other than Falling within the meaning of Public Deposit) (b) Deferred Credits (Asset) (c) Term Loans (d) Inter-corporate Loans and borrowing (e) Commercial Paper (f) Other Loans (specify nature) Unsecured Loan from Member * Please see Note 1 below	Rs. Nil    Rs. Nil Rs. Nil Rs. 277,354,732 Rs. Nil Rs. Nil Rs. Nil	Rs. Nil    Rs. Nil Rs. Nil Rs. Nil Rs. Nil Rs. Nil
	<b>ASSET SIDE:</b>		
2	Break-up of Loans & Advances Including Bills Receivable (other than those included in (4) below): (a) Secured (b) Unsecured	Rs. 25,31,39,029/- Rs. 9,88,20,000/-	
3	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities: (i) Lease assets including lease rentals under sundry debtors: (a) Financial Lease (b) Operating Lease (ii) Stock on hire including hire charges under sundry debtors: (a) Asset on Hire (b) Repossessed Assets (iii) Other loans counting towards AFC activities: a. Loans where assets have been repossessed b. Loans other than (a) above	Rs. Nil Rs. Nil  Rs. Nil Rs. Nil  Rs. Nil Rs. Nil	



7	Other Information:	
	Particulars	Amount
	(i) Gross Non-Performing Assets	
	(a) Related parties	Rs. Nil
	(b) Other than related parties	Rs. Nil
(ii) Net Non-Performing Assets		
(a) Related Parties	Rs. Nil	
(b) Other than related Parties	Rs. Nil	
(iii) Assets acquired in satisfaction of debts		
		Rs. Nil

## Notes:

- As defined in paragraph 2(1)(Xii) of the Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Direction, 1998
- Provisioning norms shall be applicable as prescribed in Non Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007
- All Accounting Standard and Guidance Notes issued by ICAI are applicable including for valuation of Investments and other assets as also assets acquired in satisfaction of debt. However, Market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

**Note 33 :** The previous year's figures have been recast / restated, wherever necessary, to conform to the current year's classification.

As per our attached report of even date

**For and on behalf of  
Kochar & Associates**  
Chartered Accountants FRN 105256W

Sd/-

**CA. Piyush Kochar**  
Partner  
M. No. 106049  
UDIN 20106049AAACB8312  
Place : Mumbai 25/06/2021

**For and on behalf of the  
Board  
SPS Finquest Limited**

Sd/-

**Sandeep Shah**  
Director  
DIN No. 00368350

Sd/-

**Girish Jajoo**  
Managing Director  
DIN No.03108620

**Place : Mumbai 25/06/2021**

**ATTENDANCE SLIP**

**SPS FINQUEST LIMITED**

(L67120MH1996PLC098051)

Registered Office:- Room No-514, 5<sup>th</sup> Floor, Rotunda Building, B.S. Marg, Fort, Mumbai- 400 001.  
(Please fill attendance slip and hand it over at the entrance of the Meeting Hall)

Name of the Shareholder:

Folio No./DP ID-Client ID

Address of the Shareholder:

No. of Shares

I hereby record my presence at the Twenty-fourth Annual General Meeting of the Company held on Tuesday, the 28<sup>th</sup> September, 2021 at 11:00 A.M. at Room No-514, 5<sup>th</sup> Floor, Rotunda Building, B.S. Marg, Fort, Mumbai – 400 001.

Signature of the Shareholder/Proxy/Representative\*

\*\* For e-voting, please refer point no.12 in the notes of the notice

-----tear here-----

**PROXY FORM**  
(Form No. MGT-11)

SPS FINQUEST LIMITED

U67120MH1996PLC098051

Registered Office:- Room No-514, 5<sup>th</sup> Floor, Rotunda Building, B.S.Marg, Fort, Mumbai- 400 001.

Name of the Member(s) and Registered Address	DP id/ Client id/ Folio no.
	Email ID:

I/We being the Member/Members of SPS FINQUEST LIMITED, holding \_\_\_\_\_ shares, hereby appoint:

\_\_\_\_\_ Of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him

\_\_\_\_\_ Of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him

\_\_\_\_\_ Of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25<sup>th</sup> ANNUAL GENERAL MEETING of the Company, to be held on Tuesday, the 28<sup>th</sup> September, 2021 at 11 :00 a.m. at Room No-514, 5<sup>th</sup> Floor, Rotunda Building, B.S. Marg, Fort, Mumbai – 400 001. and at any adjournment thereof in respect of such resolutions as are indicated in the notice.

-----tear here-----

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors		
2. Reappointment of Mr. Sandeep P. Shah who retires by rotation		

Signed 28<sup>th</sup> day of September 2021

\_\_\_\_\_  
Signature of first Proxy

\_\_\_\_\_  
Signature of second Proxy

\_\_\_\_\_  
Signature of third Proxy

Notes:

**1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**

**2. A Proxy need not be a member of the Company.**

3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

\*\*4. This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

6. In the case of joint holders, the signature of anyone holder will be sufficient, but names of all the joint holders should be stated.



# SPS Finquest Limited

Room No-514, 5<sup>th</sup> Floor, Rotunda Building, B.S. Marg, Fort, Mumbai – 400 001.

