S P CAPITAL FINANCING LTD

"The Ruby", 5SC, 5th Floor, South Wing, Level 8th, JK Sawant Marg, Dadar west, Mumbai- 400 028.
Tel. 40372424/22824945/22834051 Fax No. 22844052
CIN: L74140MH1983PLC029494, Scrip Code: 530289
Website: www.spcapital.in, Email Id: spcapitalfin@gmail.com

06th September, 2023

To,
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Scrip Code: 530289

Sub: Annual Report for the Financial year 2022-23

Dear Sir / Madam,

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), please find enclosed herewith Annual Report of the Company for the Financial Year 2022-2023 along with the Notice of the 40th Annual General Meeting (AGM) scheduled to be held on **Saturday, 30th September, 2023 at 03:00 PM** through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM').

The Annual Report is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrars and Transfer Agent/Depositories.

The Notice of 40th AGM of the Company along with Annual Report is also available on the website of the Company at www.spcapital.in

Kindly take the same on record.

Thanking you,
Yours faithfully,

For S P CAPITAL FINANCING LTD

PRATIK JITENDRA TIRLOTKAR
Digitally signed by PRATIK JITENDRA TIRLOTKAR
Date: 2023.09.06 17:08:17 +05'30'

Pratik Tirlotkar
Company Secretary & Compliance Officer
ACS No.: 70908

Encl: as above

S P CAPITAL FINANCING LIMITED

ANNUAL REPORT
FY 2022-23

INDEX	Page No
Notice of Annual General Meeting	4
Board's Report	23
Management Discussion and Analysis	38
Auditors' Report (Standalone)	46
Standalone Accounts	55
Notes to Financial Statement	59
Auditors Report (Consolidated)	96
Consolidated Accounts	108
Notes to Financial Statement	112

Board of Directors

Mr. Sureshchand Premchand Jain
Chairman and Managing Director

Mrs. Meena Sureshchand Jain
Director

Mr. Rajendra Ladakchand Jain
Independent Director

Mr. Baldev Lakhmichand Boolani
Independent Director

Chief Financial Officer
Mr. Sandeep Sakharam Gopale

Company Secretary & Compliance Officer
Ms. Simran Kashela
(From 22nd March, 2022 up to 07th January, 2023)

Ms. Sonal Naik
(w.e.f. 27th January, 2023)
(Resigned w.e.f. 12th July, 2023)

Mr. Pratik Jitendra Tirlotkar
(Appointed w.e.f. 18th July, 2023)

Secretarial Auditor
M/s. Sherlyn Rebello & Associates
Practicing Company Secretaries
Mumbai

Statutory Auditor
M/s. JMT & Associates
Chartered Accountants,
Mumbai

Bankers
Central Bank of India
HDFC Bank Ltd
RBL Bank Ltd

Registered Office
The Ruby, 5SC, 5th Floor, South Wing, Level 8th,
JK Sawant Marg, Dadar west- 400 028,
Mumbai, Maharashtra, India
CIN: L74140MH1983PLC029494
Tel- 022 4037 2415/29
Email Id: spcapitalfin@gmail.com

Registrar and Share Transfer Agent
Bigshare Services Pvt. Ltd.
Office No. S6-2, 6th Floor Pinnacle Business Park, Next to Ahura
Centre, Mahakali Caves Road, Andheri (East) - 400093, Mumbai.
Tel No.-022 62638295
www.bigshareonline.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 40TH (FOURTIETH) ANNUAL GENERAL MEETING OF THE MEMBERS OF S P CAPITAL FINANCING LTD WILL BE HELD ON SATURDAY, 30TH SEPTEMBER, 2023 AT 3:00 P.M. INDIAN STANDARD TIME ("IST") THROUGH BY MEANS OF VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. **Adoption of Audited Standalone and Consolidated Financial Statements**

To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2023 together with the Reports of the Directors' and the Auditor's thereon and other reports.

2. **To declare final dividend for the Financial Year ended 31st March, 2023**

To declare final dividend of ₹ 1/- (Rupees One Only) per equity share of ₹ 10/-(Rupees Ten Only) each, for the Financial Year ended 31st March, 2023.

3. **To approve re-appointment of Director liable to retire by rotation**

To appoint a director in place of Mrs. Meena Sureshchand Jain (DIN: 00004413) as Director who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. **To approve re-classification of Authorised Share Capital of the Company and in this regard**

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

"RESOLVED THAT pursuant to the provisions of Sections 13, 61 and 64 of the Companies Act, 2013 and any other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, (including any statutory modification(s) thereto or re-enactment(s) thereof for the time being in force) and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded for re-classification of the Authorised Share Capital of the Company under Clause V of the Memorandum of Association the Company as mentioned below:

From Rs.12,10,00,000/- (Rupees Twelve Crores Ten Lakhs Only) divided into 1,21,00,000 (One Crore Twenty One Lakhs) equity shares of Rs.10/- (Rupees Ten Only) each;

To Rs.6,60,00,000/- (Rupees Six Crores Sixty Lakhs Only) divided into 66,00,000 (Sixty Six Lakhs Only) equity shares of Rs.10/- (Rupees Ten Only) each and Rs.5,50,00,000/- (Rupees Five Crores Fifty Lakhs Only) divided into 5,50,000 (Five Lakhs Fifty Thousands) Preference shares of Rs.100/- (Rupees One Hundred Only) each.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

V. The Authorised Share Capital of the Company is Rs.12,10,00,000/- (Rupees Twelve Crores Ten Lakhs Only) comprising of Rs.6,60,00,000/- (Rupees Six Crores Sixty Lakhs Only) divided into 66,00,000 (Sixty Six Lakhs) equity shares of Rs.10/- (Rupees Ten Only) each and Rs.5,50,00,000/- (Rupees Five Crores Fifty Lakhs Only) divided into 5,50,000 (Five Lakhs Fifty Thousands) Preference shares of Rs.100/- (Rupees Hundred Only) each with the rights, privileges and conditions attached thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be provided by the Articles of Association of the Company and the Companies Act, 2013."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised on behalf of the Company to do all such acts, deeds and things as may be required or considered necessary or incidental thereto to give effect to the foregoing resolutions."

5. To approve increased in Authorised Share Capital of the Company and in this regard

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

"RESOLVED THAT pursuant to the provisions of section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statuary modification or re-enactment thereof for the time being in force) and Articles of Association, the consent of the members be and is hereby accorded to increase the authorized share capital of the company from Rs.6,60,00,000/- (Rupees Six Crores Sixty Lakhs Only) divided into 66,00,000 (Sixty Six Lakhs) equity shares of Rs.10/- (Rupees Ten Only) each and Rs.5,50,00,000/- (Rupees Five Crores Fifty Lakhs Only) divided into 5,50,000 (Five Lakhs Fifty Thousands) of Preference shares of Rs.100/- (Rupees Hundred Only) each to Rs.36,60,00,000 (Rupees Thirty Six Crores Sixty Lakhs Only) comprising Rs.6,60,00,000 divided into 66,00,000 equity shares (Six Crores Sixty Lakhs Only) equity shares of Rs.10/- (Rupees Ten Only) and Rs.30,00,00,000(Thirty Crores Only) divided into 30,00,000 Preference shares Preference shares of Rs.100/- (Rupees Hundred Only) each.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised on behalf of the Company to do all such acts, deeds and things as may be required or considered necessary or incidental thereto to give effect to the foregoing resolutions including filing of e-form with ROC."

6. To approve Alteration of Memorandum of Association of the Company consequent to the above resolutions

Consequent upon passing the above two resolutions, to consider passing the following resolution as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 13 of the Companies Act, 2013 and any other applicable provisions, including any statutory modification(s) thereto or re-enactment(s) thereof for the time being in force read with rules framed thereunder and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to alter Memorandum of Association consequent to above resolution and the existing Clause V of the Memorandum of Association of the Company be and is hereby altered by deleting the same and substituting in its place the following as new Clause V:

V. The Authorised Share capital of the Company is Rs.36,60,00,000 (Rupees Thirty Six Crores Sixty Lakhs Only) divided into 66,00,000 (Sixty Six Lakhs) equity shares of Rs.10/- (Rupees Ten Only) each and 30,00,000 Preference shares of Rs.100/- (Rupees Hundred Only) each.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised on behalf of the Company to do all such acts, deeds and things as may be required or considered necessary or incidental thereto to give effect to the foregoing resolutions including filing of e-form with ROC."

7. Issue of 5% Non-Cumulative Redeemable Preference shares on Private Placement basis in this regard

to consider and if thought fit, to pass with or without modification, the following resolution as **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Rules framed there under, as may be amended from time to time, and the Articles of Association of the Company and any other SEBI regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the members of the Company be and is hereby accorded to the Board to offer or invite to subscribe, issue and allot up to 30,00,000 (Thirty Lakhs only) 5% Non-Cumulative Redeemable Preference Shares of the Company, of the face value of Rs.100 each, on such terms and conditions, for an aggregate value not exceeding Rs.30,00,00,000 (Rupees Thirty Crores Only) in one or more tranches, from time to time, as may be decided by the Board under this offer, at par or otherwise on a private placement basis to the Promoter/Promoter Group of the Company and on such terms and conditions as, as may be decided by the Board;

RESOLVED FURTHER THAT the said Preference shares shall not be listed with any Stock Exchange.

RESOLVED FURTHER THAT in accordance with the provisions of Section 55 of the Act and the Companies (Share Capital and Debentures) Rules, 2014, the terms of issue of NCRPS are as follows:

(i) the priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares:-
The said preference shares shall rank for dividend (if declared by the Company) in priority to the Equity Shares of the Company for the time being of the Company;

(ii) the participation in surplus fund:-
The said preference shares shall not participate in surplus fund;

(iii) the payment of dividend on cumulative or non-cumulative basis:-
Holder of said preference shares shall be paid dividend on a non-cumulative basis;

(iv) the conversion of preference shares into equity shares:-
The said preference shares shall not be convertible into equity shares;

(v) the voting rights: The said preference shares shall not carry any voting rights except as provided under Section 47(2) of the Companies Act, 2013 in respect of preference shares;

(vi) the redemption of preference shares:-
The said preference shares shall be redeemable at par.

(vii) The said Preference shares shall be redeemable, at par, at any time within a period not exceeding 10 years from the date of allotment as per the provisions of the Companies Act, 2013.

(viii) The Board be and is hereby authorized to decide and approve the other terms and conditions of this issue, and shall also be entitled to vary, modify or alter any of the terms and conditions, as it may deem expedient, subject however to compliance with the Act, the Listing Regulations, applicable SEBI Regulations and other applicable laws.

"**RESOLVED FURTHER THAT** pursuant to the provisions of the Companies Act, 2013 and other applicable laws, the Board be and is hereby authorized to decide, approve, vary, modify and alter the terms and conditions of the issue of the Shares including the number of shares to be offered to each of the Identified Persons, as it may, in its sole and absolute discretion deem fit within their scope of approval of shareholders, and expedient and to make an offer to the Identified Persons through Private Placement Offer Letter cum Application Form (in Form PAS-4 as prescribed under the Companies Act, 2013), without being required to seek any further consent or approval of the members.

RESOLVED FURTHER THAT pursuant to the applicable provisions of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to record the name and details of the Identified Persons to whom private placement offer letter is circulated in Form PAS-5 and issue a Private Placement Offer Letter cum Application Form in Form PAS-4, to those persons inviting them to subscribe to the Preference Shares in accordance with the provisions of the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to agree and to make such modification (s) and alteration (s) from time to time as it deems fit and to take all such steps as it may deem necessary, desirable or expedient including issuance of 'Offer Document' as may be prescribed under the Act and the Rules made thereunder and to do all acts, deeds and things and execute all such deeds, documents, writings, in connection therewith and incidental thereto and the Board in its absolute discretion without being required to seek any fresh approval of the members of the Company and the decision of the Board shall be final and conclusive and also to pay such fees and incur such expenses in relation thereto as it may deem appropriate."

8. **Adopt new set of Articles of Association under Companies Act, 2013** in this regard to consider and if thought fit, to pass, the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14, or any other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, (including any statuary modification or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to substitute the existing Articles of Association of the Company with the a new set of Articles of Association as per the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT any Director of the Company, be and is hereby authorised to file and sign such form on behalf of the Company to do all such acts, deeds and things as may be required or considered necessary or incidental thereto to give effect to the foregoing resolutions."

On behalf of Board of Directors
S P CAPITAL FINANCING LTD

Date:01st September,2023
Place: Mumbai

Sd/-
Pratik Tirlotkar
Company Secretary & Compliance Officer
Membership No.: 70908

Registered office:
The Ruby, 5SC, 5th Floor, South Wing,
Level 8th JK Sawant Marg, Dadar West-400 028,
Mumbai, Maharashtra.
CIN: L74140MH1983PLC029494
Website: www.spcapital.in
Email: spcapitalfin@gmail.com

NOTES:

1. In view of the COVID-19 pandemic, Ministry of Corporate Affairs has vide General Circular no. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 08, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 02/2022 dated May 05, 2022 and General Circular No. 10/2022 dated December 28, 2022 (collectively referred to as

"MCA Circulars") and the Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the "Companies Act" or the "Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM. National Securities Depositories Limited ('NSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC/ OAVM facility and e-voting during the AGM. The registered office of the Company shall be deemed to be the venue of the AGM. The procedure for participating in the meeting through VC/ OAVM is explained at Note No. 8 below and is also available on the website of the Company at www.spcapital.in

2. As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

3. An explanatory statement pursuant to Section 102 (1) of the Companies Act with respect to Item No. 4 to 8 and relevant details under Regulation 36(5) of the SEBI Listing Regulations with respect to Item No. 3 of the notice set out above is annexed hereto.

4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent by email through its registered email address to cs@spcapital.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

5. In accordance with the aforesaid MCA Circulars and SEBI Circulars, the financial statements including Report of Board of Directors, Auditor's report or other documents required to be attached therewith and the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depositories/Depository Participant(s). In case any member is desirous of obtaining physical copy of the Annual Report for the financial year 2022-23, he/she may send a request to the Company by writing at cs@spcapital.in mentioning their Folio No./DP ID and Client ID. The registered office of the Company shall be deemed to be the venue for the AGM. The Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. **Process for registration of email id for obtaining Annual Report and user id/password for e-voting:**

    i. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Registrar and Transfer Agents of the Company Bigshare Services Private Limited at bhagwan@bigshareonline.com along with the copy of the signed request letter mentioning the name and address of the Member, scanned copy of the share certificate (front and back), self-attested copy of the PAN card, and self-attested copy of any document (e.g.: Driving License, Election Identity Card, Passport) in support of the address of the Member.

    ii. Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participants.

    iii. In case of any queries / difficulties in registering the e-mail address, Members may write to bhagwan@bigshareonline.com (RTA email).

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

7. The Notice of AGM along with Annual Report for the financial year 2022-23, is available on the website of the Company at cs@spcapital.in , on the website of BSE Limited and on the website of NSDL at www.evoting.nsdl.com.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.

9. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period commences on Wednesday, September 27, 2023 (9:00 a.m. IST) and ends on Friday, September 29, 2023 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Saturday, September 23, 2023 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

10. The Board of Directors has appointed Mr. Martinho Ferrao, Practicing Company Secretary (Membership No.6221 and C.P. No. 5676) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
11. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

12. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

13. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on **Wednesday, September 27, 2023 at 09:00 A.M. and ends on Friday, September 29, 2023 at 05:00 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. Saturday, September 23, 2023 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 Saturday, September 23, 2023.

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 and joining virtual meeting 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.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** 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 **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 3. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the

	QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
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 or joining virtual meeting & voting during the meeting.

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

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. 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 evoting@nsdl.co.in or call at: 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.1800 22 55 33

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

<u>How to Log-in to NSDL e-Voting website?</u>

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 :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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 user 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.
   b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on 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 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 and join General Meeting on NSDL e-Voting system

How to cast your vote electronically and join General Meeting 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 and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. 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.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. 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 Jinesh@csjdedhia.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.

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 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 or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Amit Vishal, Senior Manager or Ms. Pallavi Mhatre - Manager from NSDL at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories 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 cs@spcapital.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 cs@spcapital.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 and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to 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.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company

will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@spcapital.in.The same will be replied by the company suitably.

6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at cs@spcapital.in from September 21, 2023 to September 27, 2023. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other information:

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or Director or a person authorised by him in writing, who shall countersign the same.

2. The results of the electronic voting shall be declared to the Stock Exchange on or before 02nd October, 2023. The results along with the Scrutinizer's Report shall also be placed on the website of the Company at www.spcapital.in and on the website of NSDL https://www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to the BSE Limited, where the shares of the Company are listed.
3. All the documents referred to in the accompanying Notice shall be available for inspection through electronic mode, upon the request being sent on cs@spcapital.in

4. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company on or before September 26, 2023 through email on cs@spcapital.in The same will be replied by the Company suitably.

5. The details as stipulated under Regulation 36(3) of SEBI Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India, in respect of the director seeking re-appointment under Item Nos. 3 of this Notice, is annexed.

6. As per the provisions of Section 72 of the Act, and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with Registrar and Share Transfer Agent i.e. Link Intime India Private Limited. In respect of shares held in dematerialize form; the nomination may be filed with the respective Depository Participants.

7. **NOTE TO SHAREHOLDERS:**

   We hereby inform that SEBI vide its Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 has mandated:

a. Furnishing of PAN, email address, mobile number, bank account details, signature and nomination by holders of physical securities.
b. Freezing of folios in cases where PAN is not linked with Aadhaar by March 31, 2022 (or any other date as may be specified by the Central Board of Direct Taxes).
c. Folios wherein any one of the said document(s)/detail(s) are not available on or after April 1, 2023, shall be frozen. Such shareholders shall not be eligible to lodge grievance(s) or avail service request(s) from the RTA and shall not be eligible for receipt of dividend in physical mode.
d. After December 31, 2025, the frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

Further, in compliance to the SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, if the service requests are received by RTA (like Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal/Exchange, Endorsement, Sub-division/Splitting, Consolidation of securities certificates/folios, Transmission and Transposition of securities) from those shareholders whose details, as mentioned in SEBI Circular dated November 3, 2021, are duly updated in the system, the RTA/Company shall verify and process the service requests and issue a ‘Letter of confirmation’ in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any, which shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/ claimant shall make a request to the Depository Participant for dematerializing the said securities.

By Order of the Board of Directors
S P CAPITAL FINANCING LTD

Date:**01st September,2023** **Sd/-**
Place: **Mumbai** **Pratik Tirlotkar**
Company Secretary & Compliance Officer
Membership No.: 70908

Annexed to the Notice of AGM

Explanatory Statement pursuant to provisions of Section 102 (1) of Companies Act, 2013

Item no.04-

The current Authorised Share Capital of the Company is Rs.12,10,00,000/- (Rupees Twelve Crores Ten Lakhs Only) divided into 1,21,00,000 (One Crore Twenty One Lakhs) equity shares of Rs.10/- (Rupees Ten Only) each.

The Board of Director at its meeting held on 01st September, 2023, considered and approved the re-classification of Authorised Share Capital of the Company of Rs.6,60,00,000 (Rupees Six Crores Sixty Lakhs) divided into 66,00,000 (Sixty Six Lakhs Only) equity shares of Rs.10 (Rupees Ten Only) each and Rs.5,50,00,000 (Rupees Five Crores Fifty Lakhs Only) divided into 5,50,000 (Five Lakhs Fifty Thousands) of Preference shares of Rs.100 (Rupees Hundred Only) each.

In terms of Clause 7 & 8 of the Articles of Association of the Company permits the Company to the Company to alter its Authorised Share Capital in accordance with Section 61(1) of the Act, subject to the approval of the Members of the Company by Special Resolution.

In order to alter the Authorised Share Capital of the Company, the Memorandum of Association of the Company will also undergo a change in terms of Section 13 of the Act, subject to the approval of the members by way of Special Resolution.

The Board commends the passing of the resolution set out at Item no.4 for the approval of members of the Company by Special Resolution.

Nature of concern or interest of Directors

None of the directors and/or key managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the above Resolution except their shareholding.

Item no.05-

The current authorised share capital of the Company is Rs.12,10,00,000/- (Rupees Twelve Crores Ten Lakhs only) divided into 1,21,00,000 equity shares of Rs.10/- (Rupees Ten Only) each.

In order to meet its business objectives, it is proposed to infuse the funds for the requirements of the Company by increasing authorised share capital by Rs.24,50,00,000 (Rupees Twenty Four Lakhs Fifty Thousand Only) which totalling to Rs.36,60,00,000 (Rupees Thirty Six Crores Sixty Lakhs Only) divided into 66,00,000 equity shares of Rs.10/- (Rupees Ten Only) and 30,00,000 Preference shares of Rs.100/- (Rupees Hundred Only) each.

Further, pursuant to the provisions of Section 13 & 61 of the Companies Act, 2013, approval of the Members is required for increasing the Authorised Share Capital of the Company.

Accordingly, the Board recommends the resolutions set out at Item No.5 seeking approval of the Members for increasing the Authorised Share Capital of the Company and consequential amendment to the Memorandum of Association of the Company.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise in the said resolutions except to the extent of their shareholding in the Company, if any.

The Board commends the passing of the resolution set out at Item no. 5 for the approval of members of the Company by Special Resolution.

Nature of concern or interest of Directors

None of the directors and/or key managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the above Resolution except their shareholding.

Item no.06-

An increase in the Authorised share capital and re-classification of Authorised share capital of the Company requires an alteration to the Capital clause i.e. Clause V of the Memorandum of Association of the Company.

Pursuant to the provisions of Section 13 of the Companies Act, 2013, an alteration to the Memorandum of Association would require member's approval.

Existing Clause V of the Memorandum of Association of the Company be and is hereby altered by deleting the same and substituting in its place the following as new Clause V:

V. The Authorised Share capital of the Company is Rs.36,60,00,000 (Rupees Thirty Six Crores Sixty Lakhs Only) divided into 66,00,000 (Sixty Six Lakhs Only) equity shares of Rs.10/- (Rupees Ten Only) each and 30,00,000 Preference shares of Rs.100/- (Rupees Hundred Only) each.

The Board commends the passing of the resolution set out at Item no. 6 for the approval of members of the Company by Special Resolution.

Nature of concern or interest of Directors

None of the directors and/or key managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the above Resolution except their shareholding.

Item no.07-

The Board had, at its meeting held on 01st September, 2023, approved the proposal to offer and allot 30,00,000 (Thirty Lakhs Only) 5% Non-Cumulative Redeemable Preference Shares of face value of Rs.100/- each aggregating to Rs.30,00,00,000/- (Rupees Thirty Crores Only), on private placement basis to Pride Hotels Limited, for cash as follows:

In terms of the provisions of Section 62, 42, 55 and other applicable provisions, if any, of the Companies Act, 2013, and Rules framed thereunder including Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014, as amended and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, any Private Placement allotment of securities is required to be approved by the Members of the Company by way of a Special Resolution.

Hence, the consent of the Members is being sought by a special resolution to enable the issue of 5% Non-Cumulative Redeemable Preference Shares as may be permitted under applicable laws to the Pride Hotels Limited in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder, and any other applicable laws.

A statement of disclosures as required under Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 are as under:-

Particulars	**Details**
the size of the issue and number of preference shares to be issued and nominal value of each share	30,00,000 5% Non-Cumulative Redeemable Preference Shares of face value of Rs.100/- each aggregating to Rs.30,00,00,000/- (Rupees Thirty Crores Only).
Nature of Shares	Non-Cumulative Redeemable Preference Shares
The objectives of the issue;	To meet the funding requirements arising out of the aggressive growth plans of the Company in

	the coming years.
The manner of Issue of shares	30,00,000 5% Non-Cumulative Redeemable Preference Shares of face value of Rs.100/- each is proposed to be issued on private placement basis
the price at which such shares are proposed to be issued	The proposed issue of 5% Non-Cumulative Redeemable Preference Shares of face value of Rs.100/- at an issue price of Rs.100 per share.
the basis on which the price has been arrived at	Issued at par
the terms of issue, including terms and rate of dividend on each share, etc.	Rate of dividend:- 5% on Non-Cumulative basis
the terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	Redeemable at par in accordance with Section 55 of the Companies Act, 2013 out of profits available for distribution as dividend or out of fresh issue of shares made for the purpose of redemption.
the manner and modes of redemption	The proposed preference shares shall be redeemed in accordance with the provisions of Companies Act, 2013 read with relevant rules as amended from time to time.
the current shareholding pattern of the company	Please refer shareholding Pattern given below.
the expected dilution in equity share capital upon conversion of preference shares	Not applicable as Company has issued Non-Cumulative Redeemable Preference Shares and not convertible.

A statement of disclosures as required under Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are as under:

particulars of the offer including date of passing of Board resolution	01st September, 2023
kinds of securities offered and the price at which security is being offered	5% Non-Cumulative Redeemable Preference Shares of face value of Rs.100/- each is proposed to be issued on private placement basis
basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Issued at par
name and address of valuer who performed valuation	Not Applicable since the Preference Shares issue under consideration are Redeemable
amount which the company intends to raise by way of such securities	Rs.30,00,00,000 (Rupees Thirty Crores Only)
proposed time schedule	Within 3 months
Principle terms of assets charged as securities	Not applicable
Rate of Dividend	5% on Non-Cumulative basis
Listing	Non-Cumulative Redeemable Preference Shares will not be listed at any Stock Exchange

<u>The pre issue and post issue shareholding pattern of the company:</u>

<u>Equity shares:</u>

Sr.No.	**Category**	**Pre-issue**		**Post-issue**	
		No. of equity shares	**% of holding**	**No. of equity shares**	**% of holding**
A	**Promoters' holding**				
1	**Indian**				

S P CAPITAL FINANCING LTD

	Individual	25,74,400	42.82	25,74,400	42.82
	Bodies Corporate	15,92,800	26.49	15,92,800	26.49
	Sub total	41,67,200	69.31	41,67,200	69.31
2	Foreign Promoters	--	--	--	--
	Sub-total (A)	41,67,200	69.31	41,67,200	69.31
B	**Non Promoters' holding**				
1	Institutional Investors	--	--	--	--
2	Non-institution	--	--	--	--
	Private corporate bodies	14,318	0.24	14,318	0.24
	Directors and relatives	--	--	--	--
	Indian public	17,15,962	28.54	17,15,962	17,15,962
	others (including NRIs)	1,14,720	1.91	1,14,720	1,14,720
	Sub-total (B)	**--**	**--**	**--**	**--**
C	**GRAND TOTAL**	**60,12,200**	**100.00**	**60,12,200**	**100.00**

***Preference Shares (Non-Cumulative Redeemable)**

Sr.No.	**Category**	**Pre-issue**		**Post-issue**	
		No. of Preference shares	**% of holding**	**No. of Preference shares**	**% of holding**
A	**Promoters' holding**				
1	**Indian**				
	Individual	--	--	--	--
	Bodies Corporate	--	--	30,00,000	100
	Sub total	--	--	30,00,000	100
2	Foreign Promoters	-	-	-	-
	Sub-total (A)	--	--	30,00,000	100
B	**Non Promoters' holding**				
1	Institutional Investors	--	--	--	--
2	Non-institution	--	--	--	--
	Private corporate bodies	--	--	--	--
	Directors and relatives	--	--	--	--
	Indian public	--	--	--	--
	others (including NRIs)	--	--	--	--
	Sub-total (B)	**--**	**--**	**--**	**--**
C	**GRAND TOTAL**	**--**	**--**	**30,00,000**	**100**

This special resolution passed pursuant to sub-rule (2)(b) shall be valid for a period of twelve months from the date of passing of the such resolution.

Nature of concern or interest of Directors

None of the Directors and Key Managerial Personnel of the Company, including their respective relatives, is concerned or interested, financially or otherwise, in the foregoing resolution except to Mr.Sureshchand Premchand Jain and Mrs. Meena Jain.

The Board commends the passing of the resolution set out at Item no. 7 for the approval of members of the Company by a Special Resolution.

Item no.08-

The existing Articles of Association (AOA) are based on the Companies Act, 1956 (the erstwhile act) and several regulations in the existing AOA contained references to specific sections of the erstwhile Act and some regulations in the existing AOA are no longer in conformity with the Companies Act, 2013 (the new act).

While the coming into force of the new Act, several regulations of the existing AOA of the Company require alteration or deletion. Accordingly, it is proposed to replace the entire existing AOA by set of new Articles.

The new AOA to be substituted in place of existing AOA are based on Table F of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

A copy of the proposed set of new Articles of Associations of the Company would be available for inspection at the registered office of the Company during the business hours on any working day between 11 AM to 1.30 PM up to the date of Annual General Meeting.

The Board commends the passing of the resolution set out at Item no. 8 for the approval of members of the Company by a Special Resolution.

Nature of concern or interest of Directors

None of the Directors and Key Managerial Personnel of the Company, including their respective relatives, is concerned or interested, financially or otherwise, in the foregoing resolution except to the extent of their shareholding in the Company, if any.

ANNEXURE TO THE NOTICE

DETAILS OF THE DIRECTOR SEEKING REAPPOINTMENT/APPOINTMENT PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS (SS-2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)

Name of the Director	Meena Sureshchand Jain
Age (Years)	71 years
Nationality	Indian
Date of first Appointment on the Board	25/03/2015
Shareholding in the Company	2,75,500
Qualification	B.A.
Brief resume and Expertise in specific functional area	In the field of Finance, Hotels Industry
Terms & Conditions of re-appointment/ variation of Remuneration	NIL
Remuneration last drawn	NIL
Directorships held in other Companies (excluding Directorship in private and companies under Section 8 of the Companies Act, 2013	2
Chairman/Membership in	2

committees of the Board of Directors of other Listed Company in which he/she is a Director	
Inter-se relationship with other directors/ Key Managerial Personnel	Wife of Sureshchand Premchand Jain
No. of Board meetings attended during the year	5

Director's Report

Dear Members,

Your Directors are pleased to present their 40th Annual Report on the Business and operations of the Company together with the Audited Accounts of your Company for the year ended **31st March, 2023**.

1. FINANCIAL RESULTS

The financial performance of your Company for the year ended **March 31, 2023** is summarized below:

(Rupees in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations	156.73	84.30	156.73	84.30
Other Income	0.34	151.85	0.34	151.85
Total Income	157.07	236.14	157.07	236.14
Total Expenses	93.54	52.43	93.54	52.43
Profit/(Loss) from operations after other incomes, finance cost but before exceptional items	63.53	183.72	63.53	183.72
Exceptional Items: Share of Profit/(Loss) of Associates	-	-	0.37	0.23
Profit / (Loss) before Tax	63.53	183.72	63.90	183.95
Tax				
Current Tax	17.25	40.42	17.25	40.42
Deferred Tax	-	-	-	-
Taxes for earlier years	-1.80	0.74	-1.80	0.74
Net Profit / (Loss) after tax	48.08	142.56	48.44	142.79
Less: Extra-Ordinary Items	-	-	-	-
Net Profit	48.08	142.56	48.44	142.79

2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

On standalone basis, your company earned the gross income of Rs.157.07 Lakhs as against Rs.236.14 Lakhs in previous year. The total expenditure during the year under review was Rs 93.54 Lakhs as against Rs.52.43 Lakhs in the previous year. The Net Profit after tax was Rs 48.08 Lakhs as against Rs.142.56 Lakhs in the previous year.

On consolidated basis, your Company has earned the gross income of Rs.157.07 Lakhs as against Rs.236.14 Lakhs in the previous year. The total expenditure during the year under review was Rs.93.54 Lakhs as against Rs.52.43 Lakhs in the previous year. The Net Profit after tax was Rs.48.44 Lacs as against Rs.142.79 Lacs in the previous year.

3. PERFORMANCE AND FINANCIAL POSITION OF THE ASSOCIATE COMPANY

Pursuant to Section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Accounts) Rules, 2014, the report on performance and financial position of associate company is included in the Consolidated Financial Statements (CFS) in the Company. A statement containing the salient features of financial statements of associate company of the Company in the prescribed Form AOC – 1 forms a part of Consolidated Financial Statements (CFS) in compliance with Section 129 (3) and other applicable provisions, if any, of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014 and forming part of this Annual Report as **Annexure 4**. In accordance with Section 136 of the Act, the financial statements of associate company is available for inspection by the members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays up to the date of the AGM. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company. The financial statements including the CFS, and all other documents required to be attached to this report have been uploaded on the website of the Company at www.spcapital.in.

Brief Financial and Operation of Associate Company are given here under:

Pride Orchades Private Limited: It earned gross income of Rs.1,50,580/- as against Rs.1,51,704/- in the previous year. The total expenditure during the year under review was Rs.69,259/- as against expenditure of Rs.90,408/- in the previous year.

4. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Companies Act, 2013 (hereinafter referred to as “the Act”), Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2022-23, together with the Auditors’ Report form part of this Annual Report

5. DIVIDEND

Your Directors have declared interim dividend of Rs.0.75/- per Equity share having a face value of 10/- each in board meeting dated 10th August, 2022 and the same has been paid.

Your directors are pleased to recommend final dividend of 1/- per Equity Share having a face value of 10/- each, (i.e.10%) for the year ended 31st March, 2023 and the same will be paid subject to the approval of the shareholders at the 40th Annual General Meeting (AGM) of the Company.

6. TRANSFER TO RESERVES

During the year your Company has not transferred any amount to general reserve.

8. RBI GUIDELINES

Your Company has complied with all the applicable regulations prescribed by the Reserve Bank of India from time to time. Additional disclosures required under RBI Guidelines applicable to the Company are forming part of the financial results.

9. INDIAN ACCOUNTING STANDARD (IND AS)

The Company has adopted Indian Accounting Standards (“IND AS”) from April 01, 2019 with a transition date of April 01, 2018. Accordingly, the financial statement for the year 2022-23 have been prepared in accordance with IND-AS, prescribed under Section 133 of the Act, read with the relevant rules issued there under and the other recognised accounting practices and policies to the extent applicable.

10. LISTING WITH STOCK EXCHANGES

The Equity Shares of the Company continued to be listed and traded on the BSE. The scrip code number of the Equity Shares of the Company on BSE is 530289.

The Company has paid up to date listing fees to the stock exchange.

11. ANNUAL RETURN

As per the provisions of section 92(3) read with section 134(3)(a) of the Act, the Annual Return of the Company for the Financial Year ended on March 31, 2023, is hosted on the website of the Company at www.spcapital.in/investorrelations.html

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

The particulars of loans, guarantees and investment have been disclosed in the notes to the financial statements.

13. MEETINGS OF THE BOARD

Your Board of Directors duly met five (5) times during the financial year i.e. 19th May, 2022, 10th August, 2022, 09th November, 2022, 27th January, 2023 and 06th February, 2023 in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

14. DECLARATIONS FROM INDEPENDENT DIRECTORS

Pursuant to the provisions of Sub-Section (7) of Section 149 of the Companies Act 2013, the Company has received individual declarations from all the Independent Directors confirming that they fulfil the criteria of independence as specified in Section 149(6) of the Companies Act 2013. As per Section 149 of the Companies Act, 2013, independent directors shall hold office for a term up to five consecutive years on the board of a company, but shall be eligible for re-appointment for another term up to five years on passing of a special resolution by the company and disclosure of such appointment in Board's Report. Further Section 152 of the Act provides that the independent directors shall not be liable to retire by rotation in the Annual General Meeting ('AGM') of the Company.

15. DISCLOSURES UNDER SECTION 134(3) (I) OF THE COMPANIES ACT, 2013

No material changes and commitments which could affect the Company financial position have occurred between the end of the financial year of the Company and the date of this report, except as disclosed elsewhere in this report.

16. MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Pursuant to Regulation 34 read with Schedule V to Listing Regulations, Management Discussion and Analysis Report, capturing your Company’s performance, industry trends and other material changes with respect to your Company’s and its associates, wherever applicable, for the year under review is presented in a separate section forming part of this Annual Report.

17. REPORT ON CORPORATE GOVERNANCE

Company has less than 10 Crore Paid up capital and less than 25 Crore Net worth during the year under review. Hence, Corporate Governance report is not applicable to your Company and the same is not forming part of this report. Your Company will comply with same as and when it is applicable to the Company.

18. BOARD OF DIRECTORS

The present strength of Board of Directors consists of two (Promoter) Directors and two Non-Executive (independent) Directors who are themselves experienced industrialists heading their business empire and category are given below:

(A) The Constitution of the Board as on March 31, 2023.

The Composition of the Board of Directors and also the number of other Directorship of Committees of which they are member/Chairperson are as given below:

Directors	Category	No. of Directorships		No. of Committee position	
		Public	**Private**	**Member**	**Chairman**
SURESHCHAND PREMCHAND JAIN	Promoter, Chairman & Managing Director	3	9	2	-
MEENA SURESHCHAND JAIN	Promoter Non-Executive Director	2	8	2	-
BALDEV LAKHMICHAND BOOLANI	Independent Non-Executive Director	1	2	1	1
RAJENDRA LADAKCHAND JAIN	Independent Non-Executive Director	2	6	1	2

(B) Attendance of each Director at the Board Meeting and the Last Annual General Meeting:

During the year under review, Five Board meetings were held which were attended by each the Director as detailed herewith.

Name of Directors	Category	No. of Board Meetings attended	Attendance of last AGM
SURESHCHAND PREMCHAND JAIN	Promoter /Chairman / Managing Director	5	Present
BALDEV LAKHMICHAND BOOLANI	Non-promoter / Independent Director	5	Present
MEENA SURESHCHAND JAIN	Promoter /Woman Director	5	Present
RAJENDRA LADAKCHAND JAIN	Non-promoter / Independent Director	5	Present

19. DIRECTOR AND KEY MANAGERIAL PERSONNEL (KMP)

(i) Changes in Director and Key Managerial Personnel (KMP):

During the year, there is no change in the Directors of the Company.

Further, Ms. Simran Kashela, Company Secretary & Compliance Officer has resigned w.e.f. 07th January, 2023.

Ms. Sonal Naik was appointed as the Company Secretary & Compliance Officer w.e.f. 27th January, 2023.

(ii) Retirement by rotation:

Mrs. Meena Sureshchand Jain (DIN 00004413), who retires by rotation and, being eligible, offers herself for re-appointment. If re-appointed, his term would be in accordance with the policy for directors of the Company.

The following policies of the company are attached herewith

Policy on appointment of Directors and Senior Management **(Annexure 1)**
Policy on Remuneration to Director's **(Annexure 2)**
Policy on Remuneration of Key Managerial Personnel and Employees **(Annexure 3)**

(iii) Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013, and Regulation 17 (1) (a) of the SEBI (LODR) Regulations, 2015, the Company shall have at least one Woman Director on the Board. Your Company has Mrs. Meena Sureshchand Jain, as Woman Director on the Board of the Company.

(iv) Key Managerial Personnel

In accordance to the provisions of Companies Act, 2013, the following persons are the KMPs of the Company, as recorded by the Board as on 31st March, 2023:

Mr. Sureshchand P Jain	:	Managing Director
Ms. Sonal Naik	:	Company Secretary
Mr. Sandeep Gopale	:	Chief Financial Officer

20. AUDITORS

At the Annual General Meeting held on September 30, 2021, JMT & Associates, Chartered Accountants (FRN:104167W), were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2025.

(I) STATUTORY AUDITORS REPORT

The observations made by the Statutory Auditors in their Report for the Financial Year Ended 31st March, 2023, read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under section 134(3) of the Companies Act, 2013. Further, pursuant to Section 143(12) of the Act, the Statutory Auditors of the Company have not reported any instances of frauds committed in the Company by its officers or employees.

(II) SECRETARIAL AUDIT REPORT

A Secretarial Audit Report for the year ended 31st March, 2023 in prescribed form duly audited by the Practicing Company Secretary Firm **M/s. Sherlyn Rebello & Associates** is annexed as Annexure 7 herewith and forming part of the report.

Explanation by the Board on qualifications made by Secretarial Auditor is as follows:

1. Whereas as per Section 196, 197, and Schedule V of the Companies Act, 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Form MR-1 is to be filed for appointment of Managing Director of the Company. The Company has passed resolution in their Annual General Meeting held on 30th September 2022 for re-appointment of Mr. Sureshchand P Jain, (DIN 00004402) as the Managing Director of the Company, for a period of five years with effect from 1st September, 2022. The Company has not complied with the same as Form MR-1 has not been filed to the Registrar of Companies, Mumbai.

   Management reply

   The management would like to inform you that the form has been inadvertently missed by the Company and the same will be complied by the Company.

2. Whereas as per para 3.3 of the RBI/2021-22/25 Ref.No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021, ‘while NBFCs do not have to take prior approval of RBI for appointment of SCAs/SAs, all NBFCs need to inform RBI about the appointment of SCAs/SAs for each year by way of a certificate in Form A within one month of such appointment. The Company has not complied with the

same as the Management is of opinion that the Asset size of the Company (NBFC) is less than Rs.1000 crore, so the circular is not applicable to the Company.

Management reply

The Management was of opinion that the above circular was not applicable on the company as the asset size is below Rs.1000crore.

(III) Annual Secretarial Compliance Report

Annual Secretarial Compliance Report is not applicable to your Company for the FY 2022-23. The same has been intimated to the Stock exchange.

21. VIGIL MECHANISM:

The Company has established a vigil mechanism for directors and employees to report to the appropriate authorities concerns about unethical behaviour, actual or suspected, fraud or violation of the Company's code of Conduct. During the financial year 2022-23, no cases under this mechanism were reported to the Company and associate Company. During the year no personnel has been denied access to the Audit Committee.

22. INTERNAL CONTROL

The Board ensures the effectiveness of the Company's system of internal controls including financial, operational and compliance control and same is subject to review periodically by the Board of Directors and M/s. M.M. Dubey and Co, Chartered accountants, Internal Auditors of the Company for its effectiveness. The control measures adopted by the company have been found to be effective and adequate to the Company's requirement.

23. DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirms that:

i. In the preparation of the annual accounts for the financial year ended 31st March, 2023 the applicable accounting standards have been followed along with proper explanation relating to material departures.

ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year ended 31st March, 2023.

iii. The Directors have taken sufficient and proper care 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 material fraud and other irregularities.

iv. The Directors have prepared the Annual Accounts on a going concern basis.

v. There are proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

vi. That the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

24. DETAILS OF COMMITTEE OF DIRECTORS

The Board of Directors has constituted three committees of the Board (i) Audit committee
(ii) Nomination & Remuneration Committee and (iii) Stakeholder's Relationship Committee.

(i) AUDIT COMMITTEE

Audit Committee comprised of following members and attendance of Audit Committee members as follows:

Composition:

Sr. No.	Name of the Director	Position held Chairman / Member	Meeting held	Meeting attended
1.	Rajendra Ladakchand Jain	Chairman	4	4
2.	Sureshchand Premchand Jain	Member	4	4
3.	Baldev Lakhmichand Boolani	Member	4	4

The Committee met on 19th May, 2022, 10th August, 2022, 09th November, 2022 and 06th February, 2023.

(ii) NOMINATION & REMUNERATION COMMITTEE

Nomination and Remuneration Committee comprised of following members and attendance of NRC members as follows:

Composition:

Sr. No.	Name of the Director	Position held Chairman / Member	Meeting held	Meeting attended
1.	Baldev Lakhmichand Boolani	Chairman	4	4
2.	Meena Sureshchand Jain	Member	4	4
3.	Rajendra Ladakchand Jain	Member	4	4

The Committee met on 19th May, 2022, 10th August, 2022, 09th November, 2022 and 27th January, 2023.

(iii) STAKEHOLDERS RELATIONSHIP COMMITTEE:

Stakeholder Relationship Committee comprised of following members and attendance of Audit Committee members as follows:

Sr. No.	Name of the Director	Position held Chairman / Member	Meetings held	Meetings attended
1.	Rajendra Ladakchand Jain	Chairman	1	1
2.	Meena Sureshchand Jain	Member	1	1
3.	Sureshchand Premchand Jain	Member	1	1

a) The Particulars of Investors, grievances received and redressed during the year are furnished below:

Sr. No.	Nature of Complaints	No. of Complaints		
		Received	**Resolved**	**Pending as on 31/03/2023**
1.	Non receipt of Annual Report	Nil	Nil	Nil
2.	Complaints relating to dematerialization of Shares	Nil	Nil	Nil
3.	Non-receipt of Share Certificates after transfer / duplicate / name correction	Nil	Nil	Nil
4.	Others	Nil	Nil	Nil
	TOTAL	Nil	Nil	Nil

25. PARTICULARS OF EMPLOYEES

The prescribed particulars of the employees required under Rule 5 (1) of the Companies (Appointment and Remuneration) Rules, 2014, are attached as Annexure -6 and forms part of this report. None of the employees of the Company is in receipt of remuneration prescribed under Section 197 (12) of the Companies Act, 2013, read with rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014. Thus furnishing of particulars under the Companies (Appointment and Remuneration) Rules, 2014 does not arise.

26. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of your Company occurred between the end of the financial year to which Financial Statements relate and the date of this report.

27. RISK MANAGEMENT POLICY

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

28. CORPORATE SOCIAL RESPONSIBILTY

Section 135(1) of the Companies Act, 2013 is not applicable to your Company. Hence, report of the same is not forming part of this report.

29. PARTICULARS OF CONTRACT OR ARRANGEMENT WITH PARTY

During the year under review, Company has not entered into Related Party which requires disclosure under Section 134 (3) (h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.

30. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTIONS AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The requirements of disclosure with regard to Conservation of Energy in terms of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are not applicable to the Company since it doesn't own any manufacturing facility.

Further the Company has not earned nor spends foreign exchange during the year.

31. **ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

The Board carried out formal annual evaluation of its own performance and that of its Committees viz., the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee (NRC). The Board also carried out the performance evaluation of all the individual directors including the Chairman of the Company. Additionally, NRC also carried out the evaluation of the performance of all the individual directors and Chairman of the Company.

32. **NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

There were no such event during the year under review.

33. **PUBLIC DEPOSITS**

Since your Company is a non-deposit taking Non-Banking Financial Company, it has not accepted any deposits under Chapter V of Companies Act, 2013/applicable guidelines of Reserve Bank of India, during the year under review

34. **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

There were no significant and material orders passed by the regulators or courts or tribunals, which may impact the going concern status of the Company and its operations in future.

35. **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

Company has adequate system of internal financial controls in place to ensure the reliability of their financial statements, prevent fraud and mismanagement, and ensure compliance with applicable laws and regulations.

36. **MAINTENANCE OF COST RECORDS**

As the Company not fall in the list as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, hence Company is not maintaining accounts and records

37. **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance towards sexual harassment of women at the workplace. The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder for reporting and conducting inquiry into the complaints made by the victim on the harassments at the work place.

During the FY 2022-23, the Company has not received any complaint of sexual harassment and hence there were no complaints pending for redressal as on 31st March, 2023.

38. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

There were no such event during the year under review.

39. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

There were no such event during the year under review.

40. OTHERS

1. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings, Annual General Meetings and Dividend.
2. The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof- Not Applicable.
3. There has been no material change in the nature of business of the Company during the year under review.
4. During the year under review, there were no instances of any frauds reported by the Statutory Auditors under section 143(12) of the Act.

41. ACKNOWLEDGEMENT

Yours Directors take this opportunity to thank the Financial Institutions, Banks, Business Associates, Central and State Government authorities, Regulatory authorities, Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company and look forward to their continued support in future. We very warmly thank all of our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your Company.

For and on behalf of the Board
S P CAPITAL FINANCING LTD

Sd/-	**Sd/-**
Sureshchand Premchand Jain	**Meena Sureshchand Jain**
Managing Director	**Director**
DIN: 00004402	**DIN: 00004413**

Place: Mumbai
Date: 10th August, 2023

ANNEXURE 1

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

Appointment of Directors

The Nomination and Remuneration Committee (NRC) of the Board of Directors (Board) of the Company reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when Independent Director is to be appointed:

1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective;
2. Ability of the candidates to devote sufficient time and attention to his / her professional obligations as Director for informed and balanced decision making;
3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in sprit by the Directors;

Based on the recommendations of the NRC the board will evaluate the candidates and decide on the selection the appropriate member. The Board through the Chairman or the Managing Director & CEO will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made there under.

Removal of Directors

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations there under or due to non - adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

Senior Management Personnel

The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Managing Director & CEO based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

For and on behalf of the Board
S P CAPITAL FINANCING LTD

Sd/-	**Sd/-**
Sureshchand Premchand Jain	**Meena Sureshchand Jain**
Managing Director	**Director**
DIN: 00004402	**DIN: 00004413**

Place: Mumbai
Date: 10th August, 2023

ANNEXURE 2

POLICY FOR REMUNERATION OF THE DIRECTORS

General

This Policy sets out the approach to Compensation/remuneration/commission etc. will be determined by Committee and Recommended to the Board of Directors, for approval. Also remuneration to be paid to the Managing Director, other executive directors in accordance with provisions of Companies Act, 2013, and other statutory provisions if any, would require to complying for time being of appointment of such person.

Policy Statement

The Company has a well-defined Compensation policy for Directors, including the Chairman of the Company. The overall compensation philosophy which guides us to focus on enhancing the value, to attract, to retain and motivate Directors for achieving objectives of Company and to become a major player in market, to be the most trusted brand in the business .we operate in and focus on customer serenity through transparency, quality and on time delivery to be a thought leader and establish industry benchmarks in sustainable development.

In order to effectively implement this, the Company has built a Compensation structure by a regular annual benchmarking over the years with relevant players across the industry the Company operates in.

Non-Executive Including Independent Directors

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both fixed and variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolutions.

Managing Director& Chief Executive Officer (MD & CEO) and Executive Director

Remuneration of the MD / CEO and Executive Directors reflects the overall remuneration philosophy and guiding principle of the Company. While considering the appointment and remuneration of Managing Director and Executive Directors, the NRC shall consider the industry benchmarks, merit and seniority of the person and shall ensure that the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies. The policy aims at a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The remuneration to the MD / CEO shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as per the policy of the Company from time to time and as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of appointment, the variable compensation will be determined annually by the NRC based on the performance of MD / CEO.The term of office and remuneration of MD / CEO is subject to the approval of the Board of Directors, shareholders, and Central Government, as may be required and within the statutory limits laid down in this regard from time to time. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay, subject to the requisite approvals, remuneration to its MD / CEO in accordance with the provisions of Schedule V to the Companies Act, 2013. If a MD & CEO draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 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 recover y of such sum refundable to it unless permitted by the Central Government of the Company. Remuneration for MD / CEO is designed subject to the limits laid down under the Companies Act, 2013 to remunerate him / her fairly and responsibly. The remuneration to the MD / CEO comprises of salary, perquisites and benefits as per policy of the Company and performance based incentive apart from retirement benefits like P.F., Superannuation, Gratuity, Leave Encashment, etc. as per Rules Salary is paid within the range approved by the Shareholders. Increments are effective annually, as recommended /approved by the NRC / Board. The MD / CEO is entitled for grant of Stock Options as per the approved Stock Options Schemes of the Company from time to time.

Directors

The MD / CEO is an executive of the Company and draws remuneration from the Company. The Non-Executive Independent Directors receive sitting fees for attending the meeting of the Board and Committee thereof, as fixed by the Board of Directors from time to time subject to statutory provisions. The Non-Executive Independent Directors would be entitled to the remuneration under the Companies Act, 2013. In addition to the above, the Directors are entitled for reimbursement of expenses incurred in discharge of their duties.
The Company may also grant Stock Options to the eligible employees and Directors (other than Independent Directors) in accordance with the ESOP Schemes of the Company from time to time and subject to the compliance statutes and regulations.

Disclosures
Information on the total remuneration of members of the Company's Board of Directors, Managing Director and Executive Directors and KMP/senior management personnel may be disclosed in the Board's report and the Company's annual report / website as per statutory requirements in this regard.

For and on behalf of the Board
S P CAPITAL FINANCING LTD

Sd/-	**Sd/-**
Sureshchand Premchand Jain	**Meena Sureshchand Jain**
Managing Director	**Director**
DIN: 00004402	**DIN: 00004413**

Place: Mumbai
Date: 10th August, 2023

ANNEXURE 3

POLICY ON REMUNERATION OF KEY MANAGERIAL PERSONNEL AND EMPLOYEES

Objective

To establish guidelines of remuneration/ compensation/ commission etc. to be paid for employees by way of fairly and in keeping with Statutes, it will be determined by the Nomination & Remuneration committee (NRC) and the NRC will recommend to the Board for approval.

Standards

1. All employees, irrespective of contract, are to be paid remuneration fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
2. Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually.
3. The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July, after the salary increment exercise.
4. The variable component of the remuneration will be a function of the employee's grade.
5. The actual pay-out of variable component of the remuneration will be function of individual performance as well as business performance. Business performance is evaluated using a Balance Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC & KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.
6. An Annual compensation survey is carried out to ensure that the Company's compensation is externally competitive. Based on the findings of the survey and the business performance, the committee decides:
   (i) The increment that needs to be paid for different performance ratings as well as grades.
   (ii) The increment for promotions and the total maximum increment.
   (iii) The maximum increase in compensation cost in % and absolute.
   (iv) Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

For and on behalf of the Board
S P CAPITAL FINANCING LTD

Sd/-	Sd/-
Sureshchand Premchand Jain	**Meena Sureshchand Jain**
Managing Director	**Director**
DIN: 00004402	**DIN: 00004413**

Place: Mumbai
Date: 10th August, 2023

Annexure 4

Form AOC-1

Statement containing salient features of the financial statement of associate companies

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

Part "A": Subsidiaries

Not applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

Name of Associates/Joint Ventures	Pride Orchades Private Limited
1. Latest audited Balance Sheet Date	31/03/2023
2. Shares of Associate/Joint Ventures held by the company on the year end	
No of Shares	4,50,000
Amount of Investment in Associates/Joint Venture	45,00,000
Extend of Holding %	45%
3. **Description of how there is significant influence**	More than 20% of holding
4. **Reason why the associate/joint venture is not consolidated**	NA
6. **Networth attributable to Shareholding as per latest audited Balance Sheet**	8,80,34,963.43
7. **Profit / Loss for the year**	
i. Considered in Consolidation	81,320.81
ii. Not Considered in Consolidation	

For and on behalf of the Board
S P CAPITAL FINANCING LTD

Sd/-	**Sd/-**
Sureshchand Premchand Jain	**Meena Sureshchand Jain**
Managing Director	**Director**
DIN: 00004402	**DIN: 00004413**

Place: Mumbai
Date: 10th August, 2023

Sd/-	**Sd/-**
Sonal Anil Naik	**Sandeep Gopale**
Company Secretary	**Chief Financial Officer**

Annexure 5

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, guidelines issued by the Securities and Exchange Board of India (SEBI), prudential norms issued by RBI, Ind AS i.e. Indian accounting standards prescribed by the Institute of Chartered Accountants of India. Our Management accepts responsibility for the integrity and objectivity of these financial statements. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner and reasonably present our state of affairs, profits and cash flows for the year.

INDUSTRY STRUCTURE & DEVELOPMENTS

NBFCs have become important constituents of the financial sector and have been recording higher credit growth than scheduled commercial banks (SCBs) over the past years. NBFCs are continuously leveraging their superior understanding of regional dynamics, well developed collection system and personalized services to expedite financial inclusion in India.

OPPORTUNITIES AND THREATS

The opportunities ahead are immense and company is fully geared to make the most of them. The Company has concentrated on its goal of consolidating and cutting cost wherever possible. Various organization development initiatives were undertaken during the year. These are expected to help create a robust organization based on strong values, uniform and systematic business process and people empowerment.

SEGMENT PERFORMANCE

The growth in FY 2023 was driven by increased exports, investment and consumer demand and was supported by fiscal and monetary policies. Better capacity utilization in the agricultural sector, revival of manufacturing, higher consumer confidence with the increase in vaccination rate and increase in mobility stimulated the economy. Increased capital expenditure in infrastructure and the rise of the real estate industry contributed to the construction sector's resurgence, boosting the economy.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a good system of internal controls in all sphere of its activity. The internal control system is supplemented by effective Internal Audit. The audit committee regularly reviews the findings of the internal auditors and effective steps to implement the suggestion /observation of the auditors are taken and monitored regularly. In the opinion of the Board, an effective internal control system commensurate to the size of the Company exists.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

Your Company continues to lay great stress on its most valuable resource - people. Continuous training, both on the job and in an academic setting, is a critical input to ensure that employees at all levels are fully equipped to deliver a wide variety of products and services to the rapidly growing customer base of your Company. It is our endeavor to create an environment where people can use all of their capabilities in support of the business. Therefore, your Company encourages its employees to balance their work and personal responsibilities. The Company is actively working on developing a culture driven by the collective spirit of experience and companywide ownership. Assignment, empowerment and accountability will be the cornerstone of the people lead processes.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Your company earned the gross income of Rs.157.07 Lacs as against Rs. 236.14 Lacs in previous year. The total expenditure during the year under review was Rs 93.54Lacs as against Rs. 52.43Lacs in the previous year. The Net Profit after tax was Rs 48.44 Lacs as against Rs. 142.56 Lacs in the previous year.

ENVIRONMENT, OCCUPATIONAL HEALTH AND SAFETY

Your Company is committed to conducting its operations with utmost concern towards the environment and ensuring a safe and healthy workplace for all employees. The collective endeavor of the Company's employees at all levels is directed towards sustaining and continuously improving standards of environment management, and occupational health & safety.

CAUTIONARY STATEMENT

Management discussion and analysis report contains statements which are forward looking based on assumptions. Actual results may differ from those expressed or implied due to risk and uncertainties which have been detailed in this report. Several factors as listed in this report could make significant difference to the Company's operations. Investors, therefore, are requested to make their own independent judgments and seek professional advice before taking any investment decisions.

For and on behalf of the Board
S P CAPITAL FINANCING LTD

Sd/-	**Sd/-**
Sureshchand Premchand Jain	**Meena Sureshchand Jain**
Managing Director	**Director**
DIN: 00004402	**DIN: 00004413**

Place: Mumbai
Date: 10th August, 2023

ANNEXURE- 6

Additional Information as per section 197 of the Companies Act, 2013, Rule 5(1) of chapter xiii, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of the Director/ Employees	Designation	Remuneration (subject to Income-tax)	% increase in Remuneration in the F.Y 2022-23	Ratio of remuneration of each Director/to median remuneration of employees	Qualifications	Age (yrs)	Experience (years)	Date of Commencement of employment	Last employment and Designation
Mr. S.P.Jain	Managing Director	**NIL**	**NIL**	**NIL**	**B.com, CA**	**72 Years**	**More than 30**	**25/03/2015**	**Managing Director**
Mrs. Meena S Jain	Director	**NIL**	**NIL**	**NIL**	**B.A**	**71 Years**	**More than 30**	**25/03/2015**	**Director**
Mr. Rajendra Jain	Director	**NIL**	**NIL**	**NIL**	**Non-Graduate**	**67 years**	**More than 30**	**13/02/2020**	**Director**
Mr. Baldev Boolani	Director	**NIL**	**NIL**	**NIL**	**B.A. (Hon)**	**94 Years**	**More than 40**	**22/10/1994**	**Director**
Mr. Sandeep Gopale	CFO	**3.92 Lakhs**	**NIL**	**NIL**	**Non-Graduate**	**51 years**	**20 Years**	**25/03/2015**	**Chief Financial Officer**
*Ms. Simran Kashela	Company Secretary	**3.81 Lakhs**	**NA**	**Nil**	**CS**	**27 years**	**2 years**	**22/03/2022**	**Company Secretary**
**Ms. Sonal Naik	Company Secretary	**0.93 Lakhs**	**NA**	**Nil**	**CS**	**35 years**	**3 years**	**27/01/2023**	**Company Secretary**

*Ms. Simran Kashela resigned with effect from 07th January, 2023.
** Ms. Sonal Naik resigned with effect from 12th July, 2023.

Notes:

1. the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year: **NA**

2. the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: **NA**

3. the percentage increase in the median remuneration of employees in the financial year: **NA**

4. the number of permanent employees on the rolls of company: **9**

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 anyexceptional circumstances for increase in the managerial remuneration: **NA**

6. affirmation that the remuneration is as per the remuneration policy of the company:

For and on behalf of the Board
S P CAPITAL FINANCING LTD

Sd/-	**Sd/-**
Sureshchand Premchand Jain	**Meena Sureshchand Jain**
Managing Director	**Director**
DIN: 00004402	**DIN: 00004413**

Place: Mumbai
Date: 10th August, 2023

Annexure 7

Sherlyn Rebello & Associates

Company Secretaries

126, Singh Estate, Block B/10, D.S.P. Road, Dadar (E), Mumbai 400014.

Mob :9967344978; sherlynassociates@gmail.com

Form MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
S P CAPITAL FINANCING LTD

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **S P CAPITAL FINANCING LTD**. (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

2. We have conducted online verification and examination of records of the papers, minute books, forms, returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023, as facilitated by the Company for the purpose of issuing this report. Based on our examination as aforesaid and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **S P CAPITAL FINANCING LTD**. ("the Company") for the financial year ended on 31st March, 2023 according to the provisions of:
   (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;- **Not Applicable for the financial year under review.**
   (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
      a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
      c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;- **Not applicable for the period under review as there is no further issue of share capital during the period.**
      d. The Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulation, 2021; - **Not applicable as the Company has not issued ESOPs.**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2018; - **Not applicable as the Company has not listed its Debt Securities.**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review.**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not applicable as the Company has not delisted its equity shares from any Stock Exchange during the financial year under review** and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **Not applicable as the Company has not done buyback of securities during the financial year under review.**

i. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013: **Not applicable as the Company has not issued any such securities during the financial year under review.**

j. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

k. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

(vi) We have also examined the compliances of the provisions of the following other laws applicable specifically to the Company wherein we have also relied on the compliance certificates issued by the head of the respective departments in addition to the checks carried out by us:

1. the Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking (Reserve Bank) Directions, 2016.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above including few forms filed with additional fees in case of delay except to the extent as mentioned below:

a. Whereas as per Section 196, 197, and Schedule V of the Companies Act, 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Form MR-1 is to be filed for appointment of Managing Director of the Company. The Company has passed resolution in their Annual General Meeting held on 30th September 2022 for re-appointment of Mr. Sureshchand P Jain, (DIN 00004402) as the Managing Director of the Company, for a period of five years with effect from 1st September, 2022. The Company has not complied with the same as Form MR-1 has not been filed to the Registrar of Companies, Mumbai.

b. Whereas as per para 3.3 of the RBI/2021-22/25 Ref.No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021, 'while NBFCs do not have to take prior approval of RBI for appointment of SCAs/SAs, all NBFCs need to inform RBI about the appointment of SCAs/SAs for each year by way of a certificate in Form A within one month of such appointment. The Company has not complied with the same as the Management is of opinion that the Asset size of the Company (NBFC) is less than Rs.1000 crore, so the circular is not applicable to the Company.

4. Based on our 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 its authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion during the period under review, the

Company has complied, in some cases with delay, with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except the qualifications mentioned above.

5. We 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 period under review were in Compliance with the Provisions of the applicable laws.

6. 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.

7. Majority of the decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

8. As per the minutes of the meetings duly recorded and signed by the Chairman, the decision of the Board were unanimous and there were no dissenting views communicated by the Directors.

9. We further report that there are adequate systems and processes in the Company commensurate with the size and the operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines. The Company has a system of maintaining the structured digital database as required under Regulation 3(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

For Sherlyn Rebello & Associates
Company Secretaries
Sd/-
Sherlyn Rebello
Proprietor
FCS No. 11165
COP No. 16401
PR: 1043/2020
UDIN: F011165E000333377

Place: Mumbai
Date: 18/05/2023

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

'Annexure A'

To,
The Members,
S P CAPITAL FINANCING LTD.

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. The minutes, documents, records and other information checked for the purpose of audit were received from the Company in soft copy and through electronic mail and in some cases we have relied on the management where data was not available.

5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Sherlyn Rebello& Associates
Company Secretaries

Sd/-
Sherlyn Rebello
Proprietor
FCS No. 11165
COP No. 16401
PR: 1043/2020
UDIN: F011165E000333377

Place: Mumbai
Dated: 18/05/2023

Independent Auditor's Report on the Financial Statements

To the Members of
S P Capital Financing Limited

Opinion

We have audited the accompanying Ind AS financial statements of **S P Capital Financing Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its Profit /loss, including Other Comprehensive Income, Cash Flow and the changes in equity 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion 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. There are no other key audit matters and we do not provide a separate opinion on these matters.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the reparation of these) financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed 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 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 and Board of Director are 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.

Board of Directors is 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 controls.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of changes in Equity dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B**".

   3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as

amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company, did not have any long-term contracts including derivative contracts for which there were no material foreseeable losses;

ii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

iii. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (" Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities (" Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our attention that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

iv. The company has declared and paid the interim dividend of Rs. 0.75/- per share during the year. However, the final dividend the Board of directors of the Company have proposed the dividend for the current year which is subject to approval of the members at the ensuing annual general meeting. The dividend declared is in accordance with the section 123 of the Act to the extent it applies to declaration of dividend.

4. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration, if any, paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For JMT & Associates
Chartered Accountants
Firm Registration No. 104167W

Sd/-
Amar Bafna
(Partner)
Membership No. 048639 Place: Mumbai
UDIN: 23048639BGVRJ05984 Date: 18/05/2023

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2023:

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that

1) In respect of the Company's Property Plant and Equipment:

(a) The Company does not own any Tangible or Intangible Assets (property Plant and Equipment) and hence the clauses pertaining to maintenance of proper records showing full particulars, including quantitative details and situation of fixed assets; and physical verification are not applicable. Also the clause regarding the Title deeds in the name of company and the revaluation of any property plant and equipment is not applicable.

(b) No proceedings have been initiated during the year nor are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2) a) The Company does not possessed inventory as on balance sheet date and hence the clause is not applicable.

b) During the year, the company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

3) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability partnerships or any other parties. Accordingly, the provisions of clause (iii) (a) to (f) of the Order with respect to above are not applicable to the Company and hence not commented upon.

(a)The Company has made investments in companies, firms, Limited Liability partnerships or any other parties as under:

Aggregate amount Investments during the year	Investments (Rs. In Lakhs)
Subsidiary	--
Joint venture	--
Associates	--
Others	--
Balance outstanding as at balance sheet date in respect of above case.	
Subsidiary	--
Joint venture	--
Associates	44.97
Others	--

(b) The investments made during the year are, in our opinion prima facie not prejudicial to the company's interest;

4) In our opinion and according to the information and explanations given to us, the company has not granted loans, guarantees and security covered u/s 185 and 186; the investment made by the company is in compliance with the provisions of section 186 of the Companies Act, 2013.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015

with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) According to the information and explanations given to us, in respect of statutory dues:

(a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanation given to us, there are no Statutory dues referred to in Sub Clause (a) that have not been deposited on account of any dispute.

8) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

9) a) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any Lender.

(b) According to the information and explanations given to us, the company is not declared willful defaulter by any bank or financial institution or other lender;

(c) According to the information and explanations given to us, the Company has not taken any Term Loan during the Year.

(d) According to the information and explanations given to us and in our opinion, funds raised on short term basis have not been utilised for long term purposes.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, Associate or Joint Ventures.

(f) The company has not raised loans during the year on the pledge of securities held in any subsidiary, Associate or Joint Venture nor has defaulted in repayment of such loans.

10) (a) According to the information and explanation given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year.

(b) According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

11) a) During the course of our examination of the books and records of the company, carried in accordance with auditing standard generally accepted in India, we have neither come across any instance of fraud by the company or any fraud on the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the management.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year

(c) According to the information and explanation given to us, there are no whistle-blower complaints received during the year by the company;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.

14) (a) According to the information and explanation given to us, the company has an internal audit system commensurate with the size and nature of its business;

(b) We have considered the reports of the Internal Auditor for the period under audit.

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

16) The Company has obtained registration as required under Section 45-IA of the Reserve Bank of India Act, 1934.

(b) The Company has not conducted any Housing Finance activities.

(c) The company is not the Core Investment Company. (CIC)

(d) There are no other CIC which are part of the Group.

17) The company has not incurred any cash losses during the financial year and in the immediately preceding financial year.

18) There has been no resignation of the statutory auditors during the year.

19) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts upto the date of the Audit Report and we neither give any guarantee nor an assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the company as and when they fall due.

20) The provisions of section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules 2014 in respect of CSR activities are not applicable to the company. Accordingly reporting under clause (xx) of the order is not applicable for the year.

For JMT & Associates
Chartered Accountants
Firm Registration No. 104167W

Sd/-
Amar Bafna
(Partner)
Membership No. 048639
UDIN: 23048639BGVRJ05984

Place: Mumbai
Date: 18/05/2023

“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of S P capital Financing Limited

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

We have audited the internal financial controls over financial reporting of **S. P Capital Financing Limited (“the Company”)** as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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 March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JMT & Associates
Chartered Accountants
Firm Registration No. 104167W

Amar Bafna
(Partner)
Membership No. 048639

UDIN: 23048639BGVRJ05984
Place: Mumbai
Date: 18/05/2023

S.P.CAPITAL FINANCING LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2023

			(₹ in Lakhs)
PARTICULARS	**NOTE NO.**	**AS AT 31st MAR 2023 Rs.**	**AS AT 31st MARCH 2022 Rs.**
ASSETS			
Financial Assets			
Cash and cash equivalents	3	62.75	340.72
Bank balances other than Cash and Cash equivalents	4	0.04	168.82
Trade receivables		0.00	0.00
Loans & Advances	5	145.07	1227.51
Investments	6	3104.05	736.40
Other financial assets	7	31.67	3.16
Total Financial Assets		**3343.58**	**2476.61**
Non-Financial Assets			
Inventories		0.00	0.00
Deferred Tax Assets (Net)		8.97	0.00
Property, plant and equipment		0.00	0.00
Other Non financial assets		0.00	0.00
Total Non-Financial Assets		**8.97**	**0.00**
Total Assets		**3352.54**	**2476.61**
EQUITY AND LIABILITIES			
Financial Liabilities			
Borrowings	8	1426.06	491.43
Trade payables	9	0.00	0.10
Other financial liabilities	10	14.35	4.72
Total Financial Liabilities		**1440.41**	**496.26**
Non-Financial Liabilities			
Deferred tax liabilities (net)		0.00	0.00
Provisions	11	17.25	40.42
Total Non-Financial Liabilities		**17.25**	**40.42**
Total Liabilities		**1457.66**	**536.68**
Equity			
Equity share capital	12	601.22	601.22
Other equity	13	1293.66	1338.72
Total Equity		**1894.88**	**1939.94**
TOTAL EQUITY AND LIABILITIES		**3352.54**	**2476.61**

Other notes to Accounts & the accompanying notes are an integral part of Standalone Financial Statements

As per our report of even date	**For & on behalf of the Board**	
For **JMT & ASSOCIATES**	**For S P CAPITAL FINANCING LTD**	
CHARTERED ACCOUNTANTS	**CIN: L74140MH1983PLC029494**	
FRN - 104167W		
Sd/-		
AMAR BAFNA	**Sd/-**	**Sd/-**
PARTNER	**SURESHCHAND P JAIN**	**MEENA S JAIN**
M.NO.048639	**MANAGING DIRECTOR**	**DIRECTOR**
PLACE: MUMBAI	**DIN:00004402**	**DIN:00004413**
DATE: 18th May, 2023		
	Sd/-	**Sd/-**
	SONAL NAIK	**SANDEEP GOPALE**
	COMPANY SECRETARY & COMPLIANCE OFFICER	**CHIEF FINANCIAL OFFICER**

S.P.CAPITAL FINANCING LIMITED
Statement of Profit and loss for the year ended 31st March 2023

(₹ in Lakhs)

	PARTICULARS	NOTE NO.	For the Year Ended 31st Mar 2023 Rs.	For the Year Ended 31ST March 2022 Rs.
	Income			
I.	Revenue From Operations	14	156.73	84.30
II.	Other Income	15	0.34	151.85
III.	**Total Income**		**157.07**	**236.14**
IV.	**Expenses:**			
	Purchase of Stock-in-Trade	16	0.00	1.30
	Employee benefits expense	17	33.55	15.67
	Finance Cost		29.15	11.25
	Depreciation and amortization expense		0.00	0.00
	Other expenses	18	30.84	24.22
	Total expenses		**93.54**	**52.43**
V	**Profit before exceptional and extraordinary items and tax (III - IV)**		63.53	183.71
VI	**Exceptional items**		0.00	0.00
VII	**Profit before extraordinary items and tax (V - VI)**		63.53	183.71
VIII	**Extraordinary items**		0.00	0.00
IX	**Profit before tax (VII - VIII)**		**63.53**	**183.71**
X	**Tax expense:**			
	(1) Current tax		17.25	40.42
	(2) Deferred tax		0.00	0.00
	(3) Tax for earlier years		-1.80	0.74
			15.45	**41.16**
XI	Profit/(Loss) for the period from continuing operations (IX-X)		**48.08**	**142.55**
XII	Profit/(Loss) from discontinuing operations		0.00	0.00
XIII	Tax expense of discontinuing operations		0.00	0.00
XIV	Profit/(Loss) from discontinuing operations (after tax) (XII-XII		0.00	0.00
XV	**Profit/(Loss) for the period (XI+XIV)**		**48.08**	**142.55**
	Other Comprehensive Income			
	Income reclassifiable to P&L			
	Tax thereon			
	Remesurement of the Defined Benefit Plan			
	Income not reclassifiable to P&L		-56.90	-9.67
	Tax thereon		8.88	2.13
	Remesurement of the Defined Benefit Plan		-0.36	0.00
	Tax thereon		0.09	0.00
	Total Other Comprehensive Income		**-48.29**	**-7.54**
	Total Comprehensive Income		**-0.21**	**135.01**
XVII	Earnings per equity share of face value of Rs. 10 each Basic & Diluted (in Rupees)	19	**0.80**	**2.37**

Other notes to Accounts & the accompanying notes are an integral part of Standalone Financial

As per our report of even date	**For & on behalf of the Board**	
For JMT & ASSOCIATES	**For S P CAPITAL FINANCING LTD**	
CHARTERED ACCOUNTANTS	**CIN: L74140MH1983PLC029494**	
FRN - 104167W		
Sd/-		
AMAR BAFNA	**Sd/-**	**Sd/-**
PARTNER	**SURESHCHAND P JAIN**	**MEENA S JAIN**
M.NO.048639	**MANAGING DIRECTOR**	**DIRECTOR**
PLACE: MUMBAI	**DIN: 00004402**	**DIN: 00004413**
DATE: 18th May, 2023		
	Sd/-	**Sd/-**
	SONAL NAIK	**SANDEEP GOPALE**
	COMPANY SECRETARY & COMPLIANCE OFFICER	**CHIEF FINANCIAL OFFICER**

S.P.CAPITAL FINANCING LIMITED

Standalone Statement of Cash Flow for the year ended 31 March 2023

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year	63.53	183.71
Adjustments for:		
Non Cash / Separately Considered	-48.29	-151.89
Other Adjustments	0.00	0.00
Operating profit before working capital changes	15.24	31.82
Movements in working capital:		
(Increase)/Decrease in trade and other receivables	0.00	0.00
(Increase)/decrease in Loans & Advances	1082.44	189.84
(Increase)/decrease in Investments	0.00	0.00
(Increase)/decrease in inventories	0.00	0.00
(Increase)/decrease in other assets	-28.51	-2.89
(Decrease)/increase in trade and other payables	-0.10	-0.32
(Decrease)/increase in Provision		0.00
(Decrease)/increase in other liabilities	9.63	0.55
Cash flow from / (utilized in) operating activities post working capital changes	1063.47	187.18
Income Taxes	-38.62	-15.11
Net cash flow from / (utilized in) in operating activities (A)	1040.08	203.89
Cash flows from investing activities		
Payments to acquire financial assets (Investments)	-2376.62	-506.52
Proceeds on sale of financial assets (Investments)	0.00	4.15
Proceeds on sale of financial assets (Land)	0.00	177.00
Net cash (used in) investing activities (B)	-2376.62	-325.37
Cash flows from financing activities		
Proceed From Borrowing	934.63	488.57
Repayment of Borrowing	0.00	0.00
Distribution of dividend	-44.84	-30.06
Net cash used in financing activities (C)	889.78	458.50
Cash and cash equivalents at the beginning of the year	509.54	172.52
Cash and cash equivalents at the end of the year(A+B+C)	62.79	509.54
Reconciliation of cash and cash equivalents as per the cash flow Statement		
Cash and cash equivalents	62.75	340.72
Other Balance with bank	0.04	168.82
Balance as per statement of cash flows	62.79	509.54

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

As per our report of even date attached	**For & on behalf of the Board**	
For JMT & ASSOCIATES	**For S P CAPITAL FINANCING LTD**	
CHARTERED ACCOUNTANTS	**CIN:L74140MH1983PLC029494**	
FRN - 104167W		
Sd/-		
AMAR BAFNA	**Sd/-**	**Sd/-**
PARTNER	**SURESHCHAND P JAIN**	**MEENA S JAIN**
M.NO.048639	**MANAGING DIRECTOR**	**DIRECTOR**
PLACE: MUMBAI	DIN NO:00004402	DIN NO:00004413
DATE: 18th May, 2023		
	Sd/-	**Sd/-**
	SONAL NAIK	**SANDEEP GOPALE**
	COMPANY SECRETARY & COMPLIANCE OFFICER	**CHIEF FINANCIAL OFFICER**

S.P.CAPITAL FINANCING LIMITED

Standalone Statement of Change in Equity Capital

As At 31st March 2023

A Equity share capital

(Also refer Note)	Rs. In Lakhs)
Particulars	Total Equity
As on 1st April 2022	601.22
Issue of Share Capital During the qurte	-
As on 31st March 2023	**601.22**

B Other Equity

(also refer Note) (₹ in Lakhs)

Particulars	Surplus					
	General Reserve	Surplus as per Profit and Loss	Other Comprensive Income	Reserve Fund u/s 45 of RBI Act	Security Premium Reserve	Total Other Equity
Balance as at 1st April 2022	**186.00**	**582.03**	**-10.77**	**311.36**	**270.10**	**1338.72**
Profit/Loss for the year	0.00	48.08	-48.29	0.00	0.00	-0.21
Excess Provision for Tax	0.00	0.00	0.00	0.00	0.00	0.00
Restated Profit After tax	0.00	0.00		0.00	0.00	0.00
Total comprehensive income for the ye	186.00	630.11	-59.06	311.36	270.10	1338.50
Transfer to/From General Reserve	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to/ From other Reserve:	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Tax write back	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Paid	0.00	44.84	0.00	0.00	0.00	44.84
Balance as at 31st March 2023	**186.00**	**674.95**	**-59.06**	**311.36**	**270.10**	**1293.66**

As per our report of even date attached	**For & on behalf of the Board**	
For JMT & ASSOCIATES	**For S P CAPITAL FINANCING LTD**	
CHARTERED ACCOUNTANTS	**CIN NO. L74140MH1983PLC029494**	
FRN - 104167W		
Sd/-		
AMAR BAFNA	**Sd/-**	**Sd/-**
PARTNER	**SURESHCHAND P JAIN**	**MEENA S JAIN**
M.NO.048639	**MANAGING DIRECTOR**	**DIRECTOR**
PLACE: MUMBAI	**DIN:00004402**	**DIN:00004413**
DATE: 18th May, 2023		
	Sd/-	**Sd/-**
	SONAL NAIK	**SANDEEP GOPALE**
	COMPANY SECRETARY & COMPLIANCE OFFICER	**CHIEF FINANCIAL OFFICER**

Notes to Financial Statements for the Year ended 31 March 2023

1 CORPORATE INFORMATION

S. P capital Financing Limited (the Company) having principal place of business at Registered office at The Ruby, 5SC, 5th Floor, South Wing, Level 8th, JK Sawant Marg, Dadar West, Mumbai 400028 is engaged in the business of Finance & Investment activities and in providing ancillary services related to the said business activities. The Company is NBFC holding a Certificate of Registration No. B_13.01087 from the Reserve Bank of India (“RBI”), having CIN: L74140MH1983PLC029494.

The financial statements for the year ended March 31, 2023 were authorised for issue in accordance with a resolution of the Board of Directors on May 18th, 2023.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 2.13 - Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (INR).

2.2 Presentation of financial statements

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 (the Act) applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business.
ii. The event of default.
iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

2.3 Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.4 Financial instruments

i. Classification of financial instruments

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

1. Financial assets to be measured at amortised cost.
2. Financial assets to be measured at fair value through profit or loss.

The classification depends on the contractual terms of the financial asset's cash flows and the Company's business model for managing financial assets which are explained below:

Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

-How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel

-The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.

-How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

-The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

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

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.
The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

ii. Financial assets measured at amortised cost

These financial assets comprises of bank balances, receivables, investments and other financial assets.

Debt instruments

Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

iii. Financial Instruments at fair value through profit or loss (FVTPL)

Items at fair value through profit or loss comprise:
-Investments (including equity shares) held for trading;
-debt instruments with contractual terms that do not represent solely payments of principal and interest. Financial instruments held at FVTPL are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

iv. Debt securities and other borrowed funds

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

v. Reclassification

If the business model under which the Company holds financial assets undergoes changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described in subsequent paragraphs.

vi. Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the Financial Instruments are transferred to the customers.
b) Investments are initially recognised on the settlement date.
c) Debt securities and borrowings are initially recognised when funds are received by the Company.
d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).
If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, the Company has transferred its contractual rights to receive cash flows from the financial asset.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or
ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where 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 a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of Profit or Loss.

vii. Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

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 the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Micro, Small and Medium Enterprises (MSMEs) and Construction Finance.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances up to 0-29 days default under this category. Stage 1 loans also include facilities where the credit risk has reduced and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but is not credit impaired are classified under this stage. Financial assets past due for 30 to 89 days are classified under this stage. Stage 2 loans also include facilities where the credit risk has reduced, and the loan has been reclassified from Stage 3.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for e.g. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
a) Significant financial difficulty of the borrower or issuer;
b) A breach of contract such as a default or past due event;
c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e) The disappearance of an active market for a security because of financial difficulties.

The mechanics of ECL:

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

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

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date including the undrawn commitments.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as the underlying asset financed, cash, securities, letters of credit/guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral.

Collateral repossessed

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages its employees to recover funds, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

viii. Write-offs

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

ix. Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note.) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or
ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation are significant and are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Difference between transaction price and fair value at initial recognition

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

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

2.5 Revenue from operations

i. Interest Income

Interest income is recognised by applying EIR to the gross carrying amount of financial assets other than credit- impaired assets and financial assets classified as measured at FVTPL, taking into account the amount outstanding and the applicable interest rate. For credit impaired financial assets, the company applies the EIR to the amortised cost of the financial asset in subsequent reporting period.

The EIR is computed:
As the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

By considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) in estimating the cash flows

Including all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

ii. Dividend Income

Dividend income is recognised when the right to receive the payment is established.

iii. Fees & Franchisee Income

Fees and Franchisee are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

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

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

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

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

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

iv. Net gain on Fair value changes

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

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain/loss on fair value changes.

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

2.6 Expenses

i. Finance costs

Finance costs on borrowings is paid towards availing of loan, is amortised on EIR basis over the life of loan. The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

ii. Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

All the eligible employees of the Company who have opted to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

Other long-term employee benefits

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

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

Iii Rent Expense

Identification of Lease:

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Recognition of lease payments:

A right-of-use asset representing the right to use the underlying asset and a lease liability representing the obligation to make lease payments is recognized for all leases over 1 year on initial recognition basis. Discounted committed & expected future cash flows and depreciation on the asset portion on straight-line basis & interest on liability portion (net of lease payments) on EIR basis is recognized over the expected lease term. No right-of-use asset is created for short term leases (i.e. lease term less than 1 year) and leases of low value items.

Iv Other income and expenses

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

v Impairment of non-financial assets

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

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

vi Taxes

Current Tax

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

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

Deferred tax

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

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

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity.

Indirect Taxes

Goods and services tax /service tax/value added taxes paid on acquisition of assets or on incurring expenses.
Expenses and assets are recognised net of the goods and services tax/service tax/value added taxes paid, except:
i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

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

2.7 Cash and cash equivalents

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

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

2.8 Property, plant and equipment

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

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

Depreciation

"Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Act, except the useful life of plant and machinery, life of which is estimated for the period of 5 years (as per contractual terms). The estimated useful lives are as prescribed by Schedule II of the Act. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

2.9 Intangible assets

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

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

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

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

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

2.10 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

2.11 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statement.

2.12 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS vis 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 the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.13 Significant accounting judgements, estimates and assumptions

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

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

i. Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

ii. Lease term of right-to-use assets

Management reviews its estimate of the lease term of right-to-use assets at each reporting date, based on the expected utility of the leased property. Uncertainties in this estimate relate to business obsolescence/discontinuance that may change the lease term for certain right-to-use assets.

iii. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

iv. Defined employee benefit assets and liabilities

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

v. Impairment of loans portfolio

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

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

vi. Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).
This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to Company's base rate and other fee income/expense that are integral parts of the instrument.

2.14 Operating Cycle

Based on the nature of products/activities of the company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months.

2.15 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The following Accounting Standards have been modified on miscellaneous issues with effect from 1st April 2023. Such changes include clarification/guidance on:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements."

Ind AS 8 – Accounting policies, changes in accounting estimate and errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements."

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

It may be noted that we expect there would be a change in accounting policies section of the financial statements as the standard would require presentation of ‘material accounting policies’ as against ‘significant accounting policies’ disclosed so far.

S.P.CAPITAL FINANCING LIMITED

Notes on financial statement as on and for year ended 31st March 2023

(₹ in Lakhs)

NOTE 03:- Financial Assets - Cash and Cash equivalents

Particulars	31ST MAR 2023 Rs.	31ST MARCH 2022 Rs.
Balances with banks		
In Current accounts	60.38	340.56
Cash in hand	2.37	0.16
Total	**62.75**	**340.72**

NOTE 04:- Bank balance other than those Disclosed in Note 1 above

Particulars	31ST MAR 2023 Rs.	31ST MARCH 2022 Rs.
Other Bank Balances		
Unpaid Dividend accounts	0.04	0.12
In Deposit Account	0.00	168.70
Total	**0.04**	**168.82**

*Refer Gropings Sub Note No. 1

NOTE 05:- LOANS AND ADVANCES

Particulars	31ST MAR 2023 Rs.	31ST MARCH 2022 Rs.
Un-secured considered good		
Loans to employees	0.02	0.02
Loan & Advances to related party	101.84	1182.64
Loans & advances to Others	25.40	0.36
TDS and Advance tax	17.80	44.50
Total	**145.07**	**1227.51**

*Refer Gropings Sub Note No. 2

NOTE 6:- Other Financial Assets - INVESTMENTS

Particulars	31ST MAR 2023 Rs.	31ST MARCH 2022 Rs.
QUOTED - Investment (At FVTPL)		
Investment in Listed Entities	271.06	97.55
Investment in Listed Bonds	2116.71	401.92
Investment in Listed Mutual Funds	646.61	0.00
Unquoted-(At Cost)		
Shares - Kopra Estate Pvt Ltd	0.00	76.34
Shares - S P Capital Consultants Pvt Ltd	0.00	90.91
Shares - Pride Hotels Ltd	24.71	24.71
Shares - Pride Orchades Pvt Ltd	44.97	44.97
Total	**3104.05**	**736.40**

NOTE 07:- Other Financial Assets

Particulars	31ST MAR 2023 Rs.	31ST MARCH 2022 Rs.
Un-secured considered good		
Security Deposits:		
Electricity and Other Deposits	0.00	0.27
Interest receiavble on Bonds	30.57	2.89
Interest Receivable on Mutual Fund	1.10	0.00
Total	**31.67**	**3.16**

NOTE 08:- Borrowings

Particulars	31ST MAR 2023	31ST MARCH 2022
	Rs.	Rs.
Unsecured Loan from Related Parties	1319.14	391.43
Unsecured Loan from Others	106.92	100.00
Total	**1426.06**	**491.43**

*Refer Gropings Sub Note No. 3

NOTE 09:- Trade Payable

Particulars	31ST MAR 2023	31ST MARCH 2022
	Rs.	Rs.
Trade Payable	0.00	0.10
Total	**0.00**	**0.10**

NOTE 10:- Other Financial Liabilities

Particulars	31ST MAR 2023	31ST MARCH 2022
	Rs.	Rs.
Unpaid dividends	0.00	0.08
Audit Fees Payable	1.68	2.31
Limited Review Fees Payable	0.10	0.00
Director Sitting Fees Payable	0.00	0.10
TDS Payable	5.03	1.92
Gratuity Payable	5.57	0.30
Salary payable	1.96	0.00
Total	**14.35**	**4.72**

NOTE 11:- SHORT TERM PROVISIONS

Particulars	31ST MAR 2023	31ST MARCH 2022
	Rs.	Rs.
Provision For Income Tax	17.25	40.42
Total	**17.25**	**40.42**

S.P.CAPITAL FINANCING LIMITED

Notes on financial statement as on and for the year ended 31st March

NOTE 12:-EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 Mar 2023		As at 31 March 2022	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of ` 10/- each	1,21,00,000	1210.00	1,21,00,000	1210.00
Issued, Subscribed & Paidup				
Equity Shares of ` 10/- each	60,12,200	601.22	60,12,200	601.22
Total	**60,12,200**	**601.22**	**60,12,200**	**601.22**

Note 12.1 There are no items for reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.

Note 12.2 Terms/Rights Attached to Shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends to the holders of equity shares in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Note 12.3 The details of shareholder holding more than 5% shares as at March 31, 2023 is set out below:

Name of Shareholder	As at 31 Mar 2023		As at 31 March 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Class of Shares: Equity Shares				
Meena Investment Corporation	11,50,200	19.13	11,50,200	19.13
Sureshchand Jain	7,29,900	12.14	7,29,900	12.14
S.P.Capital Consultants Pvt Ltd	4,62,400	7.69	4,62,400	7.69
A.S.P.Enterprises Pvt Ltd	4,33,800	7.22	4,33,800	7.22
Pride Hotels Ltd	3,27,700	5.45	3,27,700	5.45

Note 12.4 There are no Bonus Shares /Buyback/Shares for consideration other than cash issued during past five years.

NOTE 13:- Other Equity

(₹ in Lakhs)

	Particulars	31ST MAR 2023 Rs.	31ST MARCH 2022 Rs.
A)	**General Reserves**		
	Opening Balance	186.00	186.00
	Add: Transferred From Surplus	**0.00**	0.00
	Total	**186.00**	**186.00**
B)	**Securities Premium Reserve**		
	Opening Balance	270.10	270.10
	Total	**270.10**	**270.10**
C)	**Other Reserves**		
	Reserves Fund U/S.45 of RBI Act		
	Opening Balance	311.36	162.00
	Add: Transferred From Surplus	9.62	149.36
	Total	**320.97**	**311.36**
D)	**Other Comprehensive Income**		
	Opening Balance	-10.77	-3.23
	Add: Transfer during the year	-48.29	-7.54
	Total	**-59.06**	**-10.77**
E)	**Surplus in Profit & loss a/c**		
	Surplus - Opening balance	582.03	610.94
	Add: Net Profit after tax transferred	48.08	142.55
	Add: Fair Value Gain (Restated)(Post Tax)		
	Amount available for appropriation	**630.11**	**753.48**
	Less Appropriations:	0.00	0.00
	Dividend Paid	41.03	30.06
	Deferred Tax written back	0.00	0.78
	Income Tax	0.00	0.00
	Dividend Tax	3.81	0.00
	Amount transferred to General reserves	0.00	0.00
	Amount transferred to Reserves Fund U/S.45 of RBI Ac	9.62	140.61
	Surplus - Closing Balance	**575.65**	**582.03**
	Total (A+B+C+D+E)	**1293.66**	**1338.72**

Description of Nature and purpose of other equity:

General Reserve:

General Reserve is used from time to time to tranfer profits from retained earnings for appropriation purposes.

Seurity Premium Reserve:

Security premium Reserve is the additional amount charged on the face value of share when the shares are issued,redeemed or forfeited.

S.P.CAPITAL FINANCING LIMITED

Notes on financial statement as on and for year ended 31st March 2023

(₹ in Lakhs)

NOTE 14:- REVENUE FROM OPERATION

Particulars	For the year ended 31ST MAR 2023	For the year ended 31ST MARCH 2022
	Rs.	Rs.
Sale of Securities	0.00	1.70
Interest Income (Gross)	153.46	82.46
Dividend Income	3.27	0.14
Total	**156.73**	**84.30**

NOTE 15:- OTHER INCOME

Particulars	For the year ended 31ST MAR 2023	For the year ended 31ST MARCH 2022
	Rs.	Rs.
Other Income		
Sale of Immovable Property	0.00	151.89
Net gain/(loss) on sale of Investments	0.05	-0.04
Interest on Income Tax Refund	0.28	0.00
Total	**0.34**	**151.85**

NOTE 16:- COST OF SECURITIES SOLD

Particulars	For the year ended 31ST MAR 2023	For the year ended 31ST MARCH 2022
	Rs.	Rs.
Opening Stock	0.00	0.00
Add: Purchases	0.00	1.30
	0.00	1.30
Less: Closing Stock	0.00	0.00
Total	**0.00**	**1.30**

NOTE 17:- EMPLOYEES BENEFIT EXPENSES

Particulars	For the year ended 31ST MAR 2023	For the year ended 31ST MARCH 2022
	Rs.	Rs.
Salaries	23.65	14.58
Bonus	1.22	0.00
Gratuity	4.91	0.30
Staff Welfare expenses	3.78	0.79
Total	**33.55**	**15.67**

NOTE 18:- OTHER EXPENSES

Particulars	For the year ended 31ST MAR 2023	For the year ended 31ST MARCH 2022
	Rs.	Rs.
Printing & Stationery Expenses	1.95	1.14
Office Expenses	2.63	2.51
Books & Periodicals Exp	0.68	0.00
Remuneration to Auditor (Refer Note No. 18)	0.50	0.50
Limited Review Fees	0.10	0.00
Advertising Expenses	1.80	0.46
Bank Charges	0.06	0.07
Conveyance Expenses	5.25	3.93
Directors Sitting Fees	0.40	0.40
Demat Expenses	0.56	0.15
Postage Courier & Stamp	0.85	0.24
Professional fees	1.54	0.20
Listing & Other Expenses	4.76	4.06
Telephone Expenses	0.01	0.00
Rent	4.13	7.79
Repairs & Maintenance	3.27	2.47
ROC Filing Fees	0.17	0.11
Sundry Expenses	1.89	0.16
Sundry Expenses Written Off	0.27	0.00
Amount written off	0.00	0.01
Interest on TDS	0.03	0.00
Total	**30.84**	**24.22**

Note:19 Earning Per Share

Particulars	For the year ended 31ST MAR 2023	For the year ended 31ST MARCH 2022
	Rs.	Rs.
Profit After Tax	48.08	142.55
No. of Equity Shares	60.12	60.12
EPS (basic & Diluted)	**0.80**	**2.37**

Note:20 Auditor's Remuneration

Particulars	For the year ended 31ST MAR 2023	For the year ended 31ST MARCH 2022
	Rs.	Rs.
For Audit Fees	0.50	0.50
For Limited Review Fees	0.10	0.00
Out of Pocket Expenses	0.11	0.09
Total	**0.71**	**0.59**

Note:21 Previous Year Figures:

Previous Year Figures are Re-Grouped and Re-arranged wherever necessary to confirm the current year's classifications.

Note: 22 Employee benefits

Defined benefit plan

i. Gratuity plan

The Gratuity Benefits are classified as Post-Retirement Benefits as per Ind AS 19 and the accounting policy is outlined as follows.

As per Ind AS 19, the service cost and the net interest cost would be charged to the profit or loss. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Company recognizes these remeasurements in the Other Comprehensive Income (OCI).

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

Through its gratuity plans the Company is exposed to a number of risks, the most significant of which are detailed below:

a) Actuarial Risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.
Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

b) Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

c) Liquidity Risk

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company, there can be strain on the cash flows.

d) Market Risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the evaluation of liability is exposed to fluctuations in the yields as at the valuation date.

e) Legislative Risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the payment of gratuity act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Remeasurements for the year (Acturial(gain)/loss)	(in ₹ Lakhs)
For the period	**01-04-2022 to 31-03-2023**
Experience(Gain)/Loss on plan liabilities	-0.19
Demographic(Gain)/Loss on plan liabilities	0.00
Financial (Gain)/Loss on plan liabilities	-0.18
Experience(Gain)/Loss on plan liabilities	0.00
Financial (Gain)/Loss on plan liabilities	0.00

Amounts recognised in statement of other comprehensive income(OCI)	
For the period	**01-04-2022 to 31-03-2023**
Opening amount recognised in OCIoutside profit and lossaccount	0.00
Remeasurement of the year-obligation(Gain)/Loss	-0.36
Remeasurement of the year-plan asset(Gain)/Loss	0.00
Total Remeasurement Cost(Credit) for the year recognised in OCI	-0.36
Closing amount recognised in OCI outside profit and loss amount	-0.36

Table showing changes in present value of obligations:	
For the period	01-04-2022 to 31-03-2023
Present value of obligations as at the beginning of the period	5.22
Acquisition adjustment	0.00
Transfer in/(out)	0.00
Interest Expense	0.37
Past service cost	0.00
Current service cost	0.35
Curtailment Cost/(Credit)	0.00
Settlement Cost/(Credit)	0.00
Benefits paid	0.00
Remeasurements on obligation-(Gain)/Loss	-0.36
Present value of obligations as at the end of the period	5.57

SENSITIVE ANALYSIS

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present Value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

A)Impact of change in discount rate when base assumption is decreased by 100 basis points

Discount rate	31/03/2023 Presesnt value of obligation(in Rs.)
6.50%	5.93
8.50%	5.24

B) Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

Salary increment rate	31/03/2023 Presesnt value of obligation(in Rs.)
7.00%	5.29
9.00%	5.87

C) Impact of change in withdrawal rate when base assumption is decreased /increased by100 basis point

Withdrawal rate	31/03/2023 Presesnt value of obligation(in Rs.)
3.00%	5.58
5.00%	5.57

Note: 23 Capital management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, customer, creditors and market confidence.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders.

The Company may take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.

"

Particulars	As at 31st March,	As at 31st March,
Short term debt	0.00	0.00
Total	0.00	0.00
Equity	1894.88	1939.94
Total debt to equity	0.00	0.00

Note: 24 Fair Value Disclosures

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

Note 25 <u>Additional regulatory information required by Schedule III</u>

(i) Details of benami property held

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The company have sanctioned borrowings/facilities from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts.

(iii) Wilful defaulter

The company has not been declared wilful defaulter by any bank or financial institution or any lender.

(iv) Relationship with struck off companies

The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(viii) Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xi) Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in notes 3a and 3b to the financial statements, are held in the name of the company.

(xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

S.P.CAPITAL FINANCING LIMITED

Notes on financial statement as on and for the year ended 31st March 2023

Note:26 Maturity analysis of assets and liabilities

₹ in Lakhs

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at 31 March, 2023			As at 31 March, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash & Cash Equivalents	62.75	0.00	62.75	340.72	0.00	340.72
Bank Balances other than above	0.04	0.00	0.04	168.82	0.00	168.82
Trade Receivables	0.00	0.00	0.00	0.00	0.00	0.00
Loans	145.07	0.00	145.07	1227.51	0.00	1227.51
Investments	3104.05	0.00	3104.05	736.40	0.00	736.40
Inventories	0.00	0.00	0.00	0.00	0.00	0.00
Other Financial Assets	31.67	0.00	31.67	3.16	0.00	3.16
	3343.58	**0.00**	**3343.58**	**2476.61**	**0.00**	**2476.61**
Financial Liabilities						
Payables	0.00	0.00	0.00	0.10	0.00	0.10
Borrowings	1426.06	0.00	1426.06	491.43	0.00	491.43
Other Financial Liabilities	14.35	0.00	14.35	4.72	0.00	4.72
	1440.41	**0.00**	**1440.41**	**496.26**	**0.00**	**496.26**
Net Position	**1903.16**	**0.00**	**1903.16**	**1980.36**	**0.00**	**1980.36**

Note : Information on the maturity pattern is based on the reasonable assumptions made by the management.

Note: 27 Capital Management:

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. Capital

Management Policy, objectives and processes are under constant review by the Board.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide maximum returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The primary objective of the Company's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

For the purposes of the Company's capital management, capital includes issued capital, securities premium, and all other equity reserves attributable to the equity holders.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, other non-current financial liabilities, other noncurrent liabilities, other current financial liabilities, other current liabilities, trade payables less cash and cash equivalents.

		₹ in Lakhs
Particulars	**As at 31 March, 2023**	**As at 31 March, 2022**
Borrowings	1426.06	491.43
Less :- Cash and Cash Equivalents	62.75	340.72
Net debt	**1363.31**	**150.71**
Equity	1894.88	1939.94
Equity	**1894.88**	**1939.94**
Capital and net debt	**3258.19**	**2090.65**
Gearing ratio	**41.84%**	**7.21%**

S.P.CAPITAL FINANCING LIMITED

Notes on financial statement as on and for the year ended 31st March 2023

Note:28 Financial instrument and fair value measurement

a) Financial Instruments - Accounting Classifications

Set out below, is a comparison by class of the carrying amounts and fair value and amortised cost of the Financial Assets and Financial Liabilit

Financial assets at fair value ₹ in Lakhs

Particulars	Carrying Value		Fair Value	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Financial assets at fair value through OCI				
Investments	3034.38	499.47	3034.38	499.47
Financial assets at fair value through Profit and Loss				
Investments	69.68	236.93	69.68	236.93
Inventories	0.00	0.00	0.00	0.00
Total	**3104.05**	**736.40**	**3104.05**	**736.40**

Financial assets and liabilities at amortised cost

₹ in Lakhs

Particulars	Carrying Value		Fair Value	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Financial assets				
Cash and cash equivalents	62.75	340.72	62.75	340.72
Bank Balances other than above	0.04	168.82	0.04	168.82
Trade Receivables	0.00	0.00	0.00	0.00
Loans	145.07	1227.51	145.07	1227.51
Other financial assets	31.67	3.16	31.67	3.16
Total	**239.52**	**1740.21**	**239.52**	**1740.21**
Financial liabilities				
Payabbles	0.00	0.10	0.00	0.10
Borrowings	1426.06	491.43	1426.06	491.43
Other Financial Liabilities	14.35	4.72	14.35	4.72
Total	**1440.41**	**496.26**	**1440.41**	**496.26**

The management assessed that the fair value of cash and cash equivalents, loans, other financial assets, borrowings, and other current financial liabilites (except financial instruments carried at amortised cost) approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) Financial Instruments - Fair value measurement

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

₹ in Lakhs

As at 31st March, 2023	Carrying Amount				Fair Value			
	At Fair value through Profit & Loss	At Fair value through Other Comprehensive Income	Amortise Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash & Cash Equivalents	0.00	0.00	62.75	62.75	0.00	0.00	62.75	62.75
Bank Balances other than above	0.00	0.00	0.04	0.04	0.00	0.00	0.04	0.04
Trade Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	145.07	145.07	0.00	0.00	145.07	145.07
Investments	69.68	3034.38	0.00	3104.05	3034.38	69.68	0.00	3104.05
Inventories	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Financial Assets	0.00	0.00	31.67	31.67	0.00	0.00	31.67	31.67
	69.68	**3034.38**	**239.52**	**3343.58**	**3034.38**	**69.68**	**239.52**	**3343.58**
Financial Liabilities								
Payables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Borrowings	0.00	0.00	1426.06	1426.06	0.00	0.00	1426.06	1426.06
Other Financial Liabilities	0.00	0.00	14.35	14.35	0.00	0.00	14.35	14.35
	0.00	**0.00**	**1440.41**	**1440.41**	**0.00**	**0.00**	**1440.41**	**1440.41**

₹ in Lakhs

As at 31st March, 2022	Carrying Amount				Fair Value			
	At Fair value through Profit & Loss	At Fair value through Other Comprehensive Income	Amortise Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash & Cash Equivalents	0.00	0.00	340.72	340.72	0.00	0.00	340.72	340.72
Bank Balances other than above	0.00	0.00	168.82	168.82	0.00	0.00	168.82	168.82
Trade Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	1227.51	1227.51	0.00	0.00	1227.51	1227.51
Investments	236.93	499.47	0.00	736.40	499.47	236.93	0.00	736.40
Inventories	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Financial Assets	0.00	0.00	3.16	3.16	0.00	0.00	3.16	3.16
	236.93	**499.47**	**1740.21**	**2476.61**	**499.47**	**236.93**	**1740.21**	**2476.61**
Financial Liabilities								
Payables	0.00	0.00	0.10	0.10	0.00	0.00	0.10	0.10
Borrowings	0.00	0.00	491.43	491.43	0.00	0.00	491.43	491.43
Other Financial Liabilities	0.00	0.00	4.72	4.72	0.00	0.00	4.72	4.72
	0.00	**0.00**	**496.26**	**496.26**	**0.00**	**0.00**	**496.26**	**496.26**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments and bonds which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 29: Financial Risk Management Objectives and Policies:

The Company's principal financial liabilities comprise Borrowings and Payables. The Company's financial assets include Investments, Loan, Interest receivable on Loan and Cash and Cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

Loans

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each Borrower / Customer, However, management also considers the factors that may influence the credit risk of its customer base. Including the default risk associated with the industry. The Company's exposure to credit risk for loans and advances by type of counterparty is as follows;

Carrying Amount		**₹ in Lakhs**
Particulars	**As at 31st March, 2023**	**As at 31st March, 2022**
Loans	0.00	0.00

The Loans are repayable on demand, however an impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the trade receivables are categorised into groups based on days past due.

Investments

The company has made investments in Equity shares, bonds and units of mutual funds on the basis of risk and returns of the respective scheme.

Cash and cash equivalent and Bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the fund are in Current Account and sometimes in invests in term deposits with banks.

2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by term loans, inter-corporate deposit and investment in mutual funds.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

			₹ in Lakhs
Particular	**As at 31 March, 2023**		
	Up to 12 months	**More than 12 months**	**Total**
Payables	0.00	0.00	0.00
Borrowings	0.00	0.00	0.00
Other Financial Liabilities	0.00	0.00	0.00
			₹ in Lakhs
Particular	**As at 31 March, 2022**		
	Up to 12 months	**More than 12 months**	**Total**
Payables	0.00	0.00	0.00
Borrowings	0.00	0.00	0.00
Other Non-Financial Liabilities	0.00	0.00	0.00

3) 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 includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

4) Interest Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The main business of the Company is providing loans to Corporates. The Company uses its own fund as well as borrows the funds for its lending activity. These activities expose the Company to Interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored through above measures on a time to time basis.

FY 2022-2023						Loan	Borrowings
Currency	**Increase / (decrease) in basis points**	**Sensitivity of profit or loss**		**Sensitivity of equity**		145.07	1426.06
Loans (₹ in Lakhs)	25 Basis point Up	Impact on Profit before Tax	0.36	Impact on equity	0.27		
	50 Basis point Up		0.73		0.54		
	25 Basis point Down		-0.36		-0.27		
	50 Basis point Down		-0.73		-0.54		
Borrowings (₹ in Lakhs)	25 Basis point Up	Impact on Profit before Tax	-3.57	Impact on equity	-2.67		
	50 Basis point Up		-7.13		-5.34		
	25 Basis point Down		3.57		2.67		
	50 Basis point Down		7.13		5.34		

FY 2021-2022						Loan	Borrowings
Currency	**Increase / (decrease) in basis points**	**Sensitivity of profit or loss**		**Sensitivity of equity**		1227.51	491.43
Loans (₹ in Lakhs)	25 Basis point Up	Impact on Profit before Tax	3.07	Impact on equity	2.30		
	50 Basis point Up		6.14		4.59		
	25 Basis point Down		-3.07		-2.30		
	50 Basis point Down		-6.14		-4.59		
Borrowings (₹ in Lakhs)	25 Basis point Up	Impact on Profit before Tax	-1.23	Impact on equity	-0.92		
	50 Basis point Up		-2.46		-1.84		
	25 Basis point Down		1.23		0.92		
	50 Basis point Down		2.46		1.84		

S.P.CAPITAL FINANCING LIMITED

Notes on financial statement as on and for the year ended 31st March 2023

Note:30 **Schedule to the Balance Sheet under Annex IV of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016**

	Particulars			**₹ in Lakhs**
Liabilities Side				
1	Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:		**Amount O/S**	**Amount Overdue**
	a) Debentures:			
	Secured		0.00	0.00
	Unsecured		0.00	0.00
	(other than falling within the meaning of public deposits)			
	b) Deferred Credits		0.00	0.00
	c) Term Loans		0.00	0.00
	d) Inter Corporate loans and borrowings		0.00	0.00
	e) Commercial Paper		0.00	0.00
	f) Other Loans		1426.06	0.00
	Total		1426.06	0.00
Assets Side				
				Amount Outstanding
2	Breakup of Loans and Advances including bills receivables (other than those included in (4) below):			
	a) Secured			0.00
	b) Unsecured			145.07
3	Breakup 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			N.A
	b) Operating Lease			N.A
	ii) Stock on hire including hire charges under sundry debtors:			
	a) Assets on hire			N.A
	b) Repossessed Assets			N.A
	iii) Other loans counting towards AFC activities			
	a) Loans where assets have been repossessed			N.A
	b) Loans other than (a) above			N.A
4	Breakup of Investments:			
	Current Investments:			
	1. Quoted:			
	i) Shares: (a) Equity			0.00
	(b) Preference			0.00
	ii) Debentures and Bonds			
	iii) Units of mutual funds			0.00
	iv) Government Securities			0.00
	v) Others (please specify)			0.00
	2. Unquoted:			
	i) Shares: (a) Equity			0.00
	(b) Preference			0.00
	ii) Debentures and Bonds			0.00
	iii) Units of mutual funds			0.00
	iv) Government Securities			0.00
	v) Others (please specify)			0.00

	Long Term investments:			
	1. Quoted:			
	i) Shares: (a) Equity			271.06
	(b) Preference			0.00
	ii) Debentures and Bonds			2116.71
	iii) Units of mutual funds			646.61
	iv) Government Securities			0.00
	v) Others (please specify)			0.00
				Amount Outstanding
	2. Unquoted:			
	i) Shares: (a) Equity			69.68
	(b) Preference			0.00
	ii) Debentures and Bonds			0.00
	iii) Units of mutual funds			0.00
	iv) Government Securities			0.00
	v) Others (please specify)			0.00
5	Borrower groupwise classification of assets financed as in (2) and (3) above:			
	Category	**Amount Net of Provisions**		
		Secured	**Unsecured**	**Total**
	1. Related Parties			
	a) Subsidiaries	0.00	0.00	0.00
	b) Companies in the same group	0.00	145.07	0.00
	c) Other related parties	0.00	0.00	0.00
	2. Other than related parties	0.00	0.00	0.00
	Total	**0.00**	**145.07**	**0.00**
6	Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
	Category		**Market Value/Break up or fair value or NAV**	**Book Value (Net of Provisions)**
	1. Related Parties			
	a) Subsidiaries		0.00	0.00
	b) Companies in the same group		0.00	0.00
	c) Other related parties		0.00	0.00
	2. Other than related parties		0.00	0.00
	Total		**0.00**	**0.00**
7	Other information			
	i) Gross Nonperforming Assets			
	a) Related Parties		0.00	0.00
	b) Other than related parties		0.00	0.00
	ii) Net Nonperforming Assets		0.00	0.00
	a) Related Parties		0.00	0.00
	b) Other than related parties		0.00	0.00
	iii) Assets acquired in satisfaction of debt		0.00	0.00

S.P.CAPITAL FINANCING LIMITED

Notes on financial statement as on and for the year ended 31st March 2023

Note:31 Changes in Liabilities arising from Financing Activities

₹ in Lakhs

Particulars	For the year ended March 31, 2022	Cash Flows	For the year ended March 31, 2023
Proceeds from Borrowings	491.43	934.63	1426.06
Total Liabilities from Financing Activities	**491.43**	**934.63**	**1426.06**

Note:32 Contingent Liabilities not provided (Ind AS - 37)

a. Estimated amount of contracts remaining to be executed on capital account and not provided for – Rs. Nil (PY - Rs. Nil).

b. Other Contingent Liabilities not provided for - Rs. Nil (PY - Rs. Nil).

Note:33 Earnings Per Share (Ind AS - 33)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit/(Loss) After Tax as per Statement of Profit and Loss (₹ in Lakhs)	48.08	142.55
Weighted Average Number of Equity Shares (restated)	60,12,200	60,12,200
Basic and Diluted earnings per Share (In Rs.)	0.80	2.37
Nominal Value Per Share (In Rs.)	10.00	10.00

Note : The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earnings per share of the Company remain the s

Note:34 Income Taxes & Deferred Taxes (Ind AS - 12)

Income Tax recognised in statement of profit and loss

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax		
In respect of the Current Year	17.25	40.42
In respect of the Prior Years	-1.80	0.74
	15.45	41.16
Deferred Tax		
In respect of the Current Year	0.00	0.00
On Other Comprehensive Income	8.97	2.13
	8.97	2.13
Total Income tax expense recognised in the current year relating to continuing operations	**24.42**	**43.29**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate:

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit Before Tax	63.53	183.71
Applicable tax rate @ 25.17% (March 31, 2022 @ 25.17%)	15.99	46.24
Effect of restated profit on account of Ind AS adoption	0.00	0.00
Effect of Tax Exempt Income	0.00	0.00
Effect of Non-Deductible expenses	0.00	0.00
Effect of Allowances for tax purpose	0.00	0.00
Effect of Tax paid at a lower rate	0.00	0.00
Effect of Previous year adjustments	0.00	0.00
Others	0.00	0.00
Total	**15.99**	**46.24**

Note:35 Related Party Disclosures (Ind AS - 24)

A. **Name of related parties and related party relationship:**

Key Management Personnel

Sureshchand Premchand Jain	Managing Director
Meena Sureshchand Jain	Director
Rajendra Ladakchand Jain	Director
Baldev Lakhmichand Boolani	Director
Sandeep Sakharam Gopale	Chief Financial Officer
Simran Kashela	Company Secretary
Sonal Naik	Company Secretary

Enterprises owned or significantly influenced by any management personnel

- EXECUTIVE HOUSING FINANCE CO LTD
- KOPRA ESTATE PVT LTD
- INDRALOK HOTELS PVT LTD
- JAGSONS HOTELS PVT LTD
- PRIDE HOTELS LIMITED
- PRIDE REGENCY & DEV- LLP
- ROHAN HOTELS PVT LTD

B Following transactions were carried out in the ordinary course of business with the parties referred to in (A) above:

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Key Management Personnel		
Salary	8.66	6.42
Directors Sitting Fees	0.40	0.40
Bonus & Leave Salary	0.00	0.00
Reimbursement of Expenses	0.00	0.00
Enterprises owned or significantly influenced by any management personnel		
Rent Paid	4.13	7.79
Warehouse Income	0.00	0.00
Expenses incurred on behalf	0.00	0.00

C Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015). Loans and advances in the nature of loans to companies in which directors are interested as under:

Period	Balance of Loans as at	Maximum balance outstanding during the year
31st March, 2023	0.00	0.00
31st March, 2022	0.00	0.00

Note : Related Parties are disclosed by the management and relied upon by the auditors.

Note: 36 Segment Reporting (Ind AS - 108)

The Company operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'.

Note: 37 Leases (Ind AS - 116)

The Company has taken premises under lease. The lease typically runs for a period of 3 years with an option to renew the lease after that period. The lease payments for the entire lease period are fixed at the time of entering into the lease agreement and are renegotiated towards the end of the lease period in case of renewals.

₹ in Lakhs

	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Future Minimum Lease Payments under non-cancellable		
(a) Not later than one year	0.00	0.00
(b) Later than one year but not later than 5 years	0.00	0.00
(c) More than 5 years	0.00	0.00
2. Lease payments charged to Profit and Loss Account		
Rental expenses	4.13	7.79
Depreciation	0.00	0.00
Interest	0.00	0.00

Note: 38

The provisions of section 186 of the Companies Act, 2013 pertaining to investment and lending activities were not applicable to the Company since the Company was an NBFC. Further, during the year, the Company has not provided any guarantee.

Note: 39

Disclosures as required by RBI Notification No. DNBR.019/CGM (CDS) - 2015 dated April 10, 2015 has not been given since the asset size of the Company does not exceed Rs.500 Crores as on the Balance Sheet date.

Note: 40

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2023.

Note: 41

The Company ceases to have financial assets more than 50 per cent of the total assets and income from financial assets more than 50 per cent of the gross income at the end of current financial year. However, the Company holds NBFC registration from the Reserve Bank of India as on the balance sheet date. The Company is in the process of approaching Reserve Bank of India for seeking temporary suspension of NBFC License and accordingly the financial statements are prepared as per Division III of Schedule III of the Companies Act, 2013.

Note: 42

The Company has not traded or invested in crypto currency or virtual currency during the year.

Note: 43

The Company is not required to spend any amount in terms of provisions of section 135 of the Companies, Act 2013 on Corporate Social Responsibility.

Note: 44

The Company is not as wilful defaulter by ant bank or financial institution or other lenders.

Note: 45

There are no transactions with the Struck off Companies under Section 248 or 560 of the Companies, Act 2013.

Note: 46

No proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.

Note:47 Fianncial Ratios

Pursuant to the amendments to Schedule III vide MCA circular dated March 23, 2021, the following ratios are presented:

Sr. No.		Particulars	Numerator/ Denominator	For the year ended March 31, 2023	For the year ended March 31, 2022	Variance	Remarks
1		Capital to risk-weighted assets ratio (CRAR)					
	i	Tier I CRAR	Tier I Capital / Total Risk Weighted Assets	0.00	0.00	0%	
	ii	Tier II CRAR	Tier II Capital / Total Risk Weighted Assets	0.00	0.00	0%	
2		Liquidity Coverage Ratio	High Quality Liquid Assets / Total Net Cash Flows	0.00	0.00	0%	

Note:48 The following disclosure is required pursuant to RBI circular dated 13.03.2020- Circular No. RB112019-201170 DOR/(NBFC).CC.PD. No. 1091/22.10.106/2019-

₹ in Lakhs

Asset Classification as per RBI Norms	Asset Ciassificatlon as per Ind AS 109	Gross Carrying value as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net Carrying Value	Provision as per ICARP norms	Difference Between Ind AS 109 and provisions as per ICARP norms
(A)	(B)	(C)	(D)	(E) = (C) - (D)	(F)	(G) = (D) - (F)
Performing Assets Standard	Stage 1	145.07	0.00	145.07	0.00	0.00
Performing Assets Sub-Standard	Stage 2	0.00	0.00	0.00	0.00	0.00

Note:49 Provisions and Contingencies - Additional Disclosures

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year ended March 31, 2023	For the year ended March 31, 2022
Provisions for depriciation on Investment	0.00	0.00
Provision towards NPA	0.00	0.00
Provision made towards Income Tax	17.25	40.42
Other Provision and Contingencies		
Provision for Standard Assets	0.00	0.00
Floating Provision Against Standard Assets	0.00	0.00
Provision for depreciation	0.00	0.00
Provision for gratuity	0.00	0.00
Provision for Compensated Assets	0.00	0.00

Note:50 Disclosures as required in terms of RBI notification no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 pertaining to Asset Classification as per RBI:

a) Details of transfer through assignment in respect of loans not in default:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount of Loan accounts assigned (Rs. In Lakhs)	0.00	0.00
Retention ofBeneficial Economic Interest (In %)	0.00	0.00
Weighted Average Maturity (in Years)	0.00	0.00
Weighted Average Holding Period (in Years)	0.00	0.00
Coverage of tangible security Coverage (in %)	0.00	0.00

b) The Company has not acquired any loan not in default during the year ended March 31, 2023.

c) The Company has not transferred or acquired any stressed loan during the year ended March 31, 2023.

Note:51 Disclosure pursuant to RBI notifleatlon on "COVID-19 Regulatory Package - Asset Classification and Provlsionlng" dated 17 April 2020 :

Sr. No.	Particulars	Amount
i)	Respective amounts in SMA/overdue categories where the moratorium/deferment was extended.	0.00
ii)	Respective amount where asset classification benefits is extended.	0.00
iii)	Provision made during the F.Y. 2021-22 as per RBI orcdlar datea 17 April 2020 Norms.	0.00
iv)	Provisions adjusted during the respective accounting period against slippages and the residual provisions.	0.00

Note: 52

In the opinion of the Board, the Current assets, and Loans and Advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated in the books of account and adequate provision has been made of founds all known liabilities.

Note: 53

a) Pursuant to the amendments to Schedule III vide MCA circular dated March 23, 2021, figures are rounded off to rupee in lakhs.
b) Previous year figures have been regrouped and/or reclassified wherever necessary to conform to current year's presentation.

As per our Report of even date attached		
For and on behalf of	**For and on behalf of the Board of Directors**	
M/s. JMT & ASSOCIATES	**For S P CAPITAL FINANCING LTD**	
Chartered Accountants	**CIN: L74140MH1983PLC029494**	
Firm Registration No. 104167W		
Sd/-	**Sd/-**	**Sd/-**
AMAR BAFNA	**SURESHCHAND P JAIN**	**MEENA S JAIN**
PARTNER	**MANAGING DIRECTOR**	**DIRECTOR**
MEMBERSHIP NO.048639	**DIN:00004402**	**DIN:00004413**
PLACE: MUMBAI		
DATE: 18th May, 2023	**Sd/-**	**Sd/-**
	SONAL NAIK	**SANDEEP GOPALE**
	COMPANY SECRETARY & COMPLIANCE	**CHIEF FINANCIAL OFFICER**

Independent Auditor's Report

To the Members of
S.P. Capital Financing Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **S.P. Capital Financing Limited** ("the Company") and its associates (together with referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Cash Flow Statement and the Consolidated Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its Profit /loss, including Other Comprehensive Income, Cash Flow and the changes in equity 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 Consolidated Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated Ind AS 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. There are no other key audit matters and we do not provide a separate opinion on these matters.

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

The Holding company's Management and Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained 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 Consolidated Financial Statements

The Holding Company's Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the reparation of these) Consolidated financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed 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 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

Auditor's Responsibility for the Audit of the consolidated financial statements

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

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

• Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

• Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of

our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

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

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

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

Other Matters

The consolidated financial statements also include the Group's share of net profit/loss of Rs.36,594 for the year ended 31st March, 2023, as considered in the consolidated financial statements, in respect of associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. 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 purpose of our audit;

b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of changes in Equity dealt with by this Report are in agreement with the books of account;

d. in our opinion, the aforesaid Ind AS Consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

i. The Group does Not have any pending litigations which would Impacts on financial position

ii. The Group, did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;

iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Group's Company.

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For JMT & Associates
Chartered Accountants
Firm Registration No. 104167W

Sd/-
Amar Bafna
(Partner)
Membership No. 048639
UDIN: 23048639BGVRJP4109

Place: Mumbai
Date: 18/05/2023

"Annexure A" to the Independent Auditor's Report of even date on the Consolidated Financial Statements of S.P. Capital Financing Limited

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated 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 or for other reasons.

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 March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For JMT & Associates
Chartered Accountants
Firm Registration No. 104167W

Sd/-
Amar Bafna
(Partner)
Membership No. 048639
UDIN: 23048639BGVRJP4109

Place: Mumbai
Date: 18/05/2023

S.P.CAPITAL FINANCING LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2023

			(₹ in Lakhs)
PARTICULARS	**NOTE NO.**	**AS AT 31st MAR 2023 Rs.**	**AS AT 31st MARCH 2022 Rs.**
ASSETS			
Financial Assets			
Cash and cash equivalents	3	62.75	340.72
Bank balances other than Cash and Cash equivalents	4	0.04	168.82
Trade receivables		0.00	0.00
Loans & Advances	5	145.07	1227.51
Investments	6	3459.27	1091.25
Other financial assets	7	31.67	3.16
Total Financial Assets		**3698.79**	**2831.46**
Non-Financial Assets			
Inventories		0.00	0.00
Deferred Tax Assets (Net)		8.97	0.00
Property, plant and equipment		0.00	0.00
Other Non financial assets		0.00	0.00
Total Non-Financial Assets		**8.97**	**0.00**
Total Assets		**3707.76**	**2831.46**
EQUITY AND LIABILITIES			
Financial Liabilities			
Borrowings	8	1426.06	491.43
Trade payables	9	0.00	0.10
Other financial liabilities	10	14.35	4.72
Total Financial Liabilities		**1440.41**	**496.26**
Non-Financial Liabilities			
Deferred tax liabilities (net)		0.00	0.00
Provisions	11	17.25	40.42
Total Non-Financial Liabilities		**17.25**	**40.42**
Total Liabilities		**1457.66**	**536.68**
Equity			
Equity share capital	12	601.22	601.22
Other equity	13	1648.87	1693.56
Total Equity		**2250.09**	**2294.78**
TOTAL EQUITY AND LIABILITIES		**3707.76**	**2831.46**

Other notes to Accounts & the accompanying notes are an integral part of Consolidated Financial

As per our report of even date	**For & on behalf of the Board**	
For **JMT & ASSOCIATES**	**For S P CAPITAL FINANCING LTD**	
CHARTERED ACCOUNTANTS	**CIN: L74140MH1983PLC029494**	
FRN - 104167W		
Sd/-		
AMAR BAFNA	**Sd/-**	**Sd/-**
PARTNER	**SURESHCHAND P JAIN**	**MEENA S JAIN**
M.NO.048639	**MANAGING DIRECTOR**	**DIRECTOR**
PLACE: MUMBAI	**DIN:00004402**	**DIN:00004413**
DATE: 18th May, 2023		
	Sd/-	**Sd/-**
	SONAL NAIK	**SANDEEP GOPALE**
	COMPANY SECRETARY & COMPLIANCE OFFICER	**CHIEF FINANCIAL OFFICER**

S.P.CAPITAL FINANCING LIMITED

Statement of Profit and loss for the year ended 31st March 2023

(₹ in Lakhs)

	PARTICULARS	NOTE NO.	For the Year Ended 31st Mar 2023 Rs.	For the Year Ended 31ST March 2022 Rs.
	Income			
I.	Revenue From Operations	**14**	156.73	84.30
II.	Other Income	**15**	0.34	151.85
III.	**Total Income**		**157.07**	**236.14**
IV.	**Expenses:**			
	Purchase of Stock-in-Trade	**16**	0.00	1.30
	Employee benefits expense	**17**	33.55	15.67
	Finance Cost		29.15	11.25
	Depreciation and amortization expense		0.00	0.00
	Other expenses	**18**	30.84	24.22
	Total expenses		**93.54**	**52.43**
V	**Profit before exceptional and extraordinary items and tax (III - IV)**		63.53	183.71
VI	**a) Exceptional items**		0.00	0.00
	b) Share of Profit/(Loss) from Associates (Equity Method)		0.37	0.23
VII	**Profit before extraordinary items and tax (V - VI)**		63.90	183.94
VIII	**Extraordinary items**		0.00	0.00
IX	**Profit before tax (VII - VIII)**		**63.90**	**183.94**
X	**Tax expense:**			
	(1) Current tax		17.25	40.47
	(2) Deferred tax		0.00	0.00
	(3) Tax for earlier years		-1.80	0.74
			15.45	**41.21**
XI	Profit/(Loss) for the period from continuing operations (IX-X)		**48.44**	**142.73**
XII	Profit/(Loss) from discontinuing operations		0.00	0.00
XIII	Tax expense of discontinuing operations		0.00	0.00
XIV	Profit/(Loss) from discontinuing operations (after tax) (XII-XII		0.00	0.00
XV	**Profit/(Loss) for the period (XI+XIV)**		**48.44**	**142.73**
	Other Comprehensive Income			
	Income reclassifiable to P&L			
	Tax thereon			
	Remesurement of the Defined Benefit Plan			
	Income not reclassifiable to P&L		-56.90	-9.67
	Tax thereon		8.88	2.13
	Remesurement of the Defined Benefit Plan		-0.36	0.00
	Tax thereon		0.09	0.00
	Total Other Comprehensive Income		**-48.29**	**-7.54**
	Total Comprehensive Income		**0.15**	**135.19**
XVII	Earnings per equity share of face value of Rs. 10 each Basic & Diluted (in Rupees)	**19**	**0.81**	**2.37**

Other notes to Accounts & the accompanying notes are an integral part of Consolidated Financi

As per our report of even date	**For & on behalf of the Board**	
For JMT & ASSOCIATES	**For S P CAPITAL FINANCING LTD.**	
CHARTERED ACCOUNTANTS	**CIN: L74140MH1983PLC029494**	
FRN - 104167W		
Sd/-		
AMAR BAFNA	**Sd/-**	**Sd/-**
PARTNER	**SURESHCHAND P JAIN**	**MEENA S JAIN**
M.NO.048639	**MANAGING DIRECTOR**	**DIRECTOR**
PLACE: MUMBAI	**DIN: 00004402**	**DIN: 00004413**
DATE: 18th May, 2023		
	Sd/-	**Sd/-**
	SONAL NAIK	**SANDEEP GOPALE**
	COMPANY SECRETARY & COMPLIANCE OFFICER	**CHIEF FINANCIAL OFFICER**

S.P.CAPITAL FINANCING LIMITED

Consolidated Statement of Cash Flow for the year ended 31 March 2023

(₹ in Lakhs)

Particulars	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year	63.90	183.94
Adjustments for:		
Non Cash / Separately Considered	-48.29	-151.89
Other Adjustments	0.00	0.00
Operating profit before working capital changes	15.60	32.05
Movements in working capital:		
(Increase)/Decrease in trade and other receivables	0.00	0.00
(Increase)/decrease in Loans & Advances	1082.44	189.84
(Increase)/decrease in Investments	0.00	0.00
(Increase)/decrease in inventories	0.00	0.00
(Increase)/decrease in other assets	-28.51	-2.89
(Decrease)/increase in trade and other payables	-0.10	-0.32
(Decrease)/increase in Provision		0.00
(Decrease)/increase in other liabilities	9.63	0.55
Cash flow from / (utilized in) operating activities post working capital changes	1063.47	187.18
Income Taxes	-38.62	-15.11
Net cash flow from / (utilized in) in operating activities (A)	1040.45	204.12
Cash flows from investing activities		
Payments to acquire financial assets (Investments)	-2376.99	-506.52
Proceeds on sale of financial assets (Investments)	0.00	4.15
Proceeds on sale of financial assets (Land)	0.00	177.00
Net cash (used in) investing activities (B)	-2376.99	-325.37
Cash flows from financing activities		
Proceed From Borrowing	934.63	488.57
Repayment of Borrowing	0.00	0.00
Distribution of dividend	-44.84	-30.06
Net cash used in financing activities (C)	889.78	458.50
Cash and cash equivalents at the beginning of the year	509.54	172.52
Cash and cash equivalents at the end of the year(A+B+C)	62.79	509.77
Reconciliation of cash and cash equivalents as per the cash flow Statement		
Cash and cash equivalents	62.75	340.72
Other Balance with bank	0.04	168.82
Balance as per statement of cash flows	62.79	509.54

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

As per our report of even date attached	**For & on behalf of the Board**	
For JMT & ASSOCIATES	**For S P CAPITAL FINANCING LTD**	
CHARTERED ACCOUNTANTS	**CIN NO. L74140MH1983PLC029494**	
FRN - 104167W		
Sd/-		
AMAR BAFNA	**Sd/-**	**Sd/-**
PARTNER	**SURESHCHAND P JAIN**	**MEENA S JAIN**
M.NO.048639	**MANAGING DIRECTOR**	**DIRECTOR**
PLACE: MUMBAI	**DIN:00004402**	**DIN:00004413**
DATE: 18th May, 2023		
	Sd/-	**Sd/-**
	SONAL NAIK	**SANDEEP GOPALE**
	COMPANY SECRETARY & COMPLIANCE OFFICER	**CHIEF FINANCIAL OFFICER**

S.P.CAPITAL FINANCING LIMITED

Consolidated Statement of Change in Equity Capital

As At 31st March 2023

A Equity share capital

(Also refer Note)

Particulars	Total Equity
	(Rs. In Lakhs)
As on 1st April 2022	601.22
Issue of Share Capital During the qurte	-
As on 31st March 2023	**601.22**

B Other Equity

(also refer Note)

(₹ in Lakhs)

Particulars	Surplus					
	General Reserve	Surplus as per Profit and Loss	Other Comprensive Income	Reserve Fund u/s 45 of RBI Act	Security Premium Reserve	Total Other Equity
Balance as at 1st April 2022	**186.00**	**587.03**	**-10.77**	**661.21**	**270.10**	**1693.56**
Profit/Loss for the year	0.00	48.44	-48.29	0.00	0.00	0.15
Excess Provision for Tax	0.00	0.00	0.00	0.00	0.00	0.00
Restated Profit After tax	0.00	0.00	0.00	0.00	0.00	0.00
Total comprehensive income for the ye	186.00	635.47	-59.06	661.21	270.10	1693.72
Transfer to/From General Reserve	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to/ From other Reserve:	0.00	-9.62	0.00	9.62	0.00	0.00
Deferred Tax write back	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Paid	0.00	-44.84	0.00	0.00	0.00	-44.84
Balance as at 31st March 2023	**186.00**	**581.01**	**-59.06**	**670.83**	**270.10**	**1648.87**

As per our report of even date attached
For JMT & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 104167W

For & on behalf of the Board
For S P CAPITAL FINANCING LTD.
CIN: L74140MH1983PLC029494

Sd/-
AMAR BAFNA
PARTNER
M.NO.048639
PLACE: MUMBAI
DATE: 18th May, 2023

Sd/-
SURESHCHAND P JAIN
MANAGING DIRECTOR
DIN: 00004402

Sd/-
MEENA S JAIN
DIRECTOR
DIN: 00004413

Sd/-
SONAL NAIK
COMPANY SECRETARY &
COMPLIANCE OFFICER

Sd/-
SANDEEP GOPALE
CHIEF FINANCIAL OFFICER

S. P Capital Financing Limited
Notes to Financial Statements for the Year ended 31 March 2023

1 CORPORATE INFORMATION

S. P capital Financing Limited (the Company) having principal place of business at Registered office at The Ruby, 5SC, 5th Floor, South Wing, Level 8th, JK Sawant Marg, Dadar West, Mumbai 400028 is engaged in the business of Finance & Investment activities and in providing ancillary services related to the said business activities. The Company is NBFC holding a Certificate of Registration No. B_13.01087 from the Reserve Bank of India ("RBI"), having CIN: L74140MH1983PLC029494.
The financial statements for the year ended March 31, 2023 were authorised for issue in accordance with a resolution of the Board of Directors on May 18th, 2023.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 2.13 - Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (INR).

2.2 Presentation of financial statements

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 (the Act) applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business.
ii. The event of default.
iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

2.3 Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.4 Financial instruments

i. Classification of financial instruments

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

1. Financial assets to be measured at amortised cost.

2. Financial assets to be measured at fair value through profit or loss.
The classification depends on the contractual terms of the financial asset's cash flows and the Company's business model for managing financial assets which are explained below:

Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

-How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel

-The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.

-How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

-The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

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

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

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

ii. Financial assets measured at amortised cost

These financial assets comprises of bank balances, receivables, investments and other financial assets.

Debt instruments

Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

iii. Financial Instruments at fair value through profit or loss (FVTPL)

Items at fair value through profit or loss comprise:
-Investments (including equity shares) held for trading;
-debt instruments with contractual terms that do not represent solely payments of principal and interest. Financial instruments held at FVTPL are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

iv. Debt securities and other borrowed funds

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

v. Reclassification

If the business model under which the Company holds financial assets undergoes changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described in subsequent paragraphs.

vi. Recognition and Derecognition of financial assets and liabilities

Recognition:
a) Loans and Advances are initially recognised when the Financial Instruments are transferred to the customers.
b) Investments are initially recognised on the settlement date.
c) Debt securities and borrowings are initially recognised when funds are received by the Company.
d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).
If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, the Company has transferred its contractual rights to receive cash flows from the financial asset.

A transfer only qualifies for derecognition if either:
i. The Company has transferred substantially all the risks and rewards of the asset, or
ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where 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 a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of Profit or Loss.

vii. Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

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 the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Micro, Small and Medium Enterprises (MSMEs) and Construction Finance.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances up to 0-29 days default under this category. Stage 1 loans also include facilities where the credit risk has reduced and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but is not credit impaired are classified under this stage. Financial assets past due for 30 to 89 days are classified under this stage. Stage 2 loans also include facilities where the credit risk has reduced, and the loan has been reclassified from Stage 3.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for e.g. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
a) Significant financial difficulty of the borrower or issuer;
b) A breach of contract such as a default or past due event;
c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e) The disappearance of an active market for a security because of financial difficulties.

The mechanics of ECL:

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:
Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

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

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date including the undrawn commitments.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as the underlying asset financed, cash, securities, letters of credit/guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral.

Collateral repossessed

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages its employees to recover funds, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

viii. Write-offs

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

ix. Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note.) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation are significant and are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Difference between transaction price and fair value at initial recognition

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

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

2.5 Revenue from operations

i. Interest Income

Interest income is recognised by applying EIR to the gross carrying amount of financial assets other than credit- impaired assets and financial assets classified as measured at FVTPL, taking into account the amount outstanding and the applicable interest rate. For credit impaired financial assets, the company applies the EIR to the amortised cost of the financial asset in subsequent reporting period.

The EIR is computed:

As the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

By considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) in estimating the cash flows

Including all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

ii. Dividend Income

Dividend income is recognised when the right to receive the payment is established.

iii. Fees & Franchisee Income

Fees and Franchisee are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

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

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

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

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

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

iv. Net gain on Fair value changes

Any differences between the fair values of financial assets classified as FVTPL held by the Company on the reporting date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in “Net gains on fair value changes” under Revenue from operations and if there is a net loss the same is disclosed as “Net loss on fair value changes” under Expenses in the Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain/loss on fair value changes.

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

2.6 Expenses

i. Finance costs

Finance costs on borrowings is paid towards availing of loan, is amortised on EIR basis over the life of loan. The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

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

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

ii. Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution schemes

All the eligible employees of the Company who have opted to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under ‘The Payment of Gratuity Act, 1972’. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

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

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

Iii Rent Expense

Identification of Lease:

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Recognition of lease payments:

A right-of-use asset representing the right to use the underlying asset and a lease liability representing the obligation to make lease payments is recognized for all leases over 1 year on initial recognition basis. Discounted committed & expected future cash flows and depreciation on the asset portion on straight-line basis & interest on liability portion (net of lease payments) on EIR basis is recognized over the expected lease term. No right-of-use asset is created for short term leases (i.e. lease term less than 1 year) and leases of low value items.

iv Other income and expenses

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

v Impairment of non-financial assets

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

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

vi Taxes

Current Tax

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

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

Deferred tax

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

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

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity.

Indirect Taxes

Goods and services tax /service tax/value added taxes paid on acquisition of assets or on incurring expenses.
Expenses and assets are recognised net of the goods and services tax/service tax/value added taxes paid, except:
i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
ii. When receivables and payables are stated with the amount of tax included
The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purpose.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

2.8 Property, plant and equipment

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

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

Depreciation

"Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Act, except the useful life of plant and machinery, life of which is estimated for the period of 5 years (as per contractual terms). The estimated useful lives are as prescribed by Schedule II of the Act. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

2.9 Intangible assets

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

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

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

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

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

2.10 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

2.11 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements

2.12 Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS vis 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 the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.13 Significant accounting judgements, estimates and assumptions

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

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

i. Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

ii. Lease term of right-to-use assets

Management reviews its estimate of the lease term of right-to-use assets at each reporting date, based on the expected utility of the leased property. Uncertainties in this estimate relate to business obsolescence/discontinuance that may change the lease term for certain right-to-use assets.

iii. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

iv. Defined employee benefit assets and liabilities

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

v. Impairment of loans portfolio

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

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

vi. Effective Interest Rate (EIR) method

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

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to Company's base rate and other fee income/expense that are integral parts of the instrument.

2.14 Operating Cycle

Based on the nature of products/activities of the company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months.

2.15 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The following Accounting Standards have been modified on miscellaneous issues with effect from 1st April 2023. Such changes include clarification/guidance on:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements."

Ind AS 8 – Accounting policies, changes in accounting estimate and errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements."

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

It may be noted that we expect there would be a change in accounting policies section of the financial statements as the standard would require presentation of 'material accounting policies' as against 'significant accounting policies' disclosed so far.

S.P.CAPITAL FINANCING LIMITED

Notes on financial statement as on and for year ended 31st March 2023

(₹ in Lakhs)

NOTE 03:- Financial Assets - Cash and Cash equivalents

Particulars	31ST MAR 2023	31ST MARCH 2022
	Rs.	Rs.
Balances with banks		
In Current accounts	60.38	340.56
Cash in hand	2.37	0.16
Total	**62.75**	**340.72**

NOTE 04:- Bank balance other than those Disclosed in Note 1 above

Particulars	31ST MAR 2023	31ST MARCH 2022
	Rs.	Rs.
Other Bank Balances		
Unpaid Dividend accounts	0.04	0.12
In Deposit Account	0.00	168.70
Total	**0.04**	**168.82**

NOTE 05:- LOANS AND ADVANCES

Particulars	31ST MAR 2023	31ST MARCH 2022
	Rs.	Rs.
Un-secured considered good		
Loans to employees	0.02	0.02
Loan & Advances to related party	101.84	1182.64
Loans & advances to Others	25.40	0.36
TDS and Advance tax	17.80	44.50
Total	**145.07**	**1227.51**

NOTE 6:- Other Financial Assets - INVESTMENTS

Particulars	31ST MAR 2023 Rs.	31ST MARCH 2022 Rs.
QUOTED - Investment (At FVTPL)		
Investment in Listed Entities	271.06	97.55
Investment in Listed Bonds	2116.71	401.92
Investment in Listed Mutual Funds	646.61	0.00
Unquoted-(At Cost)		
Shares - Kopra Estate Pvt Ltd	0.00	76.34
Shares - S P Capital Consultants Pvt Ltd	0.00	90.91
Shares - Pride Hotels Ltd	24.71	24.71
Shares - Pride Orchades Pvt Ltd	44.97	44.97
Premium - Pride Orchades Pvt Ltd	354.85	354.62
Profit - Pride Orchades Pvt Ltd	0.37	0.23
Total	**3459.27**	**1091.25**

NOTE 07:- Other Financial Assets

Particulars	31ST MAR 2023 Rs.	31ST MARCH 2022 Rs.
Un-secured considered good		
Security Deposits:		
Electricity and Other Deposits	0.00	0.27
Interest receiavble on Bonds	30.57	2.89
Interest Receivable on Mutual Fund	1.10	0.00
Total	**31.67**	**3.16**

NOTE 08:- Borrowings

Particulars	31ST MAR 2023 Rs.	31ST MARCH 2022 Rs.
Unsecured Loan from Related Parties	1319.14	391.43
Unsecured Loan from Others	106.92	100.00
Total	**1426.06**	**491.43**

NOTE 09:- Trade Payable

Particulars	31ST MAR 2023 Rs.	31ST MARCH 2022 Rs.
Trade Payable	0.00	0.10
Total	**0.00**	**0.10**

NOTE 10:- Other Financial Liabilities

Particulars	31ST MAR 2023	31ST MARCH 2022
	Rs.	Rs.
Unpaid dividends	0.00	0.08
Audit Fees Payable	1.68	2.31
Limited Review Fees Payable	0.10	0.00
Director Sitting Fees Payable	0.00	0.10
TDS Payable	5.03	1.92
Gratuity Payable	5.57	0.30
Salary payable	1.96	0.00
Total	**14.35**	**4.72**

NOTE 11:- SHORT TERM PROVISIONS

Particulars	31ST MAR 2023	31ST MARCH 2022
	Rs.	Rs.
Provision For Income Tax	17.25	40.42
Total	**17.25**	**40.42**

S.P.CAPITAL FINANCING LIMITED

Notes on financial statement as on and for the year ended 31st March

NOTE 12:-EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 Mar 2023		As at 31 March 2022	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of ` 10/- each	1,21,00,000	1210.00	1,21,00,000	1210.00
Issued, Subscribed & Paidup				
Equity Shares of ` 10/- each	60,12,200	601.22	60,12,200	601.22
Total	**60,12,200**	**601.22**	**60,12,200**	**601.22**

Note 12.1 There are no items for reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.

Note 12.2 Terms/Rights Attached to Shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends to the holders of equity shares in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Note 12.3 The details of shareholder holding more than 5% shares as at March 31, 2023 is set out below:

Name of Shareholder	As at 31 Mar 2023		As at 31 March 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Class of Shares: Equity Shares				
Meena Investment Corporation	11,50,200	19.13	11,50,200	19.13
Sureshchand Jain	7,29,900	12.14	7,29,900	12.14
S.P.Capital Consultants Pvt Ltd	4,62,400	7.69	4,62,400	7.69
A.S.P.Enterprises Pvt Ltd	4,33,800	7.22	4,33,800	7.22
Pride Hotels Ltd	3,27,700	5.45	3,27,700	5.45

Note 12.4 There are no Bonus Shares /Buyback/Shares for consideration other than cash issued during past five years.

S.P.CAPITAL FINANCING LIMITED

Notes on financial statement as on and for the year ended 31st March 2023

NOTE 13:- Other Equity

(₹ in Lakhs)

	Particulars	31ST MAR 2023 Rs.	31ST MARCH 2022 Rs.
A)	**General Reserves**		
	Opening Balance	186.00	186.00
	Add: Transferred From Surplus	**0.00**	0.00
	Total	**186.00**	**186.00**
B)	**Securities Premium Reserve**		
	Opening Balance	270.10	270.10
	Total	**270.10**	**270.10**
C)	**Other Reserves**		
	Reserves Fund U/S.45 of RBI Act		
	Opening Balance	311.36	162.00
	Add: Transferred From Surplus	9.62	149.36
	Total	**320.97**	**311.36**
	Capital Reserve		
	Opening Balance	349.85	349.85
	Add: Transferred	0.00	0.00
		349.85	**349.85**
D)	**Other Comprehensive Income**		
	Opening Balance	-10.77	-3.23
	Add: Transfer during the year	-48.29	-7.54
	Total	**-59.06**	**-10.77**
E)	**Surplus in Profit & loss a/c**		
	Surplus - Opening balance	587.03	610.90
	Add: Net Profit after tax transferred	48.44	142.78
	Add: Fair Value Gain (Restated)(Post Tax)		
	Amount available for appropriation	**635.47**	**753.67**
	Less Appropriations:	0.00	0.00
	Dividend Paid	41.03	30.06
	Deferred Tax written back	0.00	0.78
	Income Tax	0.00	-4.80
	Dividend Tax	3.81	0.00
	Amount transferred to General reserves	0.00	0.00
	Amount transferred to Reserves Fund U/S.45 of RBI Ac	9.62	140.61
	Surplus - Closing Balance	**581.01**	**587.03**
	Total (A+B+C+D+E)	**1648.87**	**1693.56**

Description of Nature and purpose of other equity:

General Reserve:

General Reserve is used from time to time to tranfer profits from retained earnings for appropriation purposes.

Seurity Premium Reserve:

Security premium Reserve is the additional amount charged on the face value of share when the shares are issued,redeemed or forfeited.

S.P.CAPITAL FINANCING LIMITED

Notes on financial statement as on and for year ended 31st March 2023

(₹ in Lakhs)

NOTE 14:- REVENUE FROM OPERATION

Particulars	For the year ended 31ST MAR 2023	For the year ended 31ST MARCH 2022
	Rs.	Rs.
Sale of Securities	0.00	1.70
Interest Income (Gross)	153.46	82.46
Dividend Income	3.27	0.14
Total	**156.73**	**84.30**

NOTE 15:- OTHER INCOME

Particulars	For the year ended 31ST MAR 2023	For the year ended 31ST MARCH 2022
	Rs.	Rs.
Other Income		
Sale of Immovable Property	0.00	151.89
Net gain/(loss) on sale of Investments	0.05	-0.04
Interest on Income Tax Refund	0.28	0.00
Total	**0.34**	**151.85**

NOTE 16:- COST OF SECURITIES SOLD

Particulars	For the year ended 31ST MAR 2023	For the year ended 31ST MARCH 2022
	Rs.	Rs.
Opening Stock	0.00	0.00
Add: Purchases	0.00	1.30
	0.00	1.30
Less: Closing Stock	0.00	0.00
Total	**0.00**	**1.30**

NOTE 17:- EMPLOYEES BENEFIT EXPENSES

Particulars	For the year ended 31ST MAR 2023	For the year ended 31ST MARCH 2022
	Rs.	Rs.
Salaries	23.65	14.58
Bonus	1.22	0.00
Gratuity	4.91	0.30
Staff Welfare expenses	3.78	0.79
Total	**33.55**	**15.67**

NOTE 18:- OTHER EXPENSES

Particulars	For the year ended 31ST MAR 2023	For the year ended 31ST MARCH 2022
	Rs.	Rs.
Printing & Stationery Expenses	1.95	1.14
Office Expenses	2.63	2.51
Books & Periodicals Exp	0.68	0.00
Remuneration to Auditor (Refer Note No. 18)	0.50	0.50
Limited Review Fees	0.10	0.00
Advertising Expenses	1.80	0.46
Bank Charges	0.06	0.07
Conveyance Expenses	5.25	3.93
Directors Sitting Fees	0.40	0.40
Demat Expenses	0.56	0.15
Postage Courier & Stamp	0.85	0.24
Professional fees	1.54	0.20
Listing & Other Expenses	4.76	4.06
Telephone Expenses	0.01	0.00
Rent	4.13	7.79
Repairs & Maintenance	3.27	2.47
ROC Filing Fees	0.17	0.11
Sundry Expenses	1.89	0.16
Sundry Expenses Written Off	0.27	0.00
Amount written off	0.00	0.01
Interest on TDS	0.03	0.00
Total	**30.84**	**24.22**

Note:19 Earning Per Share

Particulars	For the year ended 31ST MAR 2023	For the year ended 31ST MARCH 2022
	Rs.	Rs.
Profit After Tax	48.44	142.55
No. of Equity Shares	60.12	60.12
EPS (basic & Diluted)	**0.81**	**2.37**

Note:20 Auditor's Remuneration

Particulars	For the year ended 31ST MAR 2023	For the year ended 31ST MARCH 2022
	Rs.	Rs.
For Audit Fees	0.50	0.50
For Limited Review Fees	0.10	0.00
Out of Pocket Expenses	0.11	0.09
Total	**0.71**	**0.59**

Note:21 Previous Year Figures:

Previous Year Figures are Re-Grouped and Re-arranged wherever necessary to confirm the current year's classifications.

Note: 22 Employee benefits

Defined benefit plan

ii. Gratuity plan

The Gratuity Benefits are classified as Post-Retirement Benefits as per Ind AS 19 and the accounting policy is outlined as follows.

As per Ind AS 19, the service cost and the net interest cost would be charged to the profit or loss. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Company recognizes these remeasurements in the Other Comprehensive Income (OCI).

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

Through its gratuity plans the Company is exposed to a number of risks, the most significant of which are detailed below:

b) Actuarial Risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

b) Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

c) Liquidity Risk

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company, there can be strain on the cash flows.

d) Market Risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the evaluation of liability is exposed to fluctuations in the yields as at the valuation date.

e) Legislative Risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the payment of gratuity act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Remeasurements for the year (Acturial(gain)/loss)	(in ₹ Lakhs)
For the period	**01-04-2022 to 31-03-2023**
Experience(Gain)/Loss on plan liabilities	-0.19
Demographic(Gain)/Loss on plan liabilities	0.00
Financial (Gain)/Loss on plan liabilities	-0.18
Experience(Gain)/Loss on plan liabilities	0.00
Financial (Gain)/Loss on plan liabilities	0.00
Amounts recognised in statement of other comprehensive income(OCI)	
For the period	**01-04-2022 to 31-03-2023**
Opening amount recognised in OCIoutside profit and lossaccount	0.00
Remeasurement of the year-obligation(Gain)/Loss	-0.36
Remeasurement of the year-plan asset(Gain)/Loss	0.00
Total Remeasurement Cost(Credit) for the year recognised in OCI	-0.36
Closing amount recognised in OCI outside profit and loss amount	-0.36
Table showing changes in present value of obligations:	
For the period	01-04-2022 to 31-03-2023
Present value of obligations as at the beginning of the period	5.22
Acquisition adjustment	0.00
Transfer in/(out)	0.00
Interest Expense	0.37
Past service cost	0.00
Current service cost	0.35
Curtailment Cost/(Credit)	0.00
Settlement Cost/(Credit)	0.00
Benefits paid	0.00
Remeasurements on obligation-(Gain)/Loss	-0.36
Present value of obligations as at the end of the period	5.57

SENSITIVE ANALYSIS

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present Value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

A) Impact of change in discount rate when base assumption is decreased by 100 basis points

Discount rate	31/03/2023 Presesnt value of obligation(in Rs.)
6.50%	5.93
8.50%	5.24

B) Impact of change in salary increase rate when base assumption is decreased/increased by 100 basis point

Salary increment rate	31/03/2023 Presesnt value of obligation(in Rs.)
7.00%	5.29
9.00%	5.87

C) Impact of change in withdrawal rate when base assumption is decreased /increased by100 basis point

Withdrawal rate	31/03/2023 Presesnt value of obligation(in Rs.)
3.00%	5.58
5.00%	5.57

Note: 23 Capital management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, customer, creditors and market confidence.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders.

The Company may take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.

(₹ in Lakhs)

Particulars	As at 31st March,	As at 31st March,
Short term debt	0.00	0.00
Total	0.00	0.00
Equity	2250.09	2294.78
Total debt to equity	0.00	0.00

Note: 24 Fair Value Disclosures

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

Note 25 Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The company have sanctioned borrowings/facilities from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts.

(iii) Wilful defaulter

The company has not been declared wilful defaulter by any bank or financial institution or any lender.

(iv) Relationship with struck off companies

The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

The company has not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(viii) Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(xi) Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in notes 3a and 3b to the financial statements, are held in the name of the company.

(xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

S.P.CAPITAL FINANCING LIMITED

Notes on financial statement as on and for the year ended 31st March 2023

Note:26 Maturity analysis of assets and liabilities

₹ in Lakhs

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at 31 March, 2023			As at 31 March, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash & Cash Equivalents	62.75	0.00	62.75	340.72	0.00	340.72
Bank Balances other than above	0.04	0.00	0.04	168.82	0.00	168.82
Trade Receivables	0.00	0.00	0.00	0.00	0.00	0.00
Loans	145.07	0.00	145.07	1227.51	0.00	1227.51
Investments	3459.27	0.00	3459.27	1091.25	0.00	1091.25
Inventories	0.00	0.00	0.00	0.00	0.00	0.00
Other Financial Assets	31.67	0.00	31.67	3.16	0.00	3.16
	3698.79	**0.00**	**3698.79**	**2831.46**	**0.00**	**2831.46**
Financial Liabilities						
Payables	0.00	0.00	0.00	0.10	0.00	0.10
Borrowings	1426.06	0.00	1426.06	491.43	0.00	491.43
Other Financial Liabilities	14.35	0.00	14.35	4.72	0.00	4.72
	1440.41	**0.00**	**1440.41**	**496.26**	**0.00**	**496.26**
Net Position	**2258.38**	**0.00**	**2258.38**	**2335.20**	**0.00**	**2335.20**

Note : Information on the maturity pattern is based on the reasonable assumptions made by the management.

Note: 27 Capital Management:

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholders value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. Capital Management Policy, objectives and processes are under constant review by the Board.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide maximum returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The primary objective of the Company's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

For the purposes of the Company's capital management, capital includes issued capital, securities premium, and all other equity reserves attributable to the equity holders.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, other non-current financial liabilities, other noncurrent liabilities, other current financial liabilities, other current liabilities, trade payables less cash and cash equivalents.

		₹ in Lakhs
Particulars	**As at 31 March, 2023**	**As at 31 March, 2022**
Borrowings	1426.06	491.43
Less :- Cash and Cash Equivalents	62.75	340.72
Net debt	**1363.31**	**150.71**
Equity	2250.09	2294.78
Equity	**2250.09**	**2294.78**
Capital and net debt	**3613.40**	**2445.50**
Gearing ratio	**37.73%**	**6.16%**

S.P.CAPITAL FINANCING LIMITED

Notes on financial statement as on and for the year ended 31st March 2023

Note:28 Financial instrument and fair value measurement

a) Financial Instruments - Accounting Classifications

Set out below, is a comparison by class of the carrying amounts and fair value and amortised cost of the Financial Assets and Financial Liabilit

Financial assets at fair value ₹ in Lakhs

	Carrying Value		Fair Value	
Particulars	**31st March, 2023**	**31st March, 2022**	**31st March, 2023**	**31st March, 2022**
Financial assets at fair value through OCI				
Investments	3389.59	854.32	3389.59	854.32
Financial assets at fair value through Profit and Loss				
Investments	69.68	236.93	69.68	236.93
Inventories	0.00	0.00	0.00	0.00
Total	**3459.27**	**1091.25**	**3459.27**	**1091.25**

Financial assets and liabilities at amortised cost

₹ in Lakhs

Particulars	Carrying Value		Fair Value	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Financial assets				
Cash and cash equivalents	62.75	340.72	62.75	340.72
Bank Balances other than above	0.04	168.82	0.04	168.82
Trade Receivables	0.00	0.00	0.00	0.00
Loans	145.07	1227.51	145.07	1227.51
Other financial assets	31.67	3.16	31.67	3.16
Total	**239.52**	**1740.21**	**239.52**	**1740.21**
Financial liabilities				
Payabbles	0.00	0.10	0.00	0.10
Borrowings	1426.06	491.43	1426.06	491.43
Other Financial Liabilities	14.35	4.72	14.35	4.72
Total	**1440.41**	**496.26**	**1440.41**	**496.26**

The management assessed that the fair value of cash and cash equivalents, loans, other financial assets, borrowings, and other current financial liabilites (except financial instruments carried at amortised cost) approximate their carrying amounts largely due to the short-term maturities of these instruments.

b) Financial Instruments - Fair value measurement

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

₹ in Lakhs

As at 31st March, 2023	Carrying Amount				Fair Value			
	At Fair value through Profit & Loss	At Fair value through Other Comprehensive Income	Amortise Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash & Cash Equivalents	0.00	0.00	62.75	62.75	0.00	0.00	62.75	62.75
Bank Balances other than above	0.00	0.00	0.04	0.04	0.00	0.00	0.04	0.04
Trade Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	145.07	145.07	0.00	0.00	145.07	145.07
Investments	424.89	3034.38	0.00	3459.27	3034.38	424.89	0.00	3459.27
Inventories	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Financial Assets	0.00	0.00	31.67	31.67	0.00	0.00	31.67	31.67
	424.89	**3034.38**	**239.52**	**3698.79**	**3034.38**	**424.89**	**239.52**	**3698.79**
Financial Liabilities								
Payables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Borrowings	0.00	0.00	1426.06	1426.06	0.00	0.00	1426.06	1426.06
Other Financial Liabilities	0.00	0.00	14.35	14.35	0.00	0.00	14.35	14.35
	0.00	**0.00**	**1440.41**	**1440.41**	**0.00**	**0.00**	**1440.41**	**1440.41**

₹ in Lakhs

As at 31st March, 2022	Carrying Amount				Fair Value			
	At Fair value through Profit & Loss	At Fair value through Other Comprehensive Income	Amortise Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Cash & Cash Equivalents	0.00	0.00	340.72	340.72	0.00	0.00	340.72	340.72
Bank Balances other than above	0.00	0.00	168.82	168.82	0.00	0.00	168.82	168.82
Trade Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans	0.00	0.00	1227.51	1227.51	0.00	0.00	1227.51	1227.51
Investments	591.78	499.47	0.00	1091.25	499.47	591.78	0.00	1091.25
Inventories	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Financial Assets	0.00	0.00	3.16	3.16	0.00	0.00	3.16	3.16
	591.78	**499.47**	**1740.21**	**2831.46**	**499.47**	**591.78**	**1740.21**	**2831.46**
Financial Liabilities								
Payables	0.00	0.00	0.10	0.10	0.00	0.00	0.10	0.10
Borrowings	0.00	0.00	491.43	491.43	0.00	0.00	491.43	491.43
Other Financial Liabilities	0.00	0.00	4.72	4.72	0.00	0.00	4.72	4.72
	0.00	**0.00**	**496.26**	**496.26**	**0.00**	**0.00**	**496.26**	**496.26**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments and bonds which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 29: Financial Risk Management Objectives and Policies:

The Company's principal financial liabilities comprise Borrowings and Payables. The Company's financial assets include Investments, Loan, Interest receivable on Loan and Cash and Cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

Loans

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each Borrower / Customer, However, management also considers the factors that may influence the credit risk of its customer base. Including the default risk associated with the industry. The Company's exposure to credit risk for loans and advances by type of counterparty is as follows;

Carrying Amount		**₹ in Lakhs**
Particulars	**As at 31st March, 2023**	**As at 31st March, 2022**
Loans	0.00	0.00

The Loans are repayable on demand, however an impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the trade receivables are categorised into groups based on days past due.

Investments

The company has made investments in Equity shares, bonds and units of mutual funds on the basis of risk and returns of the respective scheme.

Cash and cash equivalent and Bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the fund are in Current Account and sometimes in invests in term deposits with banks.

2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by term loans, inter-corporate deposit and investment in mutual funds.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

			₹ in Lakhs
Particular	**As at 31 March, 2023**		
	Up to 12 months	**More than 12 months**	**Total**
Payables	0.00	0.00	0.00
Borrowings	0.00	0.00	0.00
Other Financial Liabilities	0.00	0.00	0.00

			₹ in Lakhs
Particular	**As at 31 March, 2022**		
	Up to 12 months	**More than 12 months**	**Total**
Payables	0.00	0.00	0.00
Borrowings	0.00	0.00	0.00
Other Non-Financial Liabilities	0.00	0.00	0.00

3) 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 includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

4) Interest Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The main business of the Company is providing loans to Corporates. The Company uses its own fund as well as borrows the funds for its lending activity. These activities expose the Company to Interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored through above measures on a time to time basis.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being considered as constant) of the Company's statement of profit and loss and equity:

FY 2022-2023

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity		Loan	Borrowings
						145.07	1426.06
Loans (₹ in Lakhs)	25 Basis point Up	Impact on Profit before Tax	0.36	Impact on equity	0.27		
	50 Basis point Up		0.73		0.54		
	25 Basis point Down		-0.36		-0.27		
	50 Basis point Down		-0.73		-0.54		
Borrowings (₹ in Lakhs)	25 Basis point Up	Impact on Profit before Tax	-3.57	Impact on equity	-2.67		
	50 Basis point Up		-7.13		-5.34		
	25 Basis point Down		3.57		2.67		
	50 Basis point Down		7.13		5.34		

FY 2021-2022

Currency	Increase / (decrease) in basis points	Sensitivity of profit or loss		Sensitivity of equity		Loan	Borrowings
						1227.51	491.43
Loans (₹ in Lakhs)	25 Basis point Up	Impact on Profit before Tax	3.07	Impact on equity	2.30		
	50 Basis point Up		6.14		4.59		
	25 Basis point Down		-3.07		-2.30		
	50 Basis point Down		-6.14		-4.59		
Borrowings (₹ in Lakhs)	25 Basis point Up	Impact on Profit before Tax	-1.23	Impact on equity	-0.92		
	50 Basis point Up		-2.46		-1.84		
	25 Basis point Down		1.23		0.92		
	50 Basis point Down		2.46		1.84		

S.P.CAPITAL FINANCING LIMITED

Notes on financial statement as on and for the year ended 31st March 2023

Note:30 Schedule to the Balance Sheet under Annex IV of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

	Particulars		**₹ in Lakhs**
Liabilities Side			
1	Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid:	**Amount O/S**	**Amount Overdue**
	a) Debentures:		
	Secured	0.00	0.00
	Unsecured	0.00	0.00
	(other than falling within the meaning of public deposits)		
	b) Deferred Credits	0.00	0.00
	c) Term Loans	0.00	0.00
	d) Inter Corporate loans and borrowings	0.00	0.00
	e) Commercial Paper	0.00	0.00
	f) Other Loans	1426.06	0.00
	Total	1426.06	0.00
Assets Side			
			Amount Outstanding
2	Breakup of Loans and Advances including bills receivables (other than those included in (4) below		
	a) Secured		0.00
	b) Unsecured		145.07
3	Breakup 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		N.A
	b) Operating Lease		N.A
	ii) Stock on hire including hire charges under sundry debtors:		
	a) Assets on hire		N.A
	b) Repossessed Assets		N.A
	iii) Other loans counting towards AFC activities		
	a) Loans where assets have been repossessed		N.A
	b) Loans other than (a) above		N.A
4	Breakup of Investments:		
	Current Investments:		
	1. Quoted:		
	i) Shares: (a) Equity		0.00
	(b) Preference		0.00
	ii) Debentures and Bonds		
	iii) Units of mutual funds		0.00
	iv) Government Securities		0.00
	v) Others (please specify)		0.00
	2. Unquoted:		
	i) Shares: (a) Equity		0.00
	(b) Preference		0.00
	ii) Debentures and Bonds		0.00
	iii) Units of mutual funds		0.00
	iv) Government Securities		0.00
	v) Others (please specify)		0.00
	Long Term investments:		
	1. Quoted:		
	i) Shares: (a) Equity		271.06
	(b) Preference		0.00
	ii) Debentures and Bonds		2116.71
	iii) Units of mutual funds		646.61
	iv) Government Securities		0.00
	v) Others (please specify)		0.00

	2. Unquoted:			
	i) Shares: (a) Equity			0.00
	(b) Preference			0.00
	ii) Debentures and Bonds			0.00
	iii) Units of mutual funds			0.00
	iv) Government Securities			0.00
	v) Others (please specify)			0.00
	Long Term investments:			
	1. Quoted:			
	i) Shares: (a) Equity			271.06
	(b) Preference			0.00
	ii) Debentures and Bonds			2116.71
	iii) Units of mutual funds			646.61
	iv) Government Securities			0.00
	v) Others (please specify)			0.00

				Amount Outstanding
	2. Unquoted:			
	i) Shares: (a) Equity			424.89
	(b) Preference			0.00
	ii) Debentures and Bonds			0.00
	iii) Units of mutual funds			0.00
	iv) Government Securities			0.00
	v) Others (please specify)			0.00
5	Borrower groupwise classification of assets financed as in (2) and (3) above:			
	Category	**Amount Net of Provisions**		
		Secured	**Unsecured**	**Total**
	1. Related Parties			
	a) Subsidiaries	0.00	0.00	0.00
	b) Companies in the same group	0.00	145.07	0.00
	c) Other related parties	0.00	0.00	0.00
	2. Other than related parties	0.00	0.00	0.00
	Total	**0.00**	**145.07**	**0.00**
6	Investor groupwise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
	Category		**Market Value/Break up or fair value or NAV**	**Book Value (Net of Provisions)**
	1. Related Parties			
	a) Subsidiaries		0.00	0.00
	b) Companies in the same group		0.00	0.00
	c) Other related parties		0.00	0.00
	2. Other than related parties		0.00	0.00
	Total		**0.00**	**0.00**
7	Other information			
	i) Gross Nonperforming Assets			
	a) Related Parties		0.00	0.00
	b) Other than related parties		0.00	0.00
	ii) Net Nonperforming Assets		0.00	0.00
	a) Related Parties		0.00	0.00
	b) Other than related parties		0.00	0.00
	iii) Assets acquired in satisfaction of debt		0.00	0.00

S.P.CAPITAL FINANCING LIMITED

Notes on financial statement as on and for the year ended 31st March 2023

Note:31 Changes in Liabilities arising from Financing Activities

₹ in Lakhs

Particulars	For the year ended March 31, 2022	Cash Flows	For the year ended March 31, 2023
Proceeds from Borrowings	491.43	934.63	1426.06
Total Liabilities from Financing Activities	**491.43**	**934.63**	**1426.06**

Note:32 Contingent Liabilities not provided (Ind AS - 37)

a. Estimated amount of contracts remaining to be executed on capital account and not provided for – Rs. Nil (PY - Rs. Nil).

b. Other Contingent Liabilities not provided for - Rs. Nil (PY - Rs. Nil).

Note:33 Earnings Per Share (Ind AS - 33)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit/(Loss) After Tax as per Statement of Profit and Loss (₹ in Lakhs)	48.44	142.73
Weighted Average Number of Equity Shares (restated)	60,12,200	60,12,200
Basic and Diluted earnings per Share (In Rs.)	0.81	2.37
Nominal Value Per Share (In Rs.)	10.00	10.00

Note : The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earnings per share of the Company remain the sa

Note:34 Income Taxes & Deferred Taxes (Ind AS - 12)

Income Tax recognised in statement of profit and loss

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax		
In respect of the Current Year	17.25	40.47
In respect of the Prior Years	-1.80	0.74
	15.45	41.21
Deferred Tax		
In respect of the Current Year	0.00	0.00
On Other Comprehensive Income	8.97	2.13
	8.97	2.13
Total Income tax expense recognised in the current year relating to continuing operations	**24.42**	**43.34**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate:

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit Before Tax	63.90	183.94
Applicable tax rate @ 25.17% (March 31, 2022 @ 25.17%)	16.08	46.29
Effect of restated profit on account of Ind AS adoption	0.00	0.00
Effect of Tax Exempt Income	0.00	0.00
Effect of Non-Deductible expenses	0.00	0.00
Effect of Allowances for tax purpose	0.00	0.00
Effect of Tax paid at a lower rate	0.00	0.00
Effect of Previous year adjustments	0.00	0.00
Others	0.00	0.00
Total	**16.08**	**46.29**

Note:35 Related Party Disclosures (Ind AS - 24)

A. **Name of related parties and related party relationship:**

Key Management Personnel

Sureshchand Premchand Jain	Managing Director
Meena Sureshchand Jain	Director
Rajendra Ladakchand Jain	Director
Baldev Lakhmichand Boolani	Director
Sandeep Sakharam Gopale	Chief Financial Officer
Simran Kashela	Company Secretary
Sonal Naik	Company Secretary

Enterprises owned or significantly influenced by any management personnel

EXECUTIVE HOUSING FINANCE CO LTD
KOPRA ESTATE PVT LTD
INDRALOK HOTELS PVT LTD
JAGSONS HOTELS PVT LTD
PRIDE HOTELS LIMITED
PRIDE REGENCY & DEV- LLP
ROHAN HOTELS PVT LTD

B Following transactions were carried out in the ordinary course of business with the parties referred to in (A) abc

₹ in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Key Management Personnel		
Salary	8.66	6.42
Directors Sitting Fees	0.40	0.40
Bonus & Leave Salary	0.00	0.00
Reimbursement of Expenses	0.00	0.00
Enterprises owned or significantly influenced by any management personnel		
Rent Paid	4.13	7.79
Warehouse Income	0.00	0.00
Expenses incurred on behalf	0.00	0.00

C Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015). Loans and advances in the nature of loans to companies in which directors are interested as under:

Period	Balance of Loans as at	Maximum balance outstanding during the year
31st March, 2023	0.00	0.00
31st March, 2022	0.00	0.00

Note : Related Parties are disclosed by the management and relied upon by the auditors.

Note: 36 Segment Reporting (Ind AS - 108)

The Company operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'.

Note: 37 Leases (Ind AS - 116)

The Company has taken premises under lease. The lease typically runs for a period of 3 years with an option to renew the lease after that period. The lease payments for the entire lease period are fixed at the time of entering into the lease agreement and are renegotiated towards the end of the lease period in case of renewals.

₹ in Lakhs

	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Future Minimum Lease Payments under non-cancellable		
(a) Not later than one year	0.00	0.00
(b) Later than one year but not later than 5 years	0.00	0.00
(c) More than 5 years	0.00	0.00
2. Lease payments charged to Profit and Loss Account		
Rental expenses	4.13	7.79
Depreciation	0.00	0.00
Interest	0.00	0.00

Note: 38

The provisions of section 186 of the Companies Act, 2013 pertaining to investment and lending activities were not applicable to the Company since the Company was an NBFC. Further, during the year, the Company has not provided any guarantee.

Note: 39

Disclosures as required by RBI Notification No. DNBR.019/CGM (CDS) - 2015 dated April 10, 2015 has not been given since the asset size of the Company does not exceed Rs.500 Crores as on the Balance Sheet date.

Note: 40

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2023.

Note: 41

The Company ceases to have financial assets more than 50 per cent of the total assets and income from financial assets more than 50 per cent of the gross income at the end of current financial year. However, the Company holds NBFC registration from the Reserve Bank of India as on the balance sheet date. The Company is in the process of approaching Reserve Bank of India for seeking temporary suspension of NBFC License and accordingly the financial statements are prepared as per Division III of Schedule III of the Companies Act, 2013.

Note: 42

The Company has not traded or invested in crypto currency or virtual currency during the year.

Note: 43

The Company is not required to spend any amount in terms of provisions of section 135 of the Companies, Act 2013 on Corporate Social Responsibility.

Note: 44

The Company is not as wilful defaulter by ant bank or financial institution or other lenders.

Note: 45

There are no transactions with the Struck off Companies under Section 248 or 560 of the Companies, Act 2013.

Note: 46

No proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.

Note:47 Fianncial Ratios

Pursuant to the amendments to Schedule III vide MCA circular dated March 23, 2021, the following ratios are presented:

Sr. No.	Particulars	Numerator/ Denominator	For the year ended March 31, 2023	For the year ended March 31, 2022	Variance	Remarks
1	Capital to risk-weighted assets ratio (CRAR)					
i	Tier I CRAR	Tier I Capital / Total Risk Weighted Assets	0.00	0.00	0%	
ii	Tier II CRAR	Tier II Capital / Total Risk Weighted Assets	0.00	0.00	0%	
2	Liquidity Coverage Ratio	High Quality Liquid Assets / Total Net Cash Flows	0.00	0.00	0%	

Note:48 The following disclosure is required pursuant to RBI circular dated 13.03.2020- Circular No. RB112019-201170 DOR/(NBFC).CC.PD. No. 1091/22.10.106/2019-20 :

₹ in Lakhs

Asset Classification as per RBI Norms	Asset Ciassificatlon as per Ind AS 109	Gross Carrying value as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net Carrying Value	Provision as per ICARP norms	Difference Between Ind AS 109 and provisions as per ICARP norms
(A)	(B)	(C)	(D)	(E) = (C) - (D)	(F)	(G) = (D) - (F)
Performing Assets Standard	Stage 1	145.07	0.00	145.07	0.00	0.00
Performing Assets Sub-Standard	Stage 2	0.00	0.00	0.00	0.00	0.00

Note:49 Provisions and Contingencies - Additional Disclosures

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year ended March 31, 2023	For the year ended March 31, 2022
Provisions for depriciation on Investment	0.00	0.00
Provision towards NPA	0.00	0.00
Provision made towards Income Tax	17.25	40.47
Other Provision and Contingencies		
Provision for Standard Assets	0.00	0.00
Floating Provision Against Standard Assets	0.00	0.00
Provision for depreciation	0.00	0.00
Provision for gratuity	0.00	0.00
Provision for Compensated Assets	0.00	0.00

Note:50 Disclosures as required in terms of RBI notification no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 pertaining to Asset Classification as per RBI:

a) Details of transfer through assignment in respect of loans not in default:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount of Loan accounts assigned (Rs. In Lakhs)	0.00	0.00
Retention ofBeneficial Economic Interest (In %)	0.00	0.00
Weighted Average Maturity (in Years)	0.00	0.00
Weighted Average Holding Period (in Years)	0.00	0.00
Coverage of tangible security Coverage (in %)	0.00	0.00

b) The Company has not acquired any loan not in default during the year ended March 31, 2023.

c) The Company has not transferred or acquired any stressed loan during the year ended March 31, 2023.

Note:51 Disclosure pursuant to RBI notifleatlon on "COVID-19 Regulatory Package - Asset Classification and Provlsionlng" dated 17 April 2020 :

Sr. No.	Particulars	Amount
i)	Respective amounts in SMA/overdue categories where the moratorium/deferment was extended.	0.00
ii)	Respective amount where asset classification benefits is extended.	0.00
iii)	Provision made during the F.Y. 2021-22 as per RBI orcdlar datea 17 April 2020 Norms.	0.00
iv)	Provisions adjusted during the respective accounting period against slippages and the residual provisions.	0.00

Note: 52

In the opinion of the Board, the Current assets, and Loans and Advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated in the books of account and adequate provision has been made of founds all known liabilities.

Note: 53

a) Pursuant to the amendments to Schedule III vide MCA circular dated March 23, 2021, figures are rounded off to rupee in lakhs.

b) Previous year figures have been regrouped and/or reclassified wherever necessary to conform to current year's presentation.

As per our Report of even date attached		
For and on behalf of	**For and on behalf of the Board of Directors**	
M/s. JMT & ASSOCIATES	**For S P CAPITAL FINANCING LTD**	
Chartered Accountants	**CIN: L74140MH1983PLC029494**	
Firm Registration No. 104167W		
Sd/-	**Sd/-**	**Sd/-**
AMAR BAFNA	**SURESHCHAND P JAIN**	**MEENA S JAIN**
PARTNER	**MANAGING DIRECTOR**	**DIRECTOR**
MEMBERSHIP NO.048639	**DIN:00004402**	**DIN:00004413**
PLACE: MUMBAI		
DATE: 18th May, 2023	**Sd/-**	**Sd/-**
	SONAL NAIK	**SANDEEP GOPALE**
	COMPANY SECRETARY & COMPLIANCE	**CHIEF FINANCIAL OFFICER**