

**SUPRANEET FINANCE AND CONSULTANTS LIMITED**



**31<sup>st</sup> ANNUAL REPORT**  
**(FINANCIAL YEAR 2019-20)**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

S.No	Name of Directors	Status
1.	Vinod Gupta	Whole Time Director
2.	Ajay Kumar Garg	Non-Executive Director
3.	Pooja Gupta	Non-Executive Director
4.	Rajiv Kumar Gupta	Independent, Non-Executive Director
5.	Dev Parkash	Independent, Non-Executive Director

## COMMITTEES

### AUDIT COMMITTEE

S.No	Name of Director	Status
1.	Rajiv Kumar Gupta	CHAIRMAN / Independent, Non-Executive Director
2.	Ajay Kumar Garg	MEMBER / Non-Executive Director
3.	Dev Parkash	MEMBER / Independent, Non-Executive Director

### NOMINATION & REMUNERATION COMMITTEE

S.No	Name of Director	Status
1.	Rajiv Kumar Gupta	CHAIRMAN / Independent, Non-Executive Director
2.	Ajay Kumar Garg	MEMBER / Non-Executive Director
3.	Dev Parkash	MEMBER / Independent, Non-Executive Director

**COMPLAINCE OFFICER**  
Deepti Jain  
Company Secretary

**CHIEF FINANCIAL OFFICER**  
Ajay Chandra Mukhi

## REGISTERED OFFICE & INVESTOR RELATION DEPARTMENT

C - 55/2, Wazirpur Industrial Area, Delhi-110052, India  
Tel. 91 11 42952500, Fax: 91 11 42952555,  
E-mail: [info@sfclindia.com](mailto:info@sfclindia.com)  
Website: [www.sfclindia.com](http://www.sfclindia.com)

## **AUDITORS**

### **STATUTORY AUDITOR**

M/s. K A S G & Co.  
(Chartered Accountants) FRN: 002228C  
210 Safeway House, D-Block Central Market,  
Opposite PVR Cinema, Prashant Vihar,  
New Delhi- 110085, India

### **INTERNAL AUDITOR**

M/s. R.K. Mahaseth & Co.  
(Chartered Accountants) FRN: 022140N  
AG- 175, Ground Floor, Shalimar Bagh  
Delhi – 110088, India

### **SECRETARIAL AUDITOR**

M/s Harvinder Singh & Associates, Company Secretaries  
M-2, Sai Bhawan, A-10 Ranjit Nagar Commercial complex, Delhi- 110008, India

## **REGISTRAR & TRANSFER AGENT**

### **ALANKIT ASSIGNMENTS LIMITED**

2-E/21, Jhandewalan Extension, New Delhi-110055, India

**Phone:** +011-42541234 / 23541234

**Fax:** + (91)-(11)-42541201

## **BANKER**

### **INDIAN OVERSEAS BANK**

F-47, Malhotra Buildings, Janpath, New Delhi – 110001, India

## **STOCK EXCHANGES**

### **Metropolitan Stock Exchange of India Limited**

4th Floor, Vibgyor Towers,  
Plot No. C-62, Opp. Trident Hotel,  
Bandra Kurla Complex, Bandra East,  
Mumbai – 400098

### **Delhi Stock Exchange Limited**

DSE House, 3/1 Asaf Ali Road,  
New Delhi- 110002

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# **Supraneet Finance and Consultants Limited**

**Regd. Office: C-55/2, Wazirpur Industrial Area, Delhi-110 052**

**Ph. : 011-42952500, Fax.: 011-27377373,**

**E-Mail : [companiroc@gmail.com](mailto:companiroc@gmail.com), [info@sfcindia.com](mailto:info@sfcindia.com),**

**Website: [www.sfcindia.com](http://www.sfcindia.com), CIN : L65921DL1989PLC035261**

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## **NOTICE**

**NOTICE** is hereby given that the **31<sup>st</sup> ANNUAL GENERAL MEETING** of the members of the **SUPRANEET FINANCE AND CONSULTANTS LIMITED** will be held on, Saturday, the 26<sup>th</sup> December, 2020 at 3:00 p.m. by way of Video Conferencing (VC) / Other Audio Visual Means ("OAVM") facility to transact the following businesses:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements and Cash Flow Statements for the financial year ended, 31<sup>st</sup> March, 2020 and the Reports of the Board and Auditors thereon.
2. To appoint a Director, Ms. Pooja Gupta (DIN-00542253) who retires by rotation and being eligible to offers herself for reappointment.

### **SPECIAL BUSINESS**

3. To consider and if though fit to pass with or without modification the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), read with Section II of Part II of Schedule V of the Companies Act, 2013 and Articles of Association of the Company consent of the Shareholders of the Company be and is hereby accorded to the re-appointment and terms of remuneration of Mr. Vinod Gupta(DIN-00381782) as Whole Time Director of the Company under the Companies Act, 2013 for a period of Three Years with effect from 1st October, 2020, upon the following terms and conditions, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include and Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions and /or remuneration of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Vinod Gupta(DIN-00381782), subject to the same not exceeding the limits as specified under Section 197 & Schedule V of the Companies Act, 2013.

Basic Salary	:	50,000/-p.m
Housing / House Rent Allowance	:	N.A
Bonus/Performance Evaluation Payment	:	As per rules of the Company.
Contribution to provident fund	:	As per rules of the Company.
Gratuity	:	As per rules of the Company.
Leave	:	As per rules of the Company.
Encashment of un-availed Leave	:	As per Company Rules.
Provision of Company's maintained chauffeur driven car/ Car Hire/ Lease and/ or Conveyance Allowance/Medical Reimbursement	:	Company's maintained chauffeur Driver, Car & Medical Reimbursement-15,000/- p.a
Communication Facilities	:	Expenses on communication facilities will be reimbursed / borne by the Company and will not be treated as perquisites.
Other service conditions	:	As applicable to the senior executives of the Company.
Perquisite valuation	:	For the purpose of the forgoing the perquisites shall be valued as per the Income Tax Act, 1961 and the Rules made thereunder for the time being in force.

**Other Terms:**

- I. Mr. Vinod Gupta (DIN-00381782), shall work under the superintendence and control of the Board. As long as he functions as Whole Time Director, he shall not be paid any sitting fees to attend the meetings of the Board and/ or Committee(s) thereof.
- II. If at any time, he ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Whole Time Director of the Company.
- III. The appointment may be terminated by either party giving the other party 3 months prior notice in writing or such shorter notice as may be mutually agreed between Mr. Vinod Gupta and the Company or payment in lieu of notice by either party.

**RESOLVED FURTHER THAT** Board of Director of the Company be and is hereby authorized for enhancement of the Remuneration of the Whole Time Director on yearly basis during the tenure of 3 Years, subject to the limits as provided in the Schedule V of the Companies Act, 2013 and the Board is authorized to do all the necessary acts with regard to the enhancement of the Remuneration.

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Vinod Gupta, the Company has no profit or its profit is inadequate, the Company will pay remuneration by way of basic salary, benefits, perquisites and allowances as specified above.”

**RESOLVED FURTHER THAT** Ms. Pooja Gupta and/or Mr. Ajay Kumar Garg, Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things, as may be required or considered necessary, for giving effect to this Resolution including filing of forms and returns with the Registrar of Companies, NCT of Delhi & Haryana and to obtain approval of the Shareholders.”

**BY ORDER OF THE BOARD**  
**For SUPRANEET FINANCE AND CONSULTANTS LIMITED**



**DEEPTI JAIN**  
**(COMPANY SECRETARY)**  
**Membership No. A31165**

**Date: 14<sup>th</sup> September, 2020**  
**Place: Delhi**

## NOTES:

- 1) **The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the "Act") in respect of item no.3 of the Notice set out above is annexed herewith.**
- 2) **In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the AGM through VC / OAVM, without the physical presence of Members. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.**
- 3) **ALTHOUGH, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

**BUT SINCE THIS MEETING IS BEING HELD THROUGH VC/OAVM UNDER THE FRAMEWORK OF MCA CIRCULARS ON ACCOUNT OF THREAT POSED BY COVID-19, WHERE PHYSICAL PRESENCE OF MEMBERS HAS BEEN DISPENSED WITH, THE FACILITY OF APPOINTMENT OF PROXY WILL NOT BE AVAILABLE. AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED HERETO**

- 4) Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
- 5) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) shall send scan of certified true copy of the Board Resolution/ Authority letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Company at **info@sfclindia.com** to attend the AGM.
- 6) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice of 31<sup>st</sup> Annual General meeting and the Annual Report 2019-20 will also be available on the Company's website [www.sfclindia.com](http://www.sfclindia.com), websites of the Stock Exchange i.e. Metropolitan Stock Exchange of India Limited at [www.msei.in](http://www.msei.in).
- 7) The Register of members and shares transfer book shall remain closed from Sunday, 20<sup>th</sup> day of December, 2020 to Saturday, 26<sup>th</sup> day of December, 2020 (both days inclusive).



- 8) The shares of the Company are under compulsory Demat trading. Also, as per Listing Regulations, securities of listed companies can only be transferred in dematerialized form w.e.f. 1 April, 2019 except in case of transmission or transposition of securities. Therefore, Members holding shares in physical form are advised to convert their shares into dematerialized form in their own interest and convenience purpose.
- 9) All the documents referred to in the accompanying notice shall be available for inspection from the date of circulation of this notice up to the date of AGM. These documents along with the extracts from Register of Directors and Key Managerial Personnel & their shareholding and the Register of Contracts & Arrangements in which directors are interested shall be available for inspection in electronic mode during the meeting to any person having right to attend the meeting and same may be accessed upon log-in to <https://www.evoting.nsdl.com/>
- 10) In case you have any query relating to the Annual Accounts you are requested to send the same to the Company Secretary at [info@sfclindia.com](mailto:info@sfclindia.com) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) at least 15 days before the date of AGM so as to enable the management to rectify the same.
- 11) Electronic copy of Annual Report 2019-20 including the Notice of the 31<sup>st</sup> Annual General Meeting of the Company detailing inter-alia the process and the manner of e-voting, is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participants.
- 12) Annual Report 2019-20 including the Notice of the 31<sup>st</sup> Annual General Meeting is being mailed to all the members, whose names appear in the Register of Members/list of beneficial owners as furnished by the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of Friday, the 27<sup>th</sup> November, 2020.
- 13) Annual Report 2019-20 including the Notice of the 31<sup>st</sup> Annual General Meeting of the Company detailing inter-alia the process and the manner of e-voting, is also available on the Company's website [www.sfclindia.com](http://www.sfclindia.com) and may be accessed or downloaded there-from.
- 14) Members who have not registered their e-mail IDs are requested to register/update the same with their Depository Participants or the Registrar & Transfer Agent, as the case may be, to promote the green initiative and thus, help preserve the environment. In continued compliance of Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide yet another opportunity to the members to register/update their e-mail IDs by providing the requisite details in the **Proforma annexed towards the end of the Annual Report.**

## VOTING THROUGH ELECTRONIC MEANS

- a) In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management & Administration) Rules, 2014, and Regulation 44 of the Listing Regulations, the Company is pleased to provide to the members the facility to exercise their right to vote by electronic means in respect of the business placed at the 31<sup>st</sup> Annual General Meeting through remote e-voting platform.
- b) The members attending the annual general meeting who have not cast their vote through remote e-voting shall also be provided the opportunity to vote at the Virtual Annual General Meeting.
- c) The members who have cast their vote prior to the annual general meeting through remote e-voting may also attend the virtual meeting. However, such members shall not be entitled to cast their votes again. In case the members cast their votes through remote e-voting as well as at the annual general meeting through Video Conferencing (VC) / Other Audio Visual Means ("OAVM") facility, votes cast through remote e-voting shall only be considered valid.
- d) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date of 19<sup>th</sup> December, 2020**. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **19<sup>th</sup> December, 2020**., may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- e) The remote e-voting period commences on **23<sup>rd</sup> December, 2020 at 9:00 a.m. and ends on 25<sup>th</sup> December, 2020 at 5:00 p.m.** The remote e-voting disabled by NSDL for voting thereafter. The remote E-voting facility is available at the link <https://www.evoting.nsdl.com>
- f) The Board of Directors of the Company has appointed **Mr. Harvinder Singh, Proprietor of Harvinder Singh & Associates, Company Secretaries**, as the Scrutinizer for conducting the remote e-voting process as well as the voting at the annual general meeting through Video Conferencing (VC) / Other Audio Visual Means ("OAVM") facility in a fair and transparent manner.

### **Instructions for and other information relating to remote e-voting:**

**The procedure to login to e-Voting website consists of two steps as detailed hereunder:**

#### **Step 1: Log-in to NSDL e-Voting system**

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>

Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

1. A new screen will open. You will have to enter your User ID, your Password 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.nsd.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.
2. Your User ID details will be as per details given below :
  - 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\*\*\*).
3. Your password details are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
  - c. How to retrieve your 'initial password'?

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'.

If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

4. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

5. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
6. Now, you will have to click on "Login" button.
7. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies.
3. "EVEN" in which you are holding shares and whose voting cycle is in active status.
4. Select "EVEN" of the Company.
5. Now you are ready for e-Voting as the Voting page opens.  
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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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 [hsbedi2000@yahoo.com](mailto:hsbedi2000@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first unblock and determine the votes cast at the meeting, and there-after unblock the votes cast through remote e-voting, on both occasions in the presence of at least two (2) witnesses not being in the employment of the Company, and prepare not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the same to the Chairman of the Company.

The resolutions, if passed by the requisite majority, shall be deemed to have been passed on the date of the annual general meeting. Once declared, the result shall be notified to the Stock Exchanges and uploaded on the website of the Company.

### **Attending the AGM through VC / OAVM**

The Company will be providing VC/AOVM facility to enable the members to transact the business enlisted in the Notice of AGM and is providing a web link of the Notice of Annual General Meeting and Annual Report 2019-2020, to all the shareholders/members whose email-IDs updated with their Depository Participants or with Registrar and Transfer Agent

Shareholders can attend the AGM through VC/OAVM and e-voting by visiting the website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) of the NSDL under Shareholders/Member login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of the Company will be displayed. Please note that Shareholders need to use their 16-digit Demat Account Number or Folio Number as a User ID. The facility for joining the AGM through the VC/OAVM will be enabled 15 minutes prior to before the scheduled commencement of the AGM and will be available for Members on a first-come-first-serve basis. Members are requested to join the proceedings of the AGM through desktop/laptops for better experience and smooth streaming. Further, Members are required to use Internet with a high-speed for seamless viewing during this AGM. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) under help section or write an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact NSDL at the following toll free no.: 1800-222-990 or [rta@alankit.com](mailto:rta@alankit.com) The helpline no in case of any assistance is 011-42541127, which may be contacted for any assistance.

**Members holding shares in Physical form** who have not registered their email address with the Company/Depository can obtain Notice of 31<sup>st</sup> AGM, Annual Report and/or login details for joining the 31<sup>st</sup> AGM the VC/ OAVM facility including E-voting, by sending scanned copy of the documents by email to [info@sfclindia.com](mailto:info@sfclindia.com) or [rta@alankit.com](mailto:rta@alankit.com):

- a. A signed request letter mentioning your name, folio number and complete address.
- b. Self-attested scanned copy of PAN CARD; and
- c. Self-attested scanned copy of any document (such as AADHAAR Card, Driving Licence, Election identity Card, Passport) in support of the address of the Member as registered with the Company.

Members are requested to attend the Annual General Meeting (AGM) through Video Conferencing or Other Audio-Visual Means (OAVM).

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IN RESPECT OF SPECIAL BUSINESS FORMING PART OF THE NOTICE**

**ITEM NO.3**

Mr. Vinod Gupta has been serving as the Whole Time Director of the Company and has been associated with the Company since its 11.06.1998. Considering his association with the Company and growth of the Company under his leadership it is proposed to re-appoint him as the Whole Time Director of the Company for period of three years.

Mr. Vinod Gupta is a Graduate and has to his credit nearly more than 23 Years of industrial experience, Majority of which has been spent in Supraneet Finance and Consultants Limited.

He is largely responsible for the efficient operations of the Supraneet Finance and Consultants Limited and its excellent financial performance. It is also essential for the Company to have his continued services for its future growth. The Board of Directors, at their meeting held on 14<sup>th</sup> September, 2020 considered and decides to entrust Mr. Vinod Gupta with increased role and responsibility by evaluating him as Whole Time Director of the Company. The term of his re-appointment as Whole Time Director will be for a period of three Years.

In terms to the provisions of the Companies Act, 2013, consent of the Shareholders is required for reappointment of Mr. Vinod Gupta as Whole Time Director of the Company.

The Board recommends the resolution as set out in item no. 3 for approval of the members as a Special Resolution.

Mr. Vinod Gupta and Mrs. Pooja Gupta are concerned or interested financially or otherwise in the resolution. No other Key Managerial Personnel and their relatives are interested or concerned financially or otherwise in passing this resolution.

In this regard, as required under paragraph B of part II of Section II of Schedule V of the Companies Act, 2013, the following information is furnished:

## I. GENERAL INFORMATION

1.	Nature of Industry	Non-Banking financial Company (NBFC) which is engaged in lending money to various industrial units out of its own funds.
2.	Date or expected date of commencement of Commercial Production	Company is into the Commercial activity since 01.02.2002.
3.	In case of new companies, expected date of commencement of activities as per project approved by the financial institute appearing in the prospectus.	Not applicable
4.	Financial performance based on given in indicators	The Financial Performance of the Company during the last 3 years as mention in the Table A
5.	Foreign investments or collaborations, if any	Nil

**Table A**

<b>Particulars</b>	<b>2019-2020 (in Lacs)</b>	<b>2018-2019 (in Lacs)</b>	<b>2017-2018 (in Lacs)</b>
Revenue from Operations and other Income	INR 32.37	INR 32.20	INR 32.62
Depreciation	INR 3.21	INR 0.55	INR 6.20
Profit before Tax	INR 5.90	INR 0.40	INR 2.70
Profit after Tax	INR 4.45	INR 0.30	INR 2.13
Profit available for Appropriation	INR 4.45	INR 0.30	INR 2.13

**BY ORDER OF THE BOARD**  
**For SUPRANEET FINANCE AND CONSULTANTS LIMITED**

**Date: 14<sup>th</sup> September, 2020**  
**Place: Delhi**

  
**DEEPTI JAIN**  
**(COMPANY SECRETARY)**  
**Membership No. A31165**



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting before you their 31<sup>st</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2020.

### **1. FINANCIAL HIGHLIGHTS & STATEMENT OF COMPANY AFFAIRS**

#### **(a) Financial Highlights:**

The Company's financial position for the year under review along with previous year figure is given hereunder:

<u>PARTICULARS</u>	<u>2019-2020</u> <u>(Rs. In Lacs)</u>	<u>2018-2019</u> <u>(Rs. In Lacs)</u>
Total Earnings	32.27	32.20
Profit before Depreciation, Interest and Taxation	13.61	4.96
Less: Depreciation	3.21	0.55
Less : Interest	4.50	4.01
Profit/(Loss) for the year	5.90	0.40
Less: Current Tax encl. MAT adjust.	0.81	1.85
Less: Deferred Tax Assets/Liabilities	0.64	-1.75
Profit/(Loss) after Taxation	4.45	0.30

#### **(b) Statement of Company Affairs:**

During the year 2019-20, the Company has achieved net profit after tax of Rs. 4.45 Lac compared to previous year amount of Rs. 0.30 Lac.

Your Company's strategy to mark its presence in the NBFC space and maintain lending relationship with the business groups, while simultaneously developing robust internal systems, procedures and guidelines for the business. The key focus of corporate lending business is to offer long term working capital loans to mid large sized corporate. Detailed information about the operations and the state of affairs of the Company are covered in the 'Management Discussion and Analysis'.

### **2. CHANGE IN THE NATURE OF BUSINESS**

The Department of Non-Banking Supervision (DNBS), Reserve Bank of India, New Delhi vide letter No. DNBS/ND/S.5661 /CMS/05.19.359/2018-19 dated on May 31, 2019, has cancelled the Certificate of Registration under 45-IA(6) of the Reserve Bank Of India Act, 1934.

The Certificate has been cancelled on the Grounds that the Company is failed to achieve the minimum Net Owned Funds rupees two hundred Lakh rupees.

However the Company has filed an appeal with Appellate Authority of the Reserve Bank of India against the Order of the Reserve Bank of India. Appeal was pending with the Appellate Authority of the Reserve Bank of India till the closure of the Financial Year ending 31<sup>st</sup> March 2020.

During the pendency of the Appeal Company is deemed to be in business of NBFC activities.

The said appeal was rejected vide Order No. -----dated 2<sup>nd</sup> June 2020.

Thus the Company is no longer in the NBFC Business from the date of rejection of the appeal.

Management is in process of reorganization of the Activities of the Company and is also considering to achieve the minimum Net Owned Funds criteria to meet the RBI guidelines.

### **3. DIVIDEND**

Management wants to retain the profits to enhance the net-worth of the Company, hence no dividend has been recommended for the year under review.

### **4. TRANSFER TO RESERVES**

The Company has transferred Rs. 4.45 Lac (previous year Rs 0.30 Lac) to reserve (Surplus) for the year ended 31<sup>st</sup> March 2020. Further Company has transferred Rs. 0.89 Lac (previous year 0.06 Lac) to the Statutory Reserves (Created under section 451 C of the Reserve Bank of India Act, 1934).

### **5. CHANGES IN SHARE CAPITAL**

No Share Capital was issued during the year. The Company has not issued any equity shares with differential rights, bonus shares, Sweat Equity Shares, Employee stock options or shares under right issue.

### **6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Certificate of registration as NBFC has been cancelled by the Reserve Bank of India,

However the Company has filed an appeal with Appellate Authority of the Reserve Bank of India against the Order of the Reserve Bank of India. Appeal was pending with the Appellate Authority of the Reserve Bank of India till the closure of the Financial Year ending 31<sup>st</sup> March 2020.

During the pendency of the Appeal Company is deemed to be in business of NBFC activities. The said appeal was rejected vide Order No. -----dated 2<sup>nd</sup> June 2020 of Appellate Authority of the Reserve Bank of India.

Thus the Company is no longer in the NBFC Business from the date of rejection of the appeal, hence the Provision of Section 186 of the Companies Act, 2013 are now applicable to the Company. The management will do the necessary compliance to fulfill the requirement of the Section 186 of the Companies Act 2013 during the Financial Year 2020-2021.

## **7. DEPOSITS**

The Company has never accepted any deposits as per RBI Guidelines hence Information in respect to deposit during the Financial Year 2019-20 in terms of Chapter V of the Companies Act, 2013 is Nil (FY-2018-19 is Nil).

## **8. MANAGEMENT DISCUSSION & ANALYSIS REPORT**

In terms of provisions of Regulation 34 of the SEBI (Listing Obligation and Disclosures Requirements) Regulation, 2015, the management Discussion and Analysis Report forming part of the Board Report is annexed as **Annexure I**.

## **9. CORPORATE GOVERNANCE CERTIFICATE**

Since Company's Paid up Equity Share Capital is less than of Rs. 10 crores and Net Worth is also less than Rs. 25 crores at any time in the history of Company. Hence Regulation 17 to 27 and 46(2) (b to i) of the SEBI (LODR) Regulation 2015 are not applicable.

## **10. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.**

Ms. Pooja Gupta (DIN-00542253), Director of the Company, retires by rotation at this 31<sup>st</sup> Annual General Meeting and being eligible, offers herself, for re-appointment. The board recommends her reappointment.

Mr. Vinod Gupta (DIN – 00381782), Whole Time Director, of the Company is completing his present term on 30.09.2020 and is to be re-appointed for the next term of three years at 31<sup>st</sup> Annual General Meeting. The board recommends his re-appointment to the shareholders for next term of 3 years.

## **11. NUMBER OF MEETINGS OF BOARD.**

During the year 2019-20, 7 (Seven) Board Meetings were held as per detail given below.

<b>No. of the Board Meetings</b>	<b>Date of the Board Meeting held during the Financial Year 2019-20</b>	<b>Attendance of the Board of Directors (in %)</b>
1	15 <sup>th</sup> April, 2019	100%
2	25 <sup>th</sup> May, 2019	80%
3	20 <sup>th</sup> June, 2019	80%
4	14 <sup>th</sup> August, 2019	80%
5	11 <sup>th</sup> October, 2019	100%
6	13 <sup>th</sup> November, 2019	100%
7	13 <sup>th</sup> February, 2020	80%

One Meeting of Independent Directors was held on 5<sup>th</sup> December, 2019

## **12. MATERIAL CHANGES AND COMMITMENTS EFFECTING THE FINANCIAL POSITION OF THE COMPANY HAPPENED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY AND DATE OF THIS REPORT**

Two material changes or commitments, effecting the financial position of the Company happened between the end of the Financial Year of the Company and date of this Report.

(i) Due to the ongoing COVID 19 Pandemic, Lockdown situation and overall recession in the Indian and Global Economy, the adverse impact of the same will be on the Financial Sector of the Company which in turn will affect the Revenues of the Company. However management is of the view that once this economic recession is over the revenue and the profits of the company may be improved.

(ii) Appeal filed by the Company with Appellate Authority of the Reserve Bank of India against the order of the Reserve Bank of India cancelling the Certificate of registration under 45-IA(6) of the Reserve Bank Of India Act, 1934 on the Grounds that the Company is failed to achieve the minimum Net Owned Funds of Rupees Two Hundred Lakh Rupees is rejected by Appellate Authority of the Reserve Bank of India on 2<sup>nd</sup> June 2020.

Thus the Company is no longer in the NBFC Business from the date of rejection of the appeal.

Management is in process of reorganization of the Activities of the Company and is also considering to achieve the minimum Net Owned Funds criteria to meet the RBI guidelines.

## **13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**

The information pursuant to section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is as follows:

### **(A) CONSERVATION OF ENERGY:**

Your Company is being a Non – Banking Finance Company, its activities are not energy intensive. However, your Company has taken adequate measures for conservation of energy, wherever required.

### **(B) TECHNOLOGY ABSORPTION:**

Your Company being a Non-Banking Finance Company, its activities do not require adoption of any specific technology.

### **(C) FOREIGN EXCHANGE EARNINGS & OUTGO:**

Total Foreign Exchange Earnings during the year: NIL (P.Y.: NIL)

Total Foreign Exchange Outgo during the year: NIL (P.Y.: NIL)

## **14. BUSINESS RESPONSIBILITY REPORT**

Regulation 34 of the SEBI (Listing Obligation and Disclosures Requirements) Regulation, 2015 specifying the criteria for presentation of report is not applicable to the Company.

## **15. POLICY ON DIRECTORS APPOINTMENT AND POLICY ON REMUNERATION**

Pursuant to the requirement under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, KMP and other employees is attached as **Annexure-II**, which forms part of this report.

## **16. PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/EMPLOYEES**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there are no employees falling in the bracket as defined in Rule 5 (2). Hence, no comments are required on it.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure III** which forms part of this report.

## **17. STATUTORY AUDITORS & AUDITORS REPORT:-**

**M/s. K A S G & Co., Chartered Accountant (F.R.N. 002228C)**, appointed as a Statutory Auditor of the Company for Five Financial years in the previous 30th Annual General Meeting till the conclusion of 34<sup>th</sup> Annual General Meeting of the Company. They will be continuing as Statutory Auditor of the Company for the Financial year 2020-2021.

Further the Auditor in the Auditor Report has Emphasized on the matter regarding cancellation of the certificate of the Registration by the Reserve Bank of the India under 45-IA(6) of the Reserve Bank Of India Act, 1934 on the Grounds that the Company is failed to achieve the minimum Net Owned Funds of Rupees Two Hundred Lakh Rupees. Management is in process of reorganization of the Activities of the Company and is also considering to achieve the minimum Net Owned Funds criteria to meet the RBI guidelines.

Further, there are no reservations, qualifications or adverse remarks in the Audit Report given by Auditors in respect of the Financial Year 2019-20.

## **18. INTERNAL AUDITOR**

During the year under review, **M/s. R.K. Mahaseth & Co., Chartered Accountants, New Delhi**, the internal auditors of the Company conducted periodic audits of the Company. The Audit Committee reviews the detailed Internal Audit reports submitted by the Internal Auditors and take note of the actions taken on the observations of and recommendations made by them.

Your Directors are confident that there are adequate internal control systems and procedures which are being followed and complied with.

## **19. SECRETARIAL AUDITORS AND THEIR REPORT**

M/s. Harvinder Singh & Associates, Company Secretaries, was already appointed as Secretarial Auditor of the Company pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR- 3 is attached as **Annexure IV** and forms part of this report.

There are certain observations of the Secretarial Auditor in the Report issued by him for the financial year 2019-20. The Board suitably gives its explanations or comments on every observations of the Secretarial Auditor which are as follows:

*Secretarial Auditor Observation : The Company is not meeting the Net owned fund requirement of Rupees Two Hundred Lakhs as required to be maintained by non-banking financial company in terms of revised regulatory framework for NBFC's RBI/2014-15/520 DNBR (PD) CC.No. 024/03.10.001/ 2014-15 read with Notification No.DNBR.007/ CGM (CDS) -2015 dated March 27, 2015. The Department of Non-Banking Supervision (DNBS), Reserve Bank of India, New Delhi vide letter No. DNBS/ND/S.5661 /CMS/05.19.359/2018-19 dated on May 31, 2019, has cancelled the Certificate of Registration under 45-IA(6) of the Reserve Bank Of India Act, 1934. However the Company has filed an appeal with Appellate Authority of the Reserve Bank of India against the Order of the Reserve Bank of India. Appeal was pending with the Appellate Authority of the Reserve Bank of India till the closure of the Financial Year ending 31<sup>st</sup> March 2020. Appellate Authority of the Reserve Bank of India vide its Order dated 2<sup>nd</sup> June 2020 has rejected the appeal filed by the Company. Management has informed that they are in process of reorganization of the Activities of the Company and is also considering to achieve the minimum Net Owned Funds criteria to meet the RBI guidelines.*

**Management Remarks :** Since the Company has given Loans to the Group Companies the Net Owned Fund is coming down below the threshold Limit of 200 Lac. Once Company take back loan from Group Companies, the Company will achieve the net owned fund of 200 Lac. Due to the huge amount of the Loan and present liquidity position of the related parties, it will not be possible for the management to reduce the Loan at once. The management will gradually reduce the Loan Portfolios of the related party and will achieve the Net Owned Fund as prescribed by the RBI Guidelines. Management is in process of reorganization of the Activities of the Company and is also considering to achieve the minimum Net Owned Funds criteria to meet the RBI guidelines.

## **20. FRAUDS REPORTED BY AUDITORS**

There are no frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government.

## **21. COST AUDIT**

Provisions relating to Section 148 of the Companies act, 2013 pertaining to Cost Audit are not applicable to the Company.

## **22. CONSOLIDATED FINANCIAL STATEMENTS**

As the Company does not have any Subsidiary and Associate Company, there is no requirement of Consolidated Accounts.

### **23. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

The Company has adequate internal controls systems and procedures covering key financial and operating functions commensurate with the size and nature of operations to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported correctly. The Company carries out extensive and regular internal audit, policy reviews, guidelines and procedures to ensure that the internal control systems are adequate to protect the Company against any loss or misuse of the Company's assets.

### **24. RISK MANAGEMENT POLICY**

Your Company recognizes risk management as an integral component of good corporate governance and fundamental in achieving its strategic and operational objectives. It improves decision-making, defines opportunities and mitigates material events that may impact shareholder value

### **25. SUBSIDIARIES/ASSOCIATES/JOINT VENTURES DURING THE FINANCIAL YEAR**

The Company has no subsidiaries or Associates as defined in the Companies Act, 2013.

### **26. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY'S OPERATIONS IN FUTURE**

The Company has not received any significant or material orders passed by any Regulatory Authority, Court or Tribunal which shall impact the going concern status and Company's operations in future.

### **27. CODE OF CONDUCT**

The Company continues to place emphasis on inclusive growth and has adopted a voluntary code of conduct for affirmative action.

### **28. AUDIT COMMITTEE.**

The Company is having an Audit Committee pursuant to the provisions of Section 177 the Companies Act, 2013, which consists of following Directors.

- |                          |                                 |
|--------------------------|---------------------------------|
| 1) Mr. Rajiv Kumar Gupta | : Chairman/Independent Director |
| 2) Mr. Ajay Kumar Garg   | : Member/Non-Executive Director |
| 3) Mr. Dev Parkash       | :Member/Independent Director    |

There were Five (5) Meetings held during the Financial Year 2019-20 as :

No. of the Meetings	Date of the Meetings held during the Financial Year 2019-20	Attendance of the Members/Chairman (in %)
1	15 <sup>th</sup> April, 2019	100%
2	21 <sup>st</sup> May, 2019	100%
3	9 <sup>th</sup> August, 2019	100%
4	11 <sup>th</sup> November, 2019	100%
5	13 <sup>th</sup> February, 2020	100%

### **29. NOMINATION AND REMUNERATION COMMITTEE.**

The Company is having Nomination and Remuneration Committee pursuant to the provisions of Section 178 of the Companies Act, 2013, which are the following:

- 4) Mr. Rajiv Kumar Gupta : Chairman/Independent Director
- 5) Mr. Ajay Kumar Garg : Member/Non-Executive Director
- 6) Mr. Dev Parkash :Member/Independent Director

There were Five (5) Meetings held during the Financial Year 2019-20 as :

No. of the Meetings	Date of the Meetings held during the Financial Year 2019-20	Attendance of the Members/Chairman (in %)
1	15 <sup>th</sup> April, 2019	100%
2	21 <sup>st</sup> May, 2019	100%
3	9 <sup>th</sup> August, 2019	100%
4	11 <sup>th</sup> November, 2019	100%
5	13 <sup>th</sup> February, 2020	100%

### **30. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE.**

In terms of Section 135 of the Companies Act, 2013, the Company doesn't fall under the requirements of Corporate Social Responsibility. So there was no CSR Committee formulated.

### **31. VIGIL MECHANISM.**

Your Company believes in the conduct of its affairs as well as with its various constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. To achieve the above and as part of Vigil Mechanism, your Company has formulated a Whistle Blower Policy in compliance with Companies Act, 2013 and SEBI (LODR) Regulation 2015. There is graded reporting structure under the Policy and also provides provision for direct access to Chairman of Audit Committee. The whistle blower policy is available at website of the Company at [www.sfclindia.com](http://www.sfclindia.com).



### **32. DIRECTORS' RESPONSIBILITY STATEMENT.**

Pursuant to the requirement under clause (c) of sub Section 3 of Section 134 (5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

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

### **33. DECLARATION FROM INDEPENDENT DIRECTORS.**

The Independent Directors have submitted disclosure that they meet the criteria of independence as provided under Sec. 149(6) of Companies Act, 2013 and SEBI (LODR) Regulation 2015. A statement by Director confirming receipt of this declaration from Independent Directors is annexed to this report as **Annexure V**.

### **34. EXTRACT OF ANNUAL RETURN.**

The extract of Annual Return as on March 31, 2020 in the prescribed Form No. MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is attached herewith as **Annexure - VI** and forms part of this Report.

### **35. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013.**

All contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis. Hence, provisions of Section 188 (1) are not applicable. However, as these transactions were in the ordinary course of business and on an arm's length basis, in the opinion of the Board these transactions are justified to be executed. Vide Note No. 27 of the Balance Sheet.

During the year, the Company had not entered into any contract or arrangement with related parties which could be considered 'material' according to the policy of the Company on Materiality of Related Party Transactions. Your attention is drawn to the Related Party disclosures as provided in the financial statements vide Note No. 27 Further as per the requirement of section 188 of the Companies Act, 2013 details of the Related Party Transactions is attached herewith as **Annexure – VII as Form AOC-2**.

### **36. INDUSTRIAL RELATIONSHIPS**

Relations between the Management and the employees at all levels have been cordial and the Directors wish to express their appreciation for the cooperation and dedication of the employees of the Company.

### **37. LISTING AND LISTING AGREEMENT.**

The equity shares of the Company are listed at Metropolitan Stock Exchange of India Limited and Delhi Stock Exchange, with the sole intent of providing liquidity to the existing Shareholders. Delhi Stock Exchange is not functioning as on date. The Company has already paid listing fees for the year 2019-2020 to the concerned Stock Exchange.

### **38. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND.**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

### **39. FORMAL ANNUAL EVALUATION.**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

**40. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013 & CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE.**

The disclosure under the sexual harassment of women at workplace (prevention, prohibition & redressal) act, 2013 are not applicable on the Company and accordingly the Company is not required to constitute Internal Complaints Committee.

**41. ACKNOWLEDGEMENT.**

Your Directors place on record their sincere thanks to bankers and various Government Authorities for their continued support extended to your Companies activities during the year under review.

Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

**For And On Behalf of the Board of Directors  
Supraneet Finance and Consultants Limited**



**Vinod Gupta  
(Director)  
DIN: 00381782**



**Ajay Kumar Garg  
(Director)  
DIN: 00382981**

**Place: Delhi  
Date: 14.09.2020**

## **Management Discussion & Analysis Report**

### **OVERVIEW OF GLOBAL ECONOMY**

A brief summary of FY2020 and the emerging trends in the wake of COVID-19 pandemic are discussed below.

FY2019- 2020 began with an expectation that the year would witness a slowdown in growth owing to a significant moderation in economic activity. Recognising the economic headwinds, the Government of India undertook various measures to boost growth — which included a substantial tax relief to the corporate sector to boost investments.

Even without the terrible effects of COVID-19, India's GDP growth was rapidly slowing down. Before the COVID-19 pandemic and lockdown, both the RBI and the Central Statistics Office (CSO) of the Government of India had revised the GDP growth rate downwards. The RBI changed its full year GDP growth estimate from an initial 7.2% to 5% in December 2019, and ascribed the tapering of growth to a tight credit market impacting fresh investments, weak capital expenditure and a slowdown in manufacturing. In a similar vein, the second advance estimates of national income for FY2020 released by the CSO on 28 February 2020 was substantially lower: GDP growth for FY2020 was pegged at 5% — a decadal low — compared to 6.1% in the financial year 2018-19 (FY2019); and growth in gross value added was estimated at 4.9% in FY2020 versus 6% in FY2019.

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

The NBFC sector plays a critical role in financial inclusion as it caters to a wide range of financial activities particularly in areas where commercial banks have limited penetration. NBFCs are expected to play a crucial role in fostering inclusive growth, especially in sectors like MSMEs. The quality of assets of the NBFC sector has, however, showed steady deterioration since 2012, though their NPAs have remained relatively lower than those of the banking sector.

NBFCs continued to grow their share in the financial services industry. Data published by the RBI in its Financial Stability Report dated 31 December 2018 show that NBFCs have outperformed scheduled commercial banks (SCBs) on growth in advances, asset quality and profitability. This growth momentum of NBFCs should result in their share in the financial services sector increasing in the near future

Both the regulator and government have been maintaining a favorable stance towards the NBFC sector; starting with the latest announcement where SME loans up to Rs. 2 crores by NBFCs will be covered under the credit guarantee fund trust for micro and small enterprises. These measures would strengthen the NBFCs' ability to lend and mitigate loss given default while speeding up recovery timelines. Besides, introduction of Insolvency and Bankruptcy Code, 2016 could ensure quicker resolution of NPA problems, especially in PSU banks and NBFC. In fact, the Financial Stability Report issued by RBI in 2015 indicates that corporate sector vulnerabilities and the impact of their weak balance sheets on the financial system needs closer monitoring.

## OPPORTUNITIES AND THREAT

### Opportunities

- Under-penetration of financial services / products in India offers growth opportunities.
- The penetration of NBFC credit & wealth management business in India is lower as compared to the total credit penetration and total wealth management business across the globe.
- Tremendous brand strength and extensive reach.
- The infrastructure segment is expected to see sustained growth with a significant thrust being given by the Government to this sector.

### Threats

- Competition from local and multinational players
- Regulatory changes
- to maintain high quality book as portfolios grows retail
- Attraction and retention of human capital
- Investments in direct plans by investors for the wealth business

## **BUSINESS OVERVIEW AND PERFORMANCE - PRODUCT WISE**

Registered Office being in Delhi, Supraneet Finance & Consultants Limited ("the Company") provides quality financial services to the entities. The Company operates through the array of following business segments:

- Corporate Finance Group
- Business Loans

The overall loan portfolio of the Company increased from Rs. 375 Lacs in FY 2018-19 to Rs. 383 Lacs in FY 2019-20.

### **i) Corporate Finance Group (CFG)**

- Corporate Finance Group offers customized financing solutions to meet working capital and term financing needs of its Associate Companies. CFG vertical has emerged as a formidable force in the lending space and has created a niche for itself especially in the structured finance segment.

### **ii) Business Loans.**

- The Unsecured Lending business caters to the financing needs across the spectrum of various entities.

## **CAPITAL ADEQUACY RATIO (CAR)**

The Net worth of the Company as at March 31, 2020 was Rs.358.28 Lacs as against Rs. 353.83 Lacs in the previous year. Total borrowing outstanding as at March 31, 2020 was Rs.58.85 Lacs (previous year Rs. 57.30 Lacs).

## **OUTLOOK**

NBFCs have been playing a very important role from the macroeconomic perspective and as a core catalyst in the Indian financial system. With the launch of government-backed schemes (such as the Pradhan Mantri Jan-Dhan Yojana [PMJDY]), there has been a substantial increase in the number of bank accounts. The government and regulatory bodies have taken decisive steps to increase this number (and subsequently financial access) by granting in principal licenses to as many as 21 players to establish specialty banks over the next 18 months.

The introduction of such specialized players and systems will truly transform the banking value chain in its entirety. This presents a strategic opportunity for NBFCs to ensure sustainable growth over a long term. The reach of NBFCs, along with their strong understanding of the market, can help them position themselves as a better alternative to the traditional ways of financing.

## **OUTLOOK ON DOMESTIC GROWTH**

Financial year 2019-20 (FY2020) began with an expectation of higher growth as the economy seemed to have overcome the teething troubles of the nation-wide roll out of the Goods and Services Tax (GST). However, a rise in the current account deficit (CAD), concerns relating to rising non-performing assets (NPAs) and decline in liquidity coupled with hardening interest rates contributed to uncertainties around a higher GDP growth rate.

## **RISKS AND CONCERNS**

The Company's risk philosophy involves developing and maintaining a healthy portfolio within its risk appetite and the regulatory framework. While it is exposed to various types of risks, the most important among them are credit risk, market risk (which includes liquidity risk and price risk) and operational risk. The measurement, monitoring and management of risks remains a key focus area for the Company.

Company's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring.

The Board of Directors have an oversight on all the risks assumed by the Company.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate internal controls systems and procedures covering key financial and operating functions commensurate with the size and nature of operations to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported correctly. The Company carries out regular internal audit, policy reviews, guidelines and procedures to ensure that the internal control systems are adequate to protect the Company against any loss or misuse of the Company's assets.

## CAUTIONARY STATEMENT

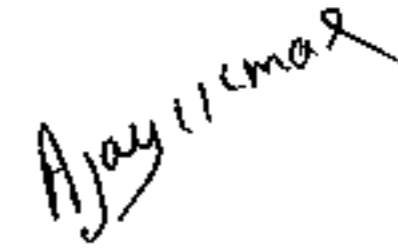
Statements in this Management Discussion and Analysis describing the Company's plan and objectives, financial conditions, business prospects, estimates and expectations may be forward looking statements which are based on the current belief, assumptions, and projections of the Directors and the management of the Company. These statements do not guarantee the future performance and are subject to known and unknown risks, uncertainties and other factors some of which may be beyond the control of the Company. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include unavailability of finance at competitive rates, significant changes in political and economic environment in India or key markets abroad, tax laws, litigations, exchange rate fluctuations, interest

**For And On Behalf of the Board of Directors**

**Supraneet Finance and Consultants Limited**



**Vinod Gupta  
(Whole time Director)  
DIN: 00381782**



**Ajay Kumar Garg  
(Director)  
DIN: 00382981**

**Place: Delhi  
Date: 14.09.2020**

**NOMINATION AND REMUNERATION POLICY**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and as per the SEBI (Listing Obligation and Disclosures Requirements) Regulation, 2015, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

**1. ROLE OF COMMITTEE**

**Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The Committee shall:

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

**Policy for appointment and removal of Director, KMP and Senior Management**

**Appointment criteria and qualifications**

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



- b. Criteria for evaluation of the Individual Directors;
  - i. Experience and ability to contribute to the decision making process
  - ii. Problem solving approach and guidance to the Management
  - iii. Attendance and Participation in the Meetings
  - iv. Personal competencies and contribution to strategy formulation
  - v. Contribution towards statutory compliances, monitoring of controls and Corporate Governance

### **Removal**

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

### **Retirement**

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

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

#### **General:**

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

1. Remuneration to Managing Director / Whole-time Directors:

- a.) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

- b) Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- c) Provisions for excess remuneration: If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

2. Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i. The Services are rendered by such Director in his capacity as the professional; and
  - ii. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

3. Remuneration to Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall be in compliance with the applicable provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

2. **MEMBERSHIP OF COMMITTEE**

- a. The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b. Minimum two (2) members shall constitute a quorum for the Committee meetings.
- c. Membership of the Committee shall be disclosed in the Annual Report.
- d. Term of the Committee shall be continued unless terminated by the Board of Directors.

### 3. CHAIRMAN

- a. Chairman of the Committee shall be an Independent Director.
- b. Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- d. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

### 4. FREQUENCY OF MEETINGS

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

### 5. COMMITTEE MEMBERS' INTERESTS

- a) The disclosure of Interest and participation in the meetings by a member of the Committee shall be as per the provisions of the Act and Rules made thereunder from time to time.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### 6. VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

### 7. MINUTES OF COMMITTEE MEETING

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

For SUPRANEET FINANCE AND CONSULTANTS LIMITED

  
RAJIV KUMAR GUPTA

CHAIRMAN OF NOMINATION & REMUNERATION COMMITTEE

DIN NO-07846777

**(A)DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

a) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for FY 2019-20 is 2.3:1. The percentage increase in remuneration of each director, chief Financial officer, Chief Executive Officer, Company Secretary or manager, if any, in FY 2019-20--There is no change in remuneration of Director.

b) the percentage increase in the median remuneration of employees in the financial year 2019-20--23%

c) the number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2019 - 4

d) the explanation on the relationship between average increase in remuneration and Company performance -

The average remuneration of whole time director of the Company during FY 2019-20 remained the same as compared to FY 2018-19. The total employee cost for FY 2019-20 was Rs. 10.26 Lacs against Rs 9.26 Lacs for FY 2018-19. The Company has earned net profit after tax Rs. 4.45 Lacs during the F.Y. 2019-20 as compared to FY 2018-19 Rs. 0.30 Lacs.

e) The Company has paid remuneration of the Key Managerial Personnel within the limit of schedule V of companies Act, 2013.

f) Variations in the Market Capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

**Variations in the market capitalisation**

Market Capitalisation as on 31<sup>st</sup> March, 2020- NA

Market Capitalisation as on 31<sup>st</sup> March, 2019-NA

Variation%---NA

**Variations in price earnings ratio**

Price earnings ratio as on 31<sup>st</sup> March, 2020-NA

Price earnings ratio as on 31<sup>st</sup> March, 2019-NA

Variation%---NA

**Percentage increase or decrease in the market quotations of the shares in comparison to the rate at which the Company came out with the last public offer**

Last Public offer Price of its Shares by the Company-NA

Market Price of share of the Company as on 31<sup>st</sup> March, 2020-NA

Percentage Increase-----NA

g) Average Percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration - N.A.

h) the key parameters for any variable component of remuneration availed by the directors - NA


i) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year -

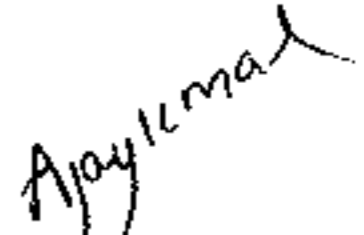
None of the employees who are not directors, of the Company received remuneration in excess of the highest paid director during the year

i) The remuneration paid is as per the remuneration policy of the Company.

**B) DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014- N.A.**

**For And On Behalf of the Board of Directors  
Supranet Finance and Consultants Limited**

  
**Vinod Gupta  
(Whole time Director)  
DIN: 00381782**

  
**Ajay Kumar Garg  
(Director)  
DIN: 00382981**

**Place: Delhi  
Date: 14.09 2020**



Form No.MR-3

**SECRETARIALAUDITREPORT**

*FOR THE FINANCIAL YEAR ENDEDAS ON 31.03.2020*

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

To,  
The Members,  
**Supraneet Finance and Consultants Limited**  
C-55/2, Wazirpur Industrial Area, Delhi - 110052

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SUPRANEET FINANCE AND CONSULTANTS LIMITED** (hereinafter called the Company) for the financial year 2019-2020. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

We Report that

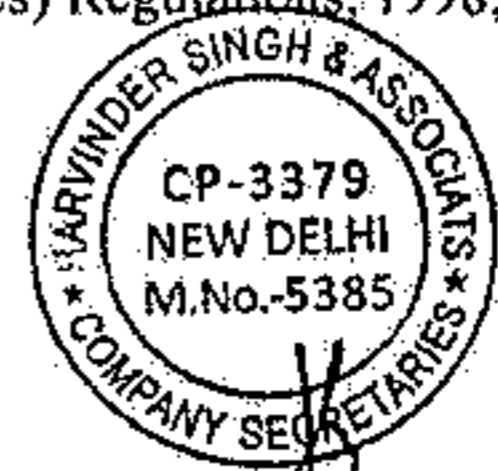
1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.



Based on our verification of the **SUPRANEET FINANCE AND CONSULTANTS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31.03.2020**, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Supraneet Finance and Consultants Limited** ("the Company") for the financial year ended on 31.03.2020 according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;





(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company base on their sector/industry are :

- (i) The Reserve Bank of India Act, 1934.

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 Company with MCX Stock Exchange Limited.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

*The Company is not meeting the Net owned fund requirement of Rupees Two Hundred Lakhs as required to be maintained by non-banking financial company in terms of revised regulatory framework for NBFC's RBI/2014-15/520 DNBR (PD) CC.No. 024/ 03.10.001/ 2014-15 read with Notification No.DNBR.007/ CGM (CDS) -2015 dated March 27, 2015. The Department of Non-Banking Supervision (DNBS), Reserve Bank of India, New Delhi vide letter No. DNBS/ND/S.5661 /CMS/05.19.359/2018-19 dated on May 31, 2019, has cancelled the Certificate of Registration under 45-IA(6) of the Reserve Bank Of India Act, 1934. However the Company has filed an appeal with Appellate Authority of the Reserve Bank of India against the Order of the Reserve Bank of India. Appeal was pending with the Appellate Authority of the Reserve Bank of India till the closure of the Financial Year ending 31<sup>st</sup> March 2020. Appellate Authority of the Reserve Bank of India vide its Order dated 2<sup>nd</sup> June 2020 has rejected the appeal filed by the Company. Management has informed that they are in process of reorganization of the Activities of the Company and is also considering to achieve the minimum Net Owned Funds criteria to meet the RBI guidelines.*

We further Report that

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors.
- (ii) 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.
- (iii) Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.
- (iv) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



Further during the audit period, there were no instances of:

1. Public/Rights/Preferential issue of shares/debentures/sweat equity.
2. Redemption of securities
3. Merger/Amalgamation/Reconstruction
4. Foreign Technical Collaborations.

For HARVINDER SINGH & ASSOCIATES  
Company Secretaries

Place: New Delhi  
Date: 12.09. 2020

*Hbedi*  
HARVINDER SINGH  
(PROPRIETOR)  
C.P NO. - 3379  
UDIN: F05385B000704391



# **Supraneet Finance and Consultants Limited**

**Regd. Office: C-55/2, Wazirpur Industrial Area, Delhi-110 052**

**Ph. : 011-42952500, Fax.: 011-42952555**

**E-Mail : info@sfcindia.com,**

**Website: [www.sfcindia.com](http://www.sfcindia.com), CIN : L65921DL1989PLC035261**

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Annexure V

## **DECLARATION REGARDING RECEIPT OF CERTIFICATE OF INDEPENDENCE FROM ALL INDEPENDENT DIRECTORS NOMINATION AND REMUNERATION POLICY**

I hereby confirm that the Company has received from all the independent directors namely Mr. Rajiv Kumar Gupta and Mr. Dev Parkash a certificate stating their independence as required under section 149 (6) of the Companies Act, 2013

Place: Delhi  
Date: 14.09.2020



**Vinod Gupta  
(Whole Time Director)  
DIN - 00381782**

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEARENDEDON 31.03.2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	L65921DL1989PLC035261
ii.	Registration Date	27.02.1989
iii.	Name of the Company	M/s. Supraneet Finance & Consultants Limited
iv.	Category/Sub-Category of the Company	Public Limited
v.	Address of the Registered office and contact details	C-55/2, Wazirpur Industrial Area, Delhi-110 052 Ph. 011-42952500, Fax:011-42952555
vi.	Whether listed Company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Alankit Assignment Limited Regd. Office: 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi - 110055 Ph. 41540060-63

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Lending of money to various Industries (NBFC)	64990	100.00

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.					
2.					
3.			NIL		
4.					



i) Others (specify)										
Sub-total (B)(1)										
<b>2. Non Institutions</b>										
a) Bodies Corp. (i) Indian (ii) Overseas	-	10000	10000	0.35	-	10000	10000	0.35		
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	-	501620	501620	17.44	-	501620	501620	17.44	0	
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	397406	221000	618406	21.49	397406	84900	482306	16.76	-4.73	
c) Others (Specify)										
Sub-total (B)(2)	397406	732620	1130026	39.28	397406	596520	993926	34.55	-4.73	
Total Public Shareholding (B) = (B)(1) + (B)(2)										
C. Shares held by Custodian for GDRs & ADRs										
<b>Grand Total (A+B+C)</b>	<b>2144093</b>	<b>732620</b>	<b>2876713</b>	<b>100%</b>	<b>2280193</b>	<b>596520</b>	<b>2876713</b>	<b>100%</b>	<b>-</b>	

### ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Share Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Surender Pal Gupta	200673	6.98	Nil	232073	8.07	Nil	1.08
2.	Sita Gupta	265977	9.25	Nil	265977	9.25	Nil	-
3.	Gopal Gupta (HUF)	140980	4.90	Nil	140980	4.90	Nil	-
4.	Gopal Swarup Gupta	174728	6.07	Nil	279428	9.71	Nil	3.64
5.	Sangita Gupta	187694	6.52	Nil	187694	6.52	Nil	-
6.	Vinod Gupta	221714	7.71	Nil	221714	7.71	Nil	-
7.	Gaurav Gupta	122739	4.26	Nil	122739	4.26	Nil	-
8.	Varun Gupta	204229	7.10	Nil	204229	7.10	Nil	-
9.	Pooja Gupta	140020	4.87	Nil	140020	4.87	Nil	-

10.	Ajay Kr.Garg	87933	3.06	Nil	87933	3.06	Nil	-
	<b>Total</b>	<b>1746687</b>	<b>60.72</b>	<b>Nil</b>	<b>1882787</b>	<b>65.44</b>	<b>Nil</b>	<b>4.72</b>

**iii. Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>174728</b>	<b>6.07</b>	<b>174728</b>	<b>6.07</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease				
	1. Transfer of 12000 Equity shares from Mr. Patel Motirambhai Dhanabha on 28.06.2019.	<b>12000</b>	<b>0.42</b>	186728	6.49
	2. Transfer of 10000 Equity shares from Mr. Sama Imranbhai Allaudinbhai on 28.06.2019.	<b>10000</b>	<b>0.34</b>	196728	6.83
	3. Transfer of 21700 Equity shares from Mr. Shiromani on 19.07.2019.	<b>21700</b>	<b>0.76</b>	218428	7.59
	4. Transfer of 15000 Equity shares from Mr. Sama Imranbhai Allaudinbhai on 09.09.2019.	<b>15000</b>	<b>0.52</b>	233428	8.11
	5. Transfer of 13000 Equity shares from Mr. Patel Motirambhai Dhanabha on 18.10.2019.	<b>13000</b>	<b>0.45</b>	246428	8.56
	6. Transfer of 16000 Equity shares from Mr. Patel Motirambhai Dhanabha on 29.11.2019.	<b>16000</b>	<b>0.56</b>	262428	9.12

	<b>7. Transfer of 17000 Equity shares from Mr. Sama Imranbhai Allaudinbhai on 29.11.2019.</b>	<b>17000</b>	<b>0.59</b>	<b>279428</b>	<b>9.71</b>
	At the End of the year	<b>279428</b>	<b>9.71</b>	<b>279428</b>	<b>9.71</b>

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Surender Pal Gupta</b>				
	At the beginning of the year	<b>200673</b>	<b>6.98</b>	<b>200673</b>	<b>6.98</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease				
	<b>Transfer of 16200 Equity shares from Mr. Patel Motirambhai Dhanabha 31.12.2019</b>	<b>16200</b>	<b>0.56</b>	<b>216873</b>	<b>7.54</b>
	<b>Transfer of 15200 Equity shares from Mr. Sama Imranbhai Allaudinbhai on 31.12.2019</b>	<b>15200</b>	<b>0.53</b>	<b>232073</b>	<b>8.07</b>
	At the End of the year	<b>232073</b>	<b>8.07</b>	<b>232073</b>	<b>8.07</b>



**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, promoters and holders of GDRs and ADRs)**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Mr. DayaKishan</b>				
	At the beginning of the year	<b>143106</b>	<b>4.97</b>	<b>143106</b>	<b>4.97</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	<b>143106</b>	<b>4.97</b>	<b>143106</b>	<b>4.97</b>
<b>2.</b>	<b>Mr. Shiromani</b>				
	At the beginning of the year	<b>139900</b>	<b>4.86</b>	<b>139900</b>	<b>4.86</b>

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	<b>1. Transfer of 21700 Equity shares to Gopal Swarup Gupta on 19.07.2019</b>	-21700	-0.75	118200	4.11
	At the end of the year	<b>118200</b>	<b>4.11</b>	<b>118200</b>	<b>4.11</b>

<b>3.</b>	<b>Ms. Ajay Singhal</b>				
	At the beginning of the year	27000	0.94	27000	0.94
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	<b>27000</b>	<b>0.94</b>	<b>27000</b>	<b>0.94</b>
<b>4.</b>	<b>Mr. Dinesh Khattar</b>				
	At the beginning of the year	26000	0.90	26000	0.90
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	<b>26000</b>	<b>0.90</b>	<b>26000</b>	<b>0.90</b>

<b>5.</b>	<b>Ms. Archana Bajpai</b>				
	At the beginning of the year	26000	0.90	26000	0.90
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	<b>26000</b>	<b>0.90</b>	<b>26000</b>	<b>0.90</b>
<b>6.</b>	<b>Mr.Chunni Lal</b>				
	At the beginning of the year	25000	0.87	25000	0.87
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	<b>25000</b>	<b>0.87</b>	<b>25000</b>	<b>0.87</b>
<b>7.</b>	<b>Mr. Sanjay Ailabadi</b>				
	At the beginning of the year	25000	0.87	25000	0.87
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	<b>25000</b>	<b>0.87</b>	<b>25000</b>	<b>0.87</b>
<b>8.</b>	<b>Mr. Sudhir Dhingra</b>				
	At the beginning of the year	25000	0.87	25000	0.87
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	<b>25000</b>	<b>0.87</b>	<b>25000</b>	<b>0.87</b>
<b>9.</b>	<b>Mr. Deepak Popli</b>				
	At the beginning of the year	23000	0.80	23000	0.80
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	<b>23000</b>	<b>0.80</b>	<b>23000</b>	<b>0.80</b>
<b>10.</b>	<b>Mr. Hari Kumar</b>				
	At the beginning of the year	<b>22000</b>	<b>0.76</b>	<b>22000</b>	<b>0.76</b>
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	<b>22000</b>	<b>0.76</b>	<b>22000</b>	<b>0.76</b>

(v)

**Shareholding of Directors & KMP**

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No of shares	% of total shares of the Company
<b>1.</b>	<b>Name: Vinod Gupta</b>				
	At the beginning of the year	221714	7.71	221714	7.71
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	221714	7.71	221714	7.71
<b>2.</b>	<b>Name: Ajay Kumar Garg</b>				
	At the beginning of the year	87933	3.06	87933	3.06
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	87933	3.06	87933	3.06
<b>3.</b>	<b>Name: Pooja Gupta</b>				
	At the beginning of the year	140020	4.87	140020	4.87
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	140020	4.87	140020	4.87

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	<b>0</b>	<b>5729948</b>	-	<b>5729948</b>
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	<b>0</b>	<b>5729948</b>	-	<b>5729948</b>
Change in Indebtedness during the financial year				
- Addition		155006	-	155006
- Reduction			-	
Net Change	<b>0</b>	<b>155006</b>	-	<b>155006</b>
Indebtedness at the end of the financial year				
i) Principal Amount			-	-
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due			-	
Total (i+ii+iii)	<b>0</b>	<b>5884954</b>		<b>5884954</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Whole Time Director	Company Secretary	Chief Financial Officer	
1.					
2.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Mr. Vinod Gupta  600000.00  15000.00  -	Ms. Deepti Jain  260677.00  -	Mr. Ajay Chandra Mukhi  165000.00  -	<b>1025677.00</b>  <b>15000.00</b>  -
3.	Stock Option	-	-	-	-
4.	Sweat Equity	-	-	-	-
5.	Commission - as % of profit - Others, specify...	-	-	-	-
6.	Others, please specify	-	-	-	-
7.	Total (A)	<b>615000</b>	<b>260677.00</b>	<b>165000.00</b>	<b>1040677.00</b>
	Ceiling as per the Act	<b>615000</b>	<b>260677.00</b>	<b>165000.00</b>	<b>1040677.00</b>

### C. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify				
	Total (1)				
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify				
	Total (2)				
	Total (B) = (1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				


**C. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD**

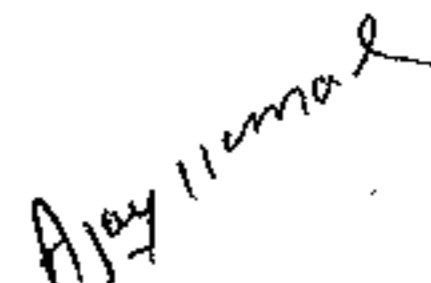
Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
6.	Total		NIL		

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty					
Punishment					
Compounding					

For And On Behalf of the Board of Directors  
Supraneet Finance and Consultants Limited

  
Vinod Gupta  
(Whole time Director)  
DIN: 00381782

  
Ajay Kumar Garg  
(Director)  
DIN: 00382981

Place: Delhi  
Date: 14.09 2020





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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements s/ transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advance, if any
Gopal Industries	Rent Paid	1 Year	As per commercial terms in line with business practices and comparable with unrelated parties  INR 3,54,000/-	15 <sup>th</sup> April, 2019	Nil

**For And On Behalf of the Board of Directors  
Supraneet Finance and Consultants Limited**



**Vinod Gupta  
(Whole time Director)  
DIN: 00381782**



**Ajay Kumar Garg  
(Director)  
DIN: 00382981**

**Place: Delhi  
Date: 14.09.2020**



## INDEPENDENT AUDITOR'S REPORT

To The Members of  
Supraneet Finance and Consultants Limited

Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

We have audited the standalone financial statements of Supraneet Finance and Consultants Limited, which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

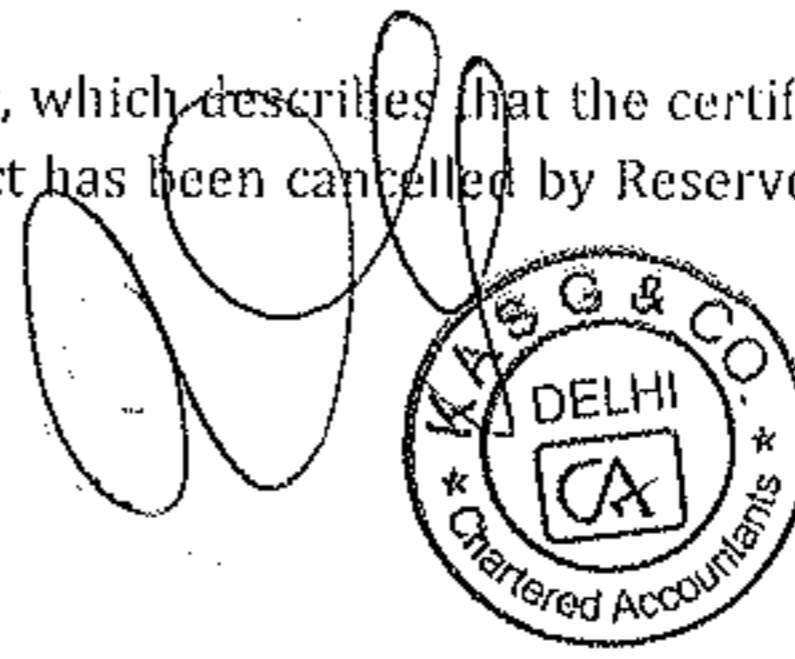
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Emphasis of Matter

We draw attention to Note 29 of the financial statements, which describes that the certificate of registration issued to the company under section 45-1A (6) of RBI Act has been cancelled by Reserve Bank of India. Our opinion is not modified in respect of this matter.



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## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Information other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

## Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

- (i) Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 Ind AS 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.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of The Companies Act 2013, we give in the Annexure

A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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, Statement of Profit and Loss (including other Comprehensive income), Statement of changes in Equity and the Statement of Cash Flow 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 Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
- e. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations which would impact its financial Position.
  - ii) The Company does not have any long-term contracts requiring a provision for material foreseeable losses.
  - iii) The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

**For K A S G & Co.**

Chartered Accountants

Firm Registration Number: 002228C

Vipin Goel  
(Partner)

Membership Number: 512694



Place: Delhi

Date: 31/07/2020

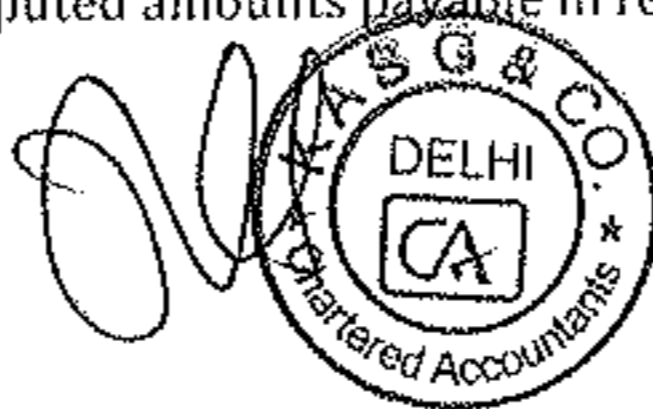
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## Annexure 'A' to the Auditors' Report

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Report of even date.

- (i)
- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year at regular intervals according to a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) Since the company is not in the possession of any immovable property hence this clause is not applicable.
- (ii) The company is a service company. Accordingly, it does not hold any physical inventories. Thus, paragraph (ii) of the order is not applicable to the company.
- (iii) The company has granted loan to 2 body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act')
- (a) In our opinion, the rate of interest and other terms & conditions on which the loans had been granted to the bodies corporate listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the company.
- (b) The said loan does not carry any stipulation for repayment and is stated to be repayable on demand and hence we are not able to comment on the regularity of repayment of the said loan.
- (iv) The company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The company has not accepted any deposits from the public and hence para (v) is not applicable.
- (vi) According to the information and explanations given to us, in our opinion the maintenance of cost records has not been prescribed for the company by the Central Government under subsection (1) of section 148 of the Companies Act.
- (vii)
- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Service Tax, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state



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insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax (VAT), goods & services tax, cess and other statutory dues as applicable were in arrears as at 31<sup>st</sup> March'2020 for a period of more than six months from the date they become payable.

- (b) According to the information and explanation given to us, there are no dues of service tax, income tax, goods & services tax, cess and other statutory dues as applicable which have not been deposited on account of any dispute.
- (viii) The company has not defaulted in repayment of loan or borrowings taken from financial institution or bank. We have been informed that the company did not have any debenture outstanding during the year.
- (ix) The company has not raised any money by way of Initial Public Offer (IPO) or further public offer (including debt instruments). The company has not taken any term loan.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (xii) The company is not a Nidhi company & hence paragraph (xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standard.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) The company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph (xv) of the order is not applicable.
- (xvi) The company is registered under section 45-IA of the Reserve Bank of India Act 1934 vide registration no. B-14.02554 dated 01.02.2002. The certificate of registration has been cancelled by RBI due to not meeting the Net owned fund requirement of Rupees Two hundred lakhs as required to be maintained by non-banking financial company. However, as per RBI Order the company still continues to be governed by the relevant provisions of the Reserve Bank of India Act, 1934 and various directions/instructions issued by RBI from time to time.

For K A S G & Co.

Chartered Accountants

Firm Registration Number: 002228C

Vipin Goel  
(Partner)

Membership Number: 512694



Place: Delhi

Date: 31/07/2020

UDIN: 20512694AAAAFM3642





### Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of M/s Supraneet Finance and Consultants Limited ("the Company") as of 31<sup>st</sup> March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Ind AS 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 with reference to these Ind AS financial statements.



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## 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.

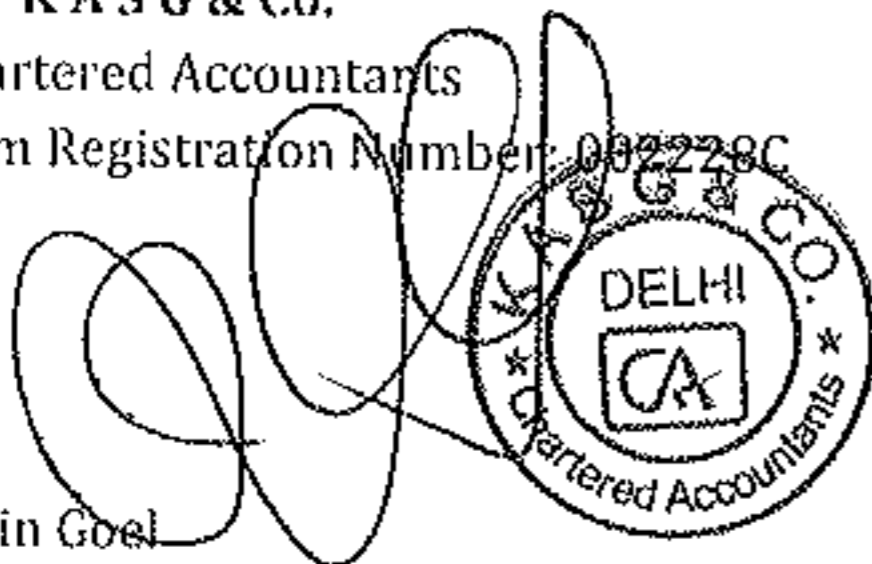
## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020, 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 K A S G & Co.

Chartered Accountants

Firm Registration Number: 002228C



Vipin Goel

(Partner)

Membership Number: 512694

Place: Delhi

Date: 31/07/2020

UDIN: 20512694AAAAFM3642

Supraneet Finance and Consultants Limited  
Balance Sheet as at March 31, 2020

(Rs. Lakhs)

Particulars	Note No	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
<b>I. Assets</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment	3	21.83	24.75	21.13
<b>(b) Financial Assets</b>				
(i) Investments	4	7.20	6.00	6.00
(c) Deferred tax assets (net)	5	2.81	3.46	1.71
<b>Total Non Current Assets</b>		<b>31.84</b>	<b>34.20</b>	<b>28.84</b>
<b>(2) Current assets</b>				
<b>(a) Financial Assets</b>				
(i) Cash and cash equivalents	6	0.77	1.14	0.41
(ii) Loans	7	383.42	374.56	381.57
(b) Current Tax Assets (Net)	8	4.08	4.77	3.19
(c) Other current assets	9	0.20	-	0.18
<b>Total Current Assets</b>		<b>388.47</b>	<b>380.46</b>	<b>385.36</b>
<b>Total</b>		<b>420.31</b>	<b>414.67</b>	<b>414.19</b>
<b>II. Equity and liabilities</b>				
<b>(1) Equity</b>				
(a) Equity Share capital	10	287.67	287.67	287.67
(b) Other Equity	11	70.60	66.16	65.86
<b>Total Equity</b>		<b>358.28</b>	<b>353.83</b>	<b>353.53</b>
<b>Liabilities</b>				
<b>(2) Non-current liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Borrowings	12	-	-	-
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>(3) Current liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Borrowings	13	58.85	57.30	56.61
(ii) Other financial liabilities	14	1.48	1.92	2.36
(b) Other current liabilities	15	0.56	0.50	0.56
(c) Provisions	16	1.15	1.13	1.14
<b>Total Current Liabilities</b>		<b>62.04</b>	<b>60.84</b>	<b>60.67</b>
<b>Total</b>		<b>420.31</b>	<b>414.67</b>	<b>414.19</b>

Significant Accounting Policies

2

As per our report alongwith annexures of even date attached

For KASG & Co.  
Chartered Accountants  
Firm Registration Number: 002228C

Vipin Goel  
(Partner)

Membership Number: 512694

Place: New Delhi

Date: 31.07.2020

UDIN: 20512694AAAAFM3642



For and on behalf of the Board of  
Supraneet Finance & Consultants Limited

Vinod Gupta  
(Director)  
DIN: 00381782

Ajay Kumar Garg  
(Director)  
DIN: 00382981

Deepti Jain  
(Company Secretary)  
M. No.: ACS 31165

Ajay Chandra Mukhi  
(CFO)  
PAN: BUXPM4495H

Supraneet Finance and Consultants Limited

Statement of Profit and Loss for the year ended March 31, 2020

(Rs. Lakhs)

Particulars	Note No	March 31, 2020	March 31, 2019
1. Revenue from Operations	18	30.96	32.20
2. Other Income	19	1.41	-
<b>Total Revenue</b>		<b>32.37</b>	<b>32.20</b>
<b>3. Expenses</b>			
Employee benefits expense	20	10.26	9.26
Finance costs	21	4.50	4.01
Depreciation and amortization expense	3	3.21	0.55
Other expenses	22	8.50	17.98
<b>Total Expenses</b>		<b>26.47</b>	<b>31.80</b>
<b>4. Profit before Tax</b>		<b>5.90</b>	<b>0.40</b>
<b>5. Tax expense:</b>			
- Current tax		0.60	1.84
- Tax for prior period		0.21	0.01
- Deferred tax		0.64	(1.75)
<b>6. Profit/(Loss) for the year</b>		<b>4.45</b>	<b>0.30</b>
<b>7. Other Comprehensive income (OCI)</b>			
(i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(iii) Items that will be reclassified to profit or loss		-	-
(iv) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>8. Total comprehensive income for the year</b>		<b>4.45</b>	<b>0.30</b>

**IX. Earning per equity share:**

28

(1) Basic

0.15

0.01

(2) Diluted

0.15

0.01

**Significant Accounting Policies**

2

As per our report alongwith annexures of even date attached

For KASG & Co  
Chartered Accountants

Firm Registration Number: 002228C

Vipin Goel  
(Partner)

Membership Number: 512694

Place: New Delhi

Date: 31.07.2020

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For and on behalf of the Board of  
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M. No.: ACS 31165

Ajay Chandra Mukhi  
(CFO)

PAN: BUXPM4495H

**Supraneet Finance and Consultants Limited**  
**Cash flow statement for the year ended March 31, 2020**

Particulars	(Rs. Lakhs)	
	March 31, 2020	March 31, 2019
Net Profit as per Statement of profit & Loss	5.90	0.40
Adjustments for:		
Loss on sale of Fixed asset	-	10.53
Depreciation	3.21	0.55
Interest paid	-	0.02
Change in fair value of equity instruments	(1.20)	-
	<b>7.91</b>	<b>11.50</b>
Decrease/(Increase) in other current asset	(0.20)	0.18
Decrease/(Increase) in Loan	(8.87)	7.02
Increase/(Decrease) in short term borrowings	1.55	0.69
Increase/(Decrease) in Other Financial Liabilities	(0.44)	(0.44)
Increase/(Decrease) in other current liabilities	0.06	(0.06)
Increase/(Decrease) in short term provisions	0.03	(0.02)
Direct taxes paid	(0.12)	(3.43)
<b>Net cash from operating activities (A)</b>	<b>(0.08)</b>	<b>15.45</b>
<b>Cash flow from Investing activities</b>		
Purchase of property, plant and equipment	(0.30)	(24.69)
Proceeds from Sale of property plant and equipment	-	10.00
<b>Net Cash from investing Activities (B)</b>	<b>(0.30)</b>	<b>(14.69)</b>
<b>Cash flow from Financing activities</b>		
Interest paid (Non NBFC operations)	-	(0.02)
<b>Net Cash from financing Activities (C)</b>	<b>-</b>	<b>(0.02)</b>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>(0.37)</b>	<b>0.73</b>
Cash and cash equivalents in the Beginning of the year	1.14	0.41
<b>Closing Cash and cash equivalents in the Closing of the year</b>	<b>0.77</b>	<b>1.14</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.11	0.89
With banks - on current account	0.65	0.25
<b>Total cash and cash equivalents (note 14)</b>	<b>0.77</b>	<b>1.14</b>

**Significant Accounting Policies**  
As per our report of even date attached

2

For KASG & Co.  
Chartered Accountants  
Firm Registration Number: 002228C



Vipin Goel  
(Partner)

Membership Number: 512694

Place: New Delhi

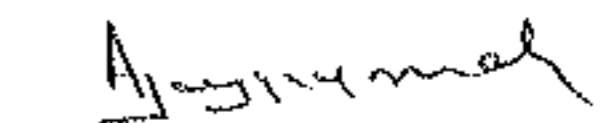
Date: 31.07.2020

UDIN: 20512694AAAAFM3642

For and on behalf of the Board of  
Supraneet Finance & Consultants Limited

  
Vinod Gupta  
(Director)

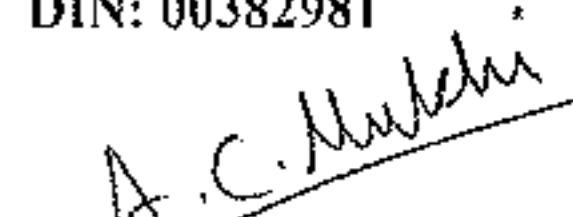
DIN: 00381782

  
Ajay Kumar Garg  
(Director)

DIN: 00382981

  
Deepti Jain  
(Company Secretary)

M. No.: ACS 31165

  
Ajay Chandra Mukhi  
(CFO)

PAN: BUXPM4495H

Supranet Finance and Consultants Limited  
Statement of changes in equity for the year ended March 31, 2020

I) Equity Share Capital

Particulars	Rs. Lakhs
Balance as on March 31, 2018	287.67
Changes in equity share capital during the year	-
Balance as on March 31, 2019	287.67
Changes in equity share capital during the year	-
Balance as on March 31, 2020	287.67

II) Other Equity

Rs. Lakhs

Particulars	Reserves and surplus					Total
	Capital reserve	Statutory Reserve (Created u/s 451C of RBI Act, 1934)	Share Forfeited	General reserve	Retained earnings	
Balance as on March 31, 2018	-	11.99	6.99	-	46.88	65.86
Profit for the year					0.30	0.30
Transfer / adjustment		0.06	-		(0.06)	-
Balance as on March 31, 2019	-	12.05	6.99	-	47.12	66.16
Profit for the year					4.45	4.45
Transfer / adjustment		0.89	-		(0.89)	-
Balance as on March 31, 2020	-	12.94	6.99	-	50.68	70.60

For KASG & Co.  
Chartered Accountants  
Firm Registration Number: 002228C

Vipin Goel  
(Partner)  
Membership Number: 512694  
Place: New Delhi  
Date: 31.07.2020  
UDIN: 20512694AAAAFM3642



For and on behalf of the Board of  
Supranet Finance & Consultants Limited

Vinod Gupta  
(Director)  
DIN: 00381782

Ajay Kumar Garg  
(Director)  
DIN: 00382981

**A General Information**

Supraneet Finance and Consultants Limited (or 'the Company') is a public limited company domiciled in India and incorporated under the provision of the Companies Act 1956. The Company is listed on the Metropolitan Stock Exchange Limited. The Company is carrying on the business of Non Banking Financial institution under section 45-IA of the Reserve Bank of India Act, 1934 (RBI Act). The certificate of registration has been cancelled by RBI due to not meeting the Net owned fund requirement of Rupees Two hundred lakhs as required to be maintained by non-banking financial company. However, as per RBI Order the company still continues to be governed by the relevant provisions of the Reserve Bank of India Act, 1934 and various directions/instructions issued by RBI from time to time.

**1 Significant accounting policies**

**1.1 Basis of preparation and statement of compliance :**

The financial statements have been prepared to comply in all material respects with the Notified accounting standard under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the Company 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.

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured as fair values at the end of each reporting period as explained in the accounting policies below.

Historical Cost is generally based on the fair value of the consideration given in exchange of goods and services.

Upto the year ended 31st March, 2019, the company prepared the financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2018. Refer to Note 2.1.1 for the details of first-time adoption exemptions availed by the company.

The company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. There are no items which are having effect of the transition.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis.

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

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the assets or liabilities either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements were authorised for issue by the Company's Board of Directors on 31st July 2020.

**1.2 Use of estimates and judgements :**

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.



**1.3 Property Plant and Equipments (PPE):**

Property plant and Equipments are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of PPE which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increasing in the future benefits from such assets beyond their its previously assessed standard of performance.

Tangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital Work in Progress". Leasehold Land is amortized over the period of lease proportionately.

**1.4 Intangible assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

Intangible assets are stated at original cost less accumulated amortisation and impairment losses, if any

The Intangible assets are amortized over their respective individual estimated useful life on a straight line basis, commencing from the date the asset is available to the Company for its use. The amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

**1.5 Depreciation:**

Depreciation on PPE is provided on the straight-line basis at the rates specified in Schedule II of the Companies Act, 2013.

**1.6 Financial Instruments**

**(i) Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

**(ii) Subsequent Measurement**

**a) Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Financial assets carried at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

**c) Financial assets carried at fair value through profit or loss**

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

**d) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance sheet date, the carrying amount approximate fair value due to the short maturity of these instruments.

**e) Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

**(iii) Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**(iv) Fair value of financial instruments**





In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The method used to determine fair value include available quoted market prices and discounted cash flow analysis. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximates fair value due to the short maturity of these instruments.

#### 1.7 Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

**The Company classifies its financial assets in the following measurement categories:**

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option :**

- Business model test : the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows ;
- Cash flow characteristic test : the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:**

- business model test : the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- cash flow characteristic test : the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

#### 1.8 Revenue recognition:

The Company recognises revenue when the Company satisfies a performance obligation by transferring a promised service (i.e., an asset) to a customer. An asset is transferred when the customer obtains control of that asset and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the services that will be transferred to the customer.

Revenue is measured at the transaction price. The transaction price is the amount of consideration, taking into account contractually defined terms of payment and its customary business practice, to which Company expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties i.e excluding taxes or duties collected on behalf of the government.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

#### Other Income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably).



**1.9 Employee Benefits:**

**(i) Short term employee benefits :**

All employee benefits due wholly within twelve months of rendering of services are classified as short term employee benefits. Benefits like salaries, wages, leave salary, contribution to Provident Fund/ Employee State Insurance contributions etc. paid or payable during the reporting period and the expected bonus expense are recognised as an expense on an undiscounted basis in the period in which the employee renders the related service.

**1.10 Taxes on Income:**

The accounting treatment followed for taxes on income is to provide for Current Income Tax and Deferred Income Tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior period is the aggregate amount of income tax determined as payable in respect of taxable income for the period, using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred Income Tax asset and liability are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred Income 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 realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred tax are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future. The Company offsets current tax asset and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**1.11 Provisions**

- i) Provision is recognised (for liabilities that can be measured by using a substantial degree of estimation) when:
  - a) the Company has a present obligation as a result of a past events.
  - b) a probable outflow of resources embodying economic benefits is expected to settle the obligation ; and
  - c) the amount of the obligation can be reliably estimated.
- ii) Contingent liability is disclosed in case there is ;
  - a) possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company ; or
  - b) a present obligation arising from past events but is not recognised because :
    - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation ; or
    - (ii) a reliable estimate of the amount of the obligation cannot be made.

**1.12 Impairment**

**(i) Financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing components is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

**(ii) Non-financial assets**

**Intangible assets and property, plant and equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment loss to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.



### 1.13 Earning per share (EPS)

Basic EPS are computed by dividing the net profit or loss for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earning per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### 1.14 Leases

#### As a Lessee

The Company has lease contracts for offices.

The Company assesses whether a contract contains a lease at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset, (2) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a ROU asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases.

For short-term leases and low value leases, the Company recognizes the lease payments as an expense on a straight-line basis over the term of the lease. The lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest.



**1.15 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**1.16 New Standards issued but not yet effective and have not been early adopted:**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

**2 First time adoption of Ind AS**

**2.1** These financials of Supraneet Finance and Consultants Limited for the year ended March 31, 2020 have been prepared in accordance with Ind AS. For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101, First-Time Adoption of Indian Accounting Standards, with April 1, 2018 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2020 and the comparative information. There are no items of the transition from previous GAAP to Ind AS which has effected the Company's Balance Sheet and Statement of Profit and Loss.



Supranet Finance and Consultants Limited

Property, Plant & Equipments Schedule for the FY 2019-20

Note: 3  
(Rs. Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	WDV as on 01-04-2019	Additions During The Year	Sales During The Year	Total as on 31-03-2020	Depreciation as on 01-04-2019	Depreciation During The Year	Deductions During the year	Total Depreciation as on 31-03-2020	WDV as on 31-03-2020	WDV as on 31-03-2019
Furniture & Fixture	0.38	-	-	0.38	0.38	-	-	0.38	0.00	0.00
Car	24.69	-	-	24.69	0.06	3.10	-	3.15	21.54	24.63
Computer	0.99	0.30	-	1.29	0.88	0.12	-	1.00	0.29	0.11
UPS	0.04	-	-	0.04	0.04	-	-	0.04	0.00	0.00
<b>Total</b>	<b>26.11</b>	<b>0.30</b>	<b>-</b>	<b>26.40</b>	<b>1.36</b>	<b>3.21</b>	<b>-</b>	<b>4.57</b>	<b>21.83</b>	<b>24.75</b>
Previous Year	54.02	24.69	52.61	26.11	32.89	0.55	32.08	1.36	24.75	21.13



	March 31, 2020	March 31, 2019	April 1, 2018
<b>4 Non current investments</b>			
Investment carried at fair value through profit or loss			
Investment in Shares - Unquoted			
Amit Re-Rolling Private Limited	7.20	6.00	6.00
60,000 (31.03.2019 - 60,000 & 31.03.2018 - 60,000) equity shares of Rs.10/- each			
<b>Total</b>	<b>7.20</b>	<b>6.00</b>	<b>6.00</b>
Aggregate value of quoted investment	-	-	-
Market value of quoted investment	-	-	-
Aggregate value of unquoted investment	7.20	6.00	6.00
Aggregate amount of impairment in investment	-	-	-
<b>5 Deferred tax asset/(liabilities)</b>			
Deferred tax liability			
On account of fixed assets	2.40	3.16	1.41
On account of provision for standard asstes	0.29	0.29	0.29
On account of fair value measurement	0.12	-	-
<b>Deferred tax asset/(liabilities) closing</b>	<b>2.81</b>	<b>3.46</b>	<b>1.71</b>
Deferred Tax Asset at the beginning of the year	3.46	1.71	1.06
Deferred tax charged to statement of profit & loss	(0.64)	1.75	0.64
<b>Financial Assets (Current)</b>			
<b>6 Cash &amp; cash equivalents</b>			
Balance with Banks			
On current accounts	0.65	0.25	0.26
Cash on hand	0.11	0.89	0.15
<b>Total</b>	<b>0.77</b>	<b>1.14</b>	<b>0.41</b>
<b>7 Loans</b>			
(Unsecured, Considered good)			
Financial assets carried at amortized cost			
Repayable on Demand			
Loans to related parties - Body Corporate	383.42	374.56	381.57
<b>Total</b>	<b>383.42</b>	<b>374.56</b>	<b>381.57</b>
<b>Non Financial Assets - Current</b>			
<b>8 Current Tax Assets (Net)</b>			
Income tax refund	1.59	3.18	0.20
Tax deducted at sources	3.10	3.43	4.20
Provision for income tax	(0.60)	(1.84)	(1.21)
	<b>4.08</b>	<b>4.77</b>	<b>3.19</b>
<b>9 Other current assets</b>			
Advance given for Expenses	0.20	-	0.18
	<b>0.20</b>	<b>-</b>	<b>0.18</b>



10 Equity Share Capital	March 31, 2020	March 31, 2019	April 1, 2018
a Authorised			
33,00,000 (31.03.2019 - 33,00,000 & 31.03.2018 - 33,00,000) equity shares of Rs.10/- each	330.00	330.00	330.00
b Issued, Subscribed & Paidup			
Fully Paid Equity Shares of Rs.10/- each.			
28,76,713 (31.03.2019 - 28,76,713 & 31.03.2018 - 28,76,713) equity shares of Rs.10/- each	287.67	287.67	287.67
	<u>287.67</u>	<u>287.67</u>	<u>287.67</u>

## c Reconciliation of the equity shares at the beginning and at the end of the year:

Particulars	March 31, 2020		March 31, 2019		April 1, 2018	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at the beginning of the year	3,300,000	33,000,000	3,300,000	33,000,000	3,300,000	33,000,000
Add: Equity Shares issued during the year	-	-	-	-	-	-
Less: Equity Shares buyback or forfeited during the year	-	-	-	-	-	-
Equity Shares at the end of the year	<u>3,300,000</u>	<u>33,000,000</u>	<u>3,300,000</u>	<u>33,000,000</u>	<u>3,300,000</u>	<u>33,000,000</u>

## d Terms/rights attached to Equity Shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share, where voting is held by show of hands. In case of Poll each holder of equity share is entitled to Number of votes against Number of shares held.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity share holders.

## e Details of Shares held by the shareholders holding more than 5% each :

	No. of Shares	%	No. of Shares	%	No. of Shares	%
i Gopal Swarup Gupta	279,428	9.71	174,728	6.07	174,728	6.07
ii Sangita Gupta	187,694	6.52	187,694	6.52	187,694	6.52
iii Vinod Gupta	221,714	7.71	221,714	7.71	221,714	7.71
iv Sita Gupta	265,977	9.25	265,977	9.25	265,977	9.25
v Surendar Pal Gupta	232,073	8.07	200,673	6.98	175,673	6.11
vi Varun Gupta	204,229	7.10	204,229	7.10		

11 Other Equity	March 31, 2020	March 31, 2019	April 1, 2018
a) Share Forfeited			
Opening Balance	6.99	6.99	6.99
Closing Balance	<u>6.99</u>	<u>6.99</u>	<u>6.99</u>
b) Retained Earnings			
Opening Balance	47.12	46.88	45.17
Add: Net Profit/(Net loss) for the current year	4.45	0.30	2.13
Less: Amount transferred to statutory reserve (Created u/s 451C of RBI Act, 1934)	0.89	0.06	0.43
Closing Balance	<u>50.68</u>	<u>47.12</u>	<u>46.88</u>
c) Statutory Reserve (Created u/s 451C of RBI Act, 1934)			
Opening balance	12.05	11.99	11.56
Add: Amount transferred during the year	0.89	0.06	0.43
Closing balance	<u>12.94</u>	<u>12.05</u>	<u>11.99</u>
<b>Total</b>	<u>70.60</u>	<u>66.16</u>	<u>65.86</u>



12 Long term borrowings	March 31, 2020		March 31, 2019		April 1, 2018	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Secured						
Vehicle Loan	-	-	-	-	-	1.63
						<u>1.63</u>

Note: Loan taken form HDFC Bank , secured against hypothecation of vehicle. 2 installments pending as on 01.04.2018.

Financial Liabilities - Current			
13 Loans	March 31, 2020	March 31, 2019	April 1, 2018
<b>Unsecured - Considered Good, Repayable on Demand</b>			
Loan from Related Parties	34.29	33.92	34.47
Loan from Body Corporate	24.55	23.38	22.14
	<u>58.85</u>	<u>57.30</u>	<u>56.61</u>
<b>14 Other financial liabilities</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>	<b>April 1, 2018</b>
Current maturities on long term loan (Note - 12)	-	-	1.62
Expenses payable	1.48	1.92	0.73
	<u>1.48</u>	<u>1.92</u>	<u>2.36</u>
<b>15 Other current liabilities</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>	<b>April 1, 2018</b>
Statutory Dues Payable	0.56	0.50	0.56
	<u>0.56</u>	<u>0.50</u>	<u>0.56</u>
<b>Non Financial Liabilities - Current</b>			
<b>16 Short term provisions</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>	<b>April 1, 2018</b>
Provision for standard asset	1.15	1.13	1.14
<b>Total</b>	<u>1.15</u>	<u>1.13</u>	<u>1.14</u>
<b>17 Contingent liabilities</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>	<b>April 1, 2018</b>
a Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil	Nil
b Contingent liability in respect of guarantees given by the company and by the bank on behalf of the company	Nil	Nil	Nil
c Capital Commitments	Nil	Nil	Nil



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## Supraneet Finance and Consultants Limited

Notes to financial statements for the year ended March 31, 2020

(Rs. Lakhs)

	March 31, 2020	March 31, 2019
<b>18 Revenue from operations</b>		
Interest received	30.96	32.20
	<u>30.96</u>	<u>32.20</u>
<b>19 Other income</b>		
Interest on income tax refund	0.21	-
Change in fair value of equity instruments	1.20	-
	<u>1.41</u>	<u>-</u>
<b>20 Employee benefit expense</b>		
Salaries & benefits	10.26	9.26
	<u>10.26</u>	<u>9.26</u>
<b>21 Finance costs</b>		
Interest on car loan	-	0.02
Interest to others	4.50	3.99
	<u>4.50</u>	<u>4.01</u>
<b>22 Other expenses</b>		
Publication expenses	0.34	0.31
Auditor's remuneration		
- As Audit Fees	0.47	0.47
Vehicle running & maintenance	0.36	0.03
Communication & network Charges	0.39	0.34
Bank charges	0.01	0.03
Filing fees	0.22	0.10
Insurance expenses	-	0.17
Legal & professional expenses	0.80	0.91
Listing & depository expenses	0.65	0.65
Provision against standard asset	0.03	(0.02)
Loss on sale of fixed assets	-	10.53
Postage & telegram	0.53	0.30
Printing & stationery	0.33	0.29
General Expenses	0.01	0.00
Rent, electricity & water expenses	3.54	3.54
Interest on TDS	0.00	-
Demat expenses	0.27	0.21
Connectivity & maintenance charges	0.55	0.12
<b>Total</b>	<u>8.50</u>	<u>17.98</u>
<b>23 Provision for outstanding loan portfolio</b>		
	March 31, 2020	March 31, 2019
Standard Portfolio	383.42	374.56
Opening provision	1.12	1.14
Addition/reversal (net)	0.03	(0.02)
Closing provision	1.15	1.12



24 Income Tax

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

24.1 Statement of profit and loss:

Profit or loss section

Particulars	31-Mar-20 INR lacs	31-Mar-19 INR lacs
<b>Current income tax:</b>		
Current income tax charge	0.81	1.85
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	0.64	(1.75)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>1.45</b>	<b>0.10</b>

OCI section

Deferred tax related to items recognised in OCI during the year:

Particulars	31-Mar-20 INR lacs	31-Mar-19 INR lacs
Net loss/(gain) on remeasurements of defined benefit plans	0.00	0.00
<b>Income tax charged to OCI</b>	<b>0.00</b>	<b>0.00</b>

24.2 Components of Deferred Tax Liabilities (Net)

Year Ended 31st March, 2020

Particulars	Opening Bal	Recognised in P &L	Recognized in/reclassified from OCI	Closing Bal
<b>Tax Effect Constituting Deferred Tax Assets</b>				
Depreciation	3.16	(0.76)	-	2.40
Others	0.29	(0.00)	-	0.29
On account of fair value measurement	-	0.12	-	0.12
<b>Gross Deferred Tax Assets (b)</b>	<b>3.46</b>	<b>(0.64)</b>	<b>-</b>	<b>2.81</b>
<b>Net Deferred Tax Liability (a-b)</b>	<b>3.46</b>	<b>(0.64)</b>	<b>-</b>	<b>2.81</b>

Year Ended 31st March, 2019

Particulars	Opening Bal	Recognised in P &L	Recognized in/reclassified from OCI	Closing Bal
<b>Tax Effect Constituting Deferred Tax Assets</b>				
Depreciation	1.41	1.75	-	3.16
Others	0.29	(0.00)	-	0.29
On account of fair value measurement	-	-	-	-
<b>Gross Deferred Tax Assets (b)</b>	<b>1.71</b>	<b>1.75</b>	<b>-</b>	<b>3.46</b>
<b>Net Deferred Tax Liability (a-b)</b>	<b>1.71</b>	<b>1.75</b>	<b>-</b>	<b>3.46</b>

24.3 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020

	31-Mar-20 INR lacs	31-Mar-19 INR lacs
Accounting profit before tax from continuing operations	5.90	0.40
Profit/(loss) before tax from a discontinued operation	-	-
<b>Accounting profit before income tax</b>	<b>5.90</b>	<b>0.40</b>
Enacted tax rates in India	25.17%	26.00%
<b>Computed Expected tax expense</b>	<b>1.48</b>	<b>0.10</b>
<b>Non-deductible expenses for tax purposes:</b>		
Other non-deductible expenses	-	-
Change in enacted tax rate	(0.03)	-
Others	-	-
<b>Income tax expense reported in the statement of profit and loss</b>	<b>1.45</b>	<b>0.10</b>
<b>Effective tax Rate</b>	<b>24.66%</b>	<b>26.00%</b>



## 25 Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings.

Capital of the company is equity as on 31st March, 2020 Rs.358.28 Lakhs (as on 31st March, 2019 Rs.353.83 Lakhs and as on 1st April, 2018 Rs.353.53 Lakhs)

## 26 Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

### a) Financial Assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2020.

Particulars	Amortized Cost	Financial assets / liabilities at fair value through profit or loss		Financial assets / liabilities at fair value through OCI		Total Carrying Value	Total Fair Value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
<b>Financial Assets</b>							
Investments in Equity Instruments	-	7.20	-	-	-	7.20	7.20
Cash and cash equivalents	0.77	-	-	-	-	0.77	0.77
Loans	383.42	-	-	-	-	383.42	383.42
	<b>384.19</b>	<b>7.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>391.39</b>	<b>391.39</b>
<b>Financial Liabilities</b>							
Borrowings - Current	58.85	-	-	-	-	58.85	58.85
Other financial liabilities - Current	1.48	-	-	-	-	1.48	1.48
	<b>60.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60.33</b>	<b>60.33</b>

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2019.

Particulars	Amortized Cost	Financial assets / liabilities		Financial assets / liabilities		Total Carrying Value	Total Fair Value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
<b>Financial Assets</b>							
Investments in Equity Instruments	-	6.00	-	-	-	6.00	6.00
Cash and cash equivalents	1.14	-	-	-	-	1.14	1.14
Loans	374.56	-	-	-	-	374.56	374.56
	<b>375.70</b>	<b>6.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>381.70</b>	<b>381.70</b>
<b>Financial Liabilities</b>							
Borrowings - Current	57.30	-	-	-	-	57.30	57.30
Other financial liabilities - Current	1.92	-	-	-	-	1.92	1.92
	<b>59.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59.22</b>	<b>59.22</b>



The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at April 1, 2018.

Particulars	Amortized Cost	Financial assets / liabilities		Financial assets / liabilities		Total Carrying Value	Total Fair Value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
<b>Financial Assets</b>							
Investments in Equity Instruments	-	6.00	-	-	-	6.00	6.00
Cash and cash equivalents	0.41	-	-	-	-	0.41	0.41
Loans	381.57	-	-	-	-	381.57	381.57
	<b>381.98</b>	<b>6.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>387.98</b>	<b>387.98</b>
<b>Financial Liabilities</b>							
Borrowings - Current	56.61	-	-	-	-	56.61	56.61
Other financial liabilities - Current	2.36	-	-	-	-	2.36	2.36
	<b>58.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58.97</b>	<b>58.97</b>

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of quoted equity shares, quoted corporate debt instruments and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices 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). This level of hierarchy include Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There has been no transfers between level 1, level 2 and level 3 for the years ended March 31, 2020 and 2019.

Assets Measured at Fair Value	Fair Value Measurement as at 31st March, 2020 Using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets</b>				
Investments in Equity Instruments	7.20	-	-	7.20

Assets Measured at Fair Value	Fair Value Measurement as at 31st March, 2019 Using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets</b>				
Investments in Equity Instruments	6.00	-	-	6.00



Assets Measured at Fair Value	Fair Value Measurement as at 1st April, 2018 Using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Investments in Equity Instruments	6.00	-	-	6.00

The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value. Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

**b) Financial risk management**

In the course of its business, the Company is exposed primarily to liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which covers the risks associated with the financial assets and liabilities such as credit risks. The risk management policy is approved by the board of directors.

**i) Market risk**

**Equity Price risk**

Equity Price Risk is related to the change in market reference price of the investments in equity securities.

The fair value of the Company's investments measured at fair value through profit & loss account exposes the Company to equity price risks. These investments are subject to changes in the market price of securities. The fair value of Company's investment in unquoted equity securities as at March 31, 2020, 2019 and April 1, 2018 was Rs.7.20 Lakhs, Rs.6 Lakhs and Rs.6 Lakhs, respectively. A 10% change in equity price as at March 31, 2020, 2019 and April 1, 2018 would result in an impact of Rs.0.72 Lakhs, Rs.0.60 Lakhs and Rs.0.60 Lakhs respectively.

(Note: The impact is indicated on equity before consequential tax impact, if any).

**ii) Credit risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk, principally consist of investments classified as fair value through profit or loss, trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of exposure to credit risks.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs.384.19 Lakhs as at March 31, 2020, Rs.375.70 Lakhs as at March 31, 2019, being the total of the carrying amount of loans, balances with banks, short term deposits with banks, trade receivables, finance receivables, margin money and other financial assets excluding equity investments.

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at March 31, 2020, that defaults in payment obligations will occur.



iii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks.

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2020:

Financial Liabilities	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
Borrowings	58.85	-	-	-	58.85
Other financial liabilities	1.48	-	-	-	1.48
<b>Total</b>	<b>60.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60.33</b>

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2019:

Financial Liabilities	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
Borrowings	57.30	-	-	-	57.30
Other financial liabilities	1.92	-	-	-	1.92
<b>Total</b>	<b>59.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59.22</b>

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at April 1, 2018:

Financial Liabilities	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
Borrowings	56.61	-	-	-	56.61
Other financial liabilities	2.36	-	-	-	2.36
<b>Total</b>	<b>58.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58.97</b>



Supraneet Finance and Consultants Limited  
Notes to financial statements for the year ended March 31, 2020

27 Related Parties (AS - 18)

I) List of related parties with whom transactions have taken place during the year.

Name of the Related Party	Relation
1) Vinod Gupta	KMP
2) Deepti Jain	KMP
3) Ajay Chandra Mukhi	KMP
4) M/s Laxcon Steels Limited	Enterprise over which KMP or relative of KMP exercises significant influence
5) M/s Parvati Private Limited	Enterprise over which KMP or relative of KMP exercises significant influence
6) M/s Kraze Exports Limited	Enterprise over which KMP or relative of KMP exercises significant influence
7) M/s GG Projects Private Limited	Enterprise over which KMP or relative of KMP exercises significant influence
8) M/s Gopal Udyog Limited	Enterprise over which KMP or relative of KMP exercises significant influence
9) Gopal Industries	Enterprise over which KMP or relative of KMP exercises significant influence

(As certified by the Management)

II) Details of Transactions with Related Parties

(Rs. Lakhs)

Sr. No.	Name of the related party	Opening balance	Loan given	Loan received back	Interest received (net of TDS)	Closing balance
	<b>Loan given</b>					
1	M/s Laxcon Steels Limited	301.30	-	-	23.05	324.35
		(280.89)	-	(1.00)	(21.41)	(301.30)
2	M/s Parvati Private Limited	73.25	-	19.00	4.82	59.07
		(100.68)	(10.00)	(45.00)	(7.57)	(73.25)
** (Amount in bracket represent previous year figures.)						
Sr. No.	Name of the related party	Opening balance	Loan taken	Loan repaid	Interest paid (net of TDS)	Closing balance
	<b>Loan taken</b>					
3	M/s Kraze Exports Limited	11.11	-	1.25	0.77	10.63
		(11.40)	-	(1.00)	(0.72)	(11.11)
4	M/s GG Projects Private Limited	17.53	-	1.25	1.23	17.51
		(17.43)	-	(1.00)	(1.10)	(17.53)
5	M/s Gopal Udyog Limited	5.28	-	0.50	1.37	6.15
		(5.64)	-	(0.70)	(0.34)	(5.28)
** (Amount in bracket represent previous year figures.)						
	Name of the related party	Relationship	Nature of Transaction	March 31, 2020	March 31, 2019	
6	Mr. Vinod Gupta	KMP	Salary	6.00	6.00	
7	Deepti Jain	KMP	Salary	2.61	1.31	
8	Ajay Chandra Mukhi	KMP	Salary	1.65	1.27	
8	Gopal Industries	Enterprise over which relative of KMP exercises significant influence	Rent	3.54	3.54	



Supraneet Finance and Consultants Limited  
Notes to financial statements for the year ended March 31, 2020

28 Details of earning per share (AS - 20 )	March 31, 2020	March 31, 2019
Net Profit after tax as per statement of profit & loss	4.45	0.30
Weighted average no. of shares (No. of shares in laes)	28.77	28.77
Earning per share (Basic and Diluted) (Rs.)	0.15	0.01
Face value per share (Rs.)	10	10

29 That due to not meeting the Net owned fund requirement of Rupees Two hundred lakhs as required to be maintained by non-banking financial company in terms of Revised regulatory framework for NBFC's RBI/2014-15/520 DNBR (PD) CC.No. 024/ 03.10.001/ 2014-15 read with Notification No.DNBR.007/ CGM (CDS) -2015 dated March 27, 2015, the certificate of registration issued to the company under section 45-1A (6) of RBI Act was cancelled by RBI vide order dated May 28, 2019 against which appeal had been filed by the company. The appeal so filed has been devoid by the Appellate authority of the Reserve Bank of India vide order dated June 02, 2020.

30 In the opinion of the Board of Directors, current Assets, Loans & Advances has a value-on realization at least equal to the amount at which these are stated in the Balance Sheet and are considered good for recovery apart from those for which Adequate provision have been made in the books.

31 As at the Balance Sheet date, the Company did not have any dues outstanding to Small Scale Industrial undertakings exceeding rupees One Lakh in aggregate and Outstanding for a period in excess of thirty days.

32 Previous year figures have been regrouped/rearranged wherever necessary.

As per our report alongwith annexures of even date attached  
For KASG & Co.  
Chartered Accountants  
Firm Registration Number: 002228C

(Partner)  
Membership Number: 512694  
Place, New Delhi  
Date: 31.07.2020  
UDIN: 20512694AAAAFM3642



For and on behalf of the Board of  
Supraneet Finance & Consultants Limited

Vinod Gupta  
(Director)  
DIN: 00381782

Deepthi Jain  
(Company Secretary)

M. No.: ACS 31165

Ajay Kumar  
(Director)  
DIN: 00382981

Ajay Chandra Mukhi  
(CFO)  
PAN:  
BUXPM4495H



# **Supraneet Finance and Consultants Limited**

**Regd. Office: C-55/2, Wazirpur Industrial Area, Delhi-110 052**

**Ph. : 011-42952500, Fax.: 011-42952555,**

**E-Mail : info@sfcindia.com,**

**Website: www.sfcindia.com, CIN : L65921DL1989PLC035261**

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## **PROFORMA FOR REGISTRATION/UP-DATION OF E-MAIL IDs**

To,

**ALANKIT ASSIGNMENTS LIMITED**

**Unit: Supraneet Finance and Consultants limited**

Alankit House, 4E/2, Jhandewalan Extension,

New Delhi – 110055

Folio No. -----

Dear Sirs,

Please register/up-date my/our e-mail ID for forwarding all official communications including the general meeting notices/postal ballot notices/annual reports etc. of the Company through electronic mail. My/our e-mail ID is as follows:

E-mail ID:

Date:

Place:

\_\_\_\_\_  
Signature of the sole/first holder  
Name & Address of the shareholder

(Please ignore, if you have already registered/up-dated your e-mail ID)

# **Supraneet Finance and Consultants Limited**

**Regd. Office: C-55/2, Wazirpur Industrial Area, Delhi-110 052**

**Ph. : 011-42952500, Fax.: 011-42952555,**

**E-Mail : [info@sfelindia.com](mailto:info@sfelindia.com),**

**Website: [www.sfelindia.com](http://www.sfelindia.com), CIN : L65921DL1989PLC035261**

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## **E-VOTING ADVICE**

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management & Administration) Rules, 2014, and Regulation 44 of the Listing Regulations, the Company is pleased to provide to the members the facility to exercise their right to vote by electronic means in respect of the business placed at the 31<sup>st</sup> Annual General Meeting to be held on Saturday, the 26<sup>th</sup> December, 2020 to provide e-voting facilities. The e-voting facility is available at the link <https://www.evoting.nsdl.com/>

Please read the instructions given at notes of the Notice of the 31st Annual General Meeting carefully before voting electronically. The Log-in credentials for e-voting are set out below:

<b>EVEN (Remote E-voting even number)</b>	<b>USER ID</b>	<b>PASSWORD</b>

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

<b>Commencement of remote e-voting</b>	<b>End of remote e-voting</b>
<b>Effective 9:00 a.m. on 23<sup>rd</sup> December, 2020</b>	<b>Effective 5:00 p.m. on 25<sup>th</sup> December, 2020</b>