



SPA CAPITAL SERVICES LIMITED

37th Annual Report

2020-2021

BOARD OF DIRECTORS

Mr. Sandeep Parwal - Chairman Cum Managing Director (Promoter)
Mrs. Honey Parwal - Non Executive Director (Promoter)
Ms. Sugeeta Upadhyay - Independent Director
Mr. Ramesh Menon – Independent Director
Mr. Sanjay Goel – CFO (KMP)*

*Appointed as a Chief Financial Officer of the Company w.e.f. 30.04.2021.

STATUTORY AUDITORS

M/s. SNMG & Co., Chartered Accountants, Delhi

CHIEF FINANCIAL OFFICER (CFO)

Mr. Sanjay Goel*

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Sukhjit kaur

BANKERS

Axis Bank Limited
Lakshmi Vilas Bank Limited
RBL Bank Limited
State Bank of India
Syndicate Bank
IndusInd Bank Limited

REGISTERED OFFICE

25, C – Block, Community Centre, Janakpuri New Delhi - 110 058, Email: listing@spacapital.com
Contact: 011-45675500/45586600

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

MAS Services Limited
T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020
Tel.: +91-11-26387281-83
Fax: +91-11-26387384
E-mail: info@masserv.com
Website: www.masserv.com
Contact Person: Mr. Narender Rastogi

LISTING

BSE limited

SCRIPT CODE

542376

WEBSITE

<http://www.spacapital.com/CapitalServices/>



NOTICE

NOTICE IS HEREBY GIVEN THAT 37TH (THIRTY SEVENTH) ANNUAL GENERAL MEETING “AGM” OF SPA CAPITAL SERVICES LIMITED WILL BE HELD ON THURSDAY, 30th SEPTEMBER, 2021 AT 25, C – BLOCK, COMMUNITY CENTRE, JANAKPURI, NEW DELHI – 110 058 AT 10.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

- 1. To consider and adopt the audited Standalone and Consolidated Financial Statement of the Company for the financial year ended March 31, 2021 and the Reports of the Board of Directors’ and the Auditor’s thereon.**
- 2. To appoint a director in place of Mrs. Honey Parwal, (DIN No. 00025835), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers herself for reappointment.**

“RESOLVED THAT, pursuant to section 152 and other applicable provisions, if any, of the Companies Act, 2013, the approval of members/shareholders of the Company be and is hereby accorded for re-appointment of **Mrs. Honey Parwal, (DIN No. 00025835),** as a Non-Executive Director of the company, who retires by rotation at this meeting and who shall be liable to retire by rotation.

SPECIAL BUSINESS:

- 3. To appoint Mr. Mahaveer Prasad Mundhra (DIN: 00642941) as independent Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable and Articles of Association of the Company, Mr. Mahaveer Prasad Mundhra (DIN: 00642941) who has submitted a declaration confirming that he meets the criteria of independence under section 149 (6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and Nomination and Remuneration committee has recommended his candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation **w.e.f September 30, 2021** and will hold office of Director for 5 (Five) consecutive years i.e. till **September 29, 2026**.

RESOLVED FURTHER THAT to give effect to above resolution, the Board of Directors of the Company be and are hereby authorized to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf.”

4. Adoption of Articles of Association “AOA” as per the provisions of the Companies Act, 2013

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

“RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to the necessary approval(s), permissions, consents and sanctions required, if any by the statutory authority and all other applicable laws and regulations if any, the draft regulations contained in the Articles of Association submitted to this Meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company, in order to align the Articles of Association of the Company as per the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to perform all acts, deeds and things, execute documents, and do all filings including e-filings, as may be necessary to give effect to the above resolution and to take all such steps for giving any such direction as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise for the purpose of giving effect to this resolution.”

5. **To re-appoint Mr. Sandeep Parwal as Managing Director of the Company and also appoint as Chairman of the Company.**

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

RESOLVED THAT pursuant to the provisions of Section 2(54), 196,197, 203 of the Companies Act, 2013, read with Schedule V and the rules made there under and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, and the provisions of Articles of Association and remuneration policy of the Company and subject to the approval of Central Government, if required and such other authorities as may be necessary, pursuant to the approval of board and recommendation of nomination and remuneration committee of Board of Directors, the consent of the Shareholders of the Company be and is hereby accorded to a) re-appoint Mr. Sandeep Parwal (DIN: 00025803), as Managing Director of the Company and also b) to appoint Mr. Sandeep Parwal (DIN: 00025803) as Chairman of the company, for a period of five years w.e.f October 1, 2021 to September 30, 2026at a remuneration of upto Rs. 300,000 (Three Lakhs) per month plus perquisites and other terms and conditions (as revised from time to time) and his term of office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT, Mr. Sandeep Parwal (DIN: 00025803) be and is hereby designated as Chairman Cum Managing Director of the Company for a period of five years w.e.f October 1, 2021 to September 30, 2026.

RESOLVED FURTHER THAT in the event of no profits or inadequacy of profits in any financial year the remuneration payable to Mr. Sandeep Parwal (DIN: 00025803) shall be

regulated in accordance with applicable parts/sections of the Schedule V and/or other applicable provisions of the Act, as existing from time to time.

RESOLVED FURTHER THAT the approval of the shareholders of the Company be and is hereby accorded to the terms and conditions including remuneration payable, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Sandeep Parwal (DIN: 00025803), subject to the same not exceeding the limits specified under section 197 or Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized on behalf of the Company, to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to do all such acts, deeds, matters and things as deem necessary, proper or desirable as may be required in connection to aforesaid resolution and to sign and execute all necessary documents, applications and returns along with filing of necessary E-form with the respective Registrar of Companies, and filing of documents with respective regulatory authorities if any.”

RESOLVED FURTHER THAT” all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

6. To approve the voluntarily surrender of Certificate of Registration – NBFC-ND granted by Reserve Bank of India “RBI”

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

RESOLVED THAT pursuant to the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 read with the rules made there under and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, and the provisions of Articles of Association and subject to the approval of Central

Government and/or Reserve Bank of India if required and such other authorities as may be necessary, pursuant to the approval of board and recommendation of respective committee of Board of Directors if any, the consent of the Shareholders of the Company be and is hereby accorded to a) voluntarily cease to carry on the business of Non-Banking Financial Company “NBFC” – Non Deposit w.e.f 12.02.2021 b) voluntarily surrender the Certificate of Registration – NBFC-ND (Regn. Number B-14.00790) granted by Reserve Bank of India.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized on behalf of the Company, to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to do all such acts, deeds, matters and things as deem necessary, proper or desirable as may be required in connection to aforesaid resolution and to sign and execute all necessary documents, applications and returns along with filing of necessary E-form with the respective Registrar of Companies, and filing of documents with Reserve Bank of India and respective regulatory authorities if any.”

RESOLVED FURTHER THAT” all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

7. Approval for Related Party Transactions

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

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date and Pursuant to provision of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as applicable and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/

arrangement(s)/ transaction(s) with the related party/parties within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for purchase/sale of goods and/or services/other transactions etc, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs 50.00 Crore each financial year with each related party, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors, be and are hereby severally authorised on behalf of the Company, to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to do all such acts, deeds, matters and things as deem necessary, proper or desirable as may be required in connection to aforesaid resolution and to sign and execute all necessary documents, applications and returns along with filing of necessary E-form with the respective Registrar of Companies if any, and filing of documents with respective regulatory authorities.”

RESOLVED FURTHER THAT” all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

8. **Investment(s), Loans, Guarantees and Security in excess of limits specified under Section 186 of Companies Act, 2013.**

To consider and approve the following resolution with or without modification, as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Power) Rules, 2014 and other applicable provisions, if any of the Act (including any statutory modification or re-enactment thereof for the time being in force) and subject to necessary approvals, permissions, consents and sanctions of Concerned Statutory and other authorities as may be necessary under provisions of other applicable laws and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals,

permissions, consents and sanctions and which may be agreed to by the Board, the approval of the members/shareholders be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include, unless the context otherwise requires, any Committee of the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board under this resolution) for making investment(s) in excess of limits specified under section 186 of Companies Act, 2013 from time to time whether in India or outside India, as may be considered appropriate for an amount not exceeding Rs. 250 crore (Rupees Two hundred and fifty crore only), to (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire byway of subscription, purchase or otherwise, the securities of any other body corporate, unit of mutual funds, subject to the limits set above on such terms and conditions as the Board may deem fit and proper, notwithstanding the fact that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company as set out above exceed the limits specified under Section 186(2) of the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of the Company be and is hereby authorized to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental thereto as they may in their absolute discretion deem necessary, proper or desirable, including to settle any question, difficulty or doubt that may arise in respect of such investments/ loans/ guarantees/ securities made or provided by the Company (as the case may be)."

RESOLVED FURTHER THAT” all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

9. Increasing the Borrowing Powers under Section 180(1) (c) of the Companies Act, 2013

To consider and approve the following resolution with or without modification, as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications thereof) and any rules and regulations made thereunder, the consent of the members of the Company be and is hereby accorded by way of special resolution, to the Board of Directors of the Company ("Board") for borrowing from time to time, as it may think fit, any sum or sums of money in any currency on such terms and conditions as the Board may deem fit, by way of loans, issuance of bonds, notes, debentures, external commercial borrowings or other securities whether convertible into equity/ preference shares or not, from banks, financial or other institution(s), investors, mutual fund(s), or any other persons, up to an aggregate amount of Rupees 250 Crores (Two Hundred and fifty Crores) notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate, for the time being, of the paid up capital of the Company, securities premium and its free reserves, that is to say, reserves not set apart for any specific purpose."

"RESOLVED FURTHER THAT the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do all such acts, deeds and things and to sign and execute all such deeds, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution."

RESOLVED FURTHER THAT" all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects."

10. Approval of loans, investments, guarantee or security under section 185 of Companies Act, 2013:

To consider and if thought fit, pass with or without modification(s), following resolution as a **"Special Resolution"**:

“RESOLVED THAT pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made thereunder as amended from time to time, the consent of the members/shareholders of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company or by any person in whom any of the director of the company is interested or deemed to be interested) upto an aggregate sum of Rs.250 cr. (Rupees Two Hundred and fifty Crores Only) in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.”

“RESOLVED FURTHER THAT the board shall ensure that such transactions are in the ordinary course of business and not prejudicial to any of the parties as well as fair and reasonable to the business needs of the company.

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution the Board of Directors of the Company be and is hereby authorized, to approve, decide, vary or modify the terms and conditions applicable for the aforesaid loan, Investment , Corporate Guarantee and to do all such acts, deeds, matters and things as they may, in their absolute discretion deem necessary, desirable or expedient and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT” all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respect.”

**By the Order of the Board of Directors
For SPA Capital Services Limited**

Sd/-

Sandeep Parwal

(Chairman cum Managing Director)

DIN: 00025803

Date: - 06.09.2021

Place: - New Delhi

Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 37TH ANNUAL GENERAL MEETING (THE “MEETING”) IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A BLANK PROXY FORM IS ENCLOSED.

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

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Annual General Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.

The Instrument appointing a proxy shall be in writing and be signed by the appointer or his/her attorney duly authorized in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.

Proxies submitted on behalf of companies, societies, partnership firms etc. must be supported by appropriate resolution/authority, as applicable, issued by the member.

2. Special business are being transacted at 37th(Thirty Seventh) Annual General Meeting, hence explanatory Statement as required under Section 102 of Companies Act, 2013, relating to the special business to be transacted at the meeting is applicable and annexed herewith.
3. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.

4. Member's /Proxies/ Authorised Persons attending the Annual General Meeting (AGM) of the Company are requested to hand over the Attendance Slip duly filled in for admission to the AGM hall.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members holding Shares in demat/electronic form are requested to write their Client ID and DP ID and those holding Shares in physical form are requested to write their folio number in the attendance slip and deliver duly signed attendance slip at the entrance of the meeting hall.
7. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the Company.
8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
9. The Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
10. No gifts, gifts coupons, or cash in lieu of gifts is distributed in the Meeting.
11. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.) intending to send their authorized representatives to attend the Meeting are requested to send certified true copy of the Board Resolution/Authority Letter, together with attested specimen signature(s) of the duly authorized representative(s), to the Company to attend and vote on their behalf at the Meeting.
12. All documents referred to in the notice are open for inspection at the registered office of the Company between 11:00 A.M. to 1:00 P.M. on all working days up to the date of Annual General Meeting.

13. Pursuant to the provisions of Section 124 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) no amount is unclaimed towards dividend to any shareholder.
14. Members are requested to intimate immediately the change of address or demise of any Member, if any, to the Company's Registrar and Transfer Agents or Depository Participant, as the case may be to prevent frauds.
15. Statement giving details of the Director seeking appointment/ re-appointment is also annexed with this Notice pursuant to the requirement of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Secretarial Standard on General Meeting ("SS-2").
16. Pursuant to Regulation 46(2) (j) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 the Company has created an exclusive E-mail ID: **listing@spacapital.com** for quick redressal of Members/investors grievances.
17. The Register of Members and Share Transfer Books of the Company shall remain closed from **September 24, 2021 to September 30, 2021** (both days inclusive).
18. Members/Proxies should bring their copy of the Annual Report for reference at the meeting and also the duly filled in and signed attendance slip for attending the meeting.
19. Shareholders, who are holding shares in identical order of name in more than one folio, are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holding in one folio. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.
20. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification.
21. Pursuant to Section 72 of the Companies Act, 2013, Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail

of the nomination facility by filling form SH-13. Members holding shares in the dematerialized form may contact their Depository Participant for recording the nomination in respect of their holdings.

22. For convenience of the members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the space provided in the Attendance Slip and hand it over at the registration counter.
23. In terms of SEBI notification, the shares of the Company are subject to compulsory trading only in dematerialized form on the stock exchange hence members are requested to convert their physical share certificates into electronic form.
24. In terms of Section 72 of the Companies Act, 2013, the shareholders of the Company may nominate a person to whom the shares held by him shall vest in the event of his death.
25. Non-Resident Indian Members are requested to inform RTA, immediately of:
 - (a) Change in their residential status on return to India for permanent settlement or
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Share Transfer Agent (RTA), MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II New Delhi – 110 020 at sm@masserv.com, ph.+91-11-2638 7281 82, 83.

26. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by submitting a request letter in this respect to the Company / Registrar and Share Transfer Agents, M/s MAS Services Limited. Members holding shares in demat form are requested to register their e-mail address with

their Depository Participant(s) only.

27. The Notice of AGM along with annual report and Attendance Slip are being sent in electronic mode to members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the members have registered their request for a hard copy of the same. Physical copies of the Notice of AGM along with annual report and Attendance Slip are being sent to those members who have not registered their e-mail IDs with the Company or Depository Participant(s).

VOTING THROUGH ELECTRONIC MEANS

Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide members facility to exercise their rights to vote on resolutions proposed in this notice by electronic means (“remote e-voting”) and the business may be transacted through e-voting services, the said resolutions will not be decided on a show of hands at the AGM. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide remote e-voting facilities and for security and enabling the members to cast their vote in a secure manner.

The instructions for members for voting electronically are as under :- In case of members receiving e-mail:

The voting period begins on **Monday, September 27, 2021 at 9.00 a.m. and ends on Wednesday, September 29, 2021 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Friday, September 24, 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- i) The shareholders should log on to the e-voting website <https://www.evotingindia.co.in> Click on “Shareholders / Members” tab to cast your votes.
- ii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the

Company.

- iii) Next enter the Image Verification as displayed and Click on Login.
- iv) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- v) If you are a first time user follow the steps given below:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details Or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth in (dd/mm/yyyy) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (i).

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

- x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES / NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xv) If demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. Them-Voting app can be downloaded from Google Play Store Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xvii) Note for Non- Individual Shareholders and Custodians :
 - Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they

wish to vote on.

- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- xviii) 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.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

Please follow all steps sl. no. (i) to sl. no. (xvii) above to cast vote.

- xix) The shareholders can opt for only one mode of voting, i.e. either ballot voting by attending AGM or remote e-voting. If any shareholders opt for remote e-voting, he/she will not be eligible to vote physically in AGM. However members who are attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting
- xx) The official responsible to address the grievances connected with voting by electronic means - Mr. Umesh Kumar, Company Secretary & Compliance Officer and Mr. Sanjay Goel, Chief Financial Officer, Ph. No. 011-4567 5500, email; listing@spacapital.com
- xxi) Company shall publish the result of remote e-voting & the resolutions passed at its general meeting on its Website.
28. The Board of Directors has appointed M/s. Manish Bhasin & Associates, Chartered Accountants, Delhi, holding Membership No.: 518197, ICAI FRN: 023784N as the Scrutinizer, for conducting the voting / poll and remote e-voting process in a fair and transparent manner.

29. The Scrutinizer shall within a period of three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and prepare the scrutinizer report of the votes cast in favour or against, if any, forthwith to the Chairman and in his absence to the Company Secretary of the Company.
30. The result of voting shall be declared by the Chairman/Company Secretary of the meeting on or after the Annual General Meeting of the Company (within two working days of conclusion of AGM). The results declared along with the Scrutinizer's Report shall be placed on the Company's website <https://www.spacapital.com/> and on the website of the CDSL immediately after the result is declared by the Chairman/Company Secretary.
31. The result will also be communicated to stock exchange where the shares of the Company are listed.
32. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and as per Rule 18 of the Companies (Management and Administration) Rules, 2014 allowed companies to send any notice/document (including Annual Report) to its members through e-mail. In order to support the same members hereby requested to register, update and provide their respective operational e-mail id to RTA i.e. MAS Services Limited or/and their respective Depository Participant (DP's).
33. Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated June 8, 2018 and others respective allied Acts, rules and regulations as amended thereof, members holding shares in physical form are hereby requested to urgently convert them in Dematerialization form by requesting the RTA i.e. MAS Services Limited or/and their respective Depository Participant (DP's).
34. In terms of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, **Mrs. Honey Parwal, (DIN No. 00025835)**, Director, retires by rotation at the ensuing Meeting and being eligible, offers herself for re-appointment. The Board of Directors of the Company recommends her re-appointment.

Details of Director, who is proposed to be re-appointed at the ensuing Annual General Meeting, as required under Regulation 36 of SEBI (Listing Obligation Disclosure Requirement) Regulations 2015 and Secretarial Standard 2, are as under:

Name and Age of Director	Mrs. Honey Parwal,
Date of Birth	18/06/1970
Age	51 Year
DIN	00025835
Date of first Appointment in board	25/09/2017
Expertise in Specific Functional Area	She is having rich experience of over two decades, in the field of Human resource, Administration and Management) http://www.spacapital.com/CapitalServices/Board Of Directors.aspx
Qualifications	B. Sc (Hons)
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid	To be appointed as Non – Executive Director being eligible to retire by rotation
Last Drawn Remuneration	Nil
Directorship in Other Companies as on date	<ul style="list-style-type: none"> • Bhoopati Trading Private Limited • Bluemoon Financial Services Private Limited • Parth Infracon Private Limited • Simplex Construction Private Limited • Vijay Shree Builders Private Limited • Wintech Marketing Private Limited • SPA Capital Advisors Limited
No. of Board Meeting attended during the year 2020-2021	7 (Seven)
Membership/Chairmanship of the Committees across the Companies	Details specified in corporate governance report
Relationship with other Directors	Wife of Mr. Sandeep Parwal, Chairman Cum Managing Director of the Company.
Shareholding in the	175,000 (5.69 %) Equity Shares

Company(Including shareholding as beneficial owner)	(Details of shareholding as beneficial owner is available on the website of the Company)
Brief Resume	Mrs. Honey Parwal is Bachelor of Science, Hons (B. Sc (Hons) and She is having rich experience of over two decades, in the field of Human resource, Administration and Management).

For other details such as number of meetings of the board attended during the year and remuneration drawn in respect of above director, please refer to the corporate governance report which is a part of this Annual Report.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 3 to the Notice

To appoint Mr. Mahaveer Prasad Mundhra (DIN: 00642941) as independent Director of the Company

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on **September 6, 2021** has approved the appointment of Mr. Mahaveer Prasad Mundhra (DIN: 00642941) as an Independent Director of the Company subject to the approval of shareholders of the company w.e.f 30.09.2021, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any amendment/s thereto or modification/s thereof.

Further Company has also received the notice in writing from a member under Section 160 of the Act, proposing the candidature of Mr. Mahaveer Prasad Mundhra (DIN: 00642941) for the office of Non-Executive Independent Director of the Company,

The Company has received the following disclosures / declarations from Mr. Mahaveer Prasad Mundhra (DIN: 00642941)

i. Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;-

Intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment &

Qualification of Directors) Rules, 2014, to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013, and Declaration that they meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. In terms of Schedule IV of the Companies Act, 2013 the Board is of the opinion that Mr. Mahaveer Prasad Mundhra (DIN: 00642941) fulfils the conditions for his appointment as a Non-Executive Independent Director as specified in the Companies Act, 2013 and the Listing Regulations as applicable and are independent from the management of the Company.

Mr. Mahaveer Prasad Mundhra (DIN: 00642941) is a Graduate and has a vast experience of 30 years in financial service industry..

A copy of the draft letter of appointment setting out the terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday and also posted on the website of the Company i.e. <http://www.spacapital.com/CapitalServices>.

The Board consider that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Mahaveer Prasad Mundhra (DIN: 00642941) as a Non-Executive Independent Director, not liable to retire by rotation. Accordingly, the Board seeks approval of the members for the appointment of Mr. Mahaveer Prasad Mundhra (DIN: 00642941) as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of 5 years i.e. from **September 30, 2021 to September 29, 2026**, pursuant to section 149, 152 and other applicable provisions of the Act, and Rules made there under.

Except Mr. Mahaveer Prasad Mundhra (DIN: 00642941), no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise in the proposed resolutions set out at Item No.3 of the Notice.

The Board recommends the resolution set forth in Item no. 3 for your approval.

The personal details & experience of directors pursuant to regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India are as stated below:

Name and Age of Director	Mr. Mahaveer Prasad Mundhra (DIN: 00642941), 66 Years
Date of Birth	07/01/1955
Director Identification Number	00642941
Qualification	Graduate
Experience	He has 30 year of experience in financial service industry.
Terms and Conditions of appointment along with details of remuneration sought to be paid	Not liable to retire by rotation and Appointment for a period of Five Year w.e.f. September 30, 2021
Last Drawn Remuneration	N.A.
Date of first appointment on the Board	30.09.2021
Shareholding in the Company (Including shareholding as beneficial owner)	Nil
Relationship with other Directors, Manager and KMP	He does not have any relationship with other directors, Manager and Key Managerial Personnel of the Company
No. of Board Meeting attended during the year	N.A.
Directorship held in other companies	Yes Sthapna Developers Private Limited, CIN: U45200DL2007PTC157466
Membership/Chairmanship of the Committees across the Companies	-
Brief Profile	Mr. Mahaveer Prasad Mundhra (DIN: 00642941) is a Graduate and has a vast experience of 30 years in the financial service industry.

Item No. 4

Adoption of Articles of Association as per the provisions of the Companies Act, 2013

The existing Articles of Association (AOA) are based on the Companies Act, 1956 and with the coming into force of Companies Act, 2013, several regulations of the existing AOA of the Company may require alteration or deletions in several articles. Therefore, it is considered expedient to replace wholly the existing AOA by a new set of Articles of Association in order to align the same as per the provisions of the Companies Act, 2013.

Pursuant to Section 14 of the Act, the consent of the Members by way of Special Resolution is required for alteration of AOA of the Company.

The Board at its meeting held on **September 6, 2021** has approved alteration of the AOA of the Company and the Board now seek Members' approval for the same.

The proposed new draft AOA is being uploaded on the Company's website for perusal by the Members. Further, a copy of the proposed set of new AOA of the Company would be available for inspection for the Members at the Registered Office/Corporate Office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 11.00 a.m. to 5.00 p.m. till the date of AGM. The aforesaid documents are also available for inspection at the AGM.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

Item No. 5 to the Notice

To re-appoint Mr. Sandeep Parwal as Managing Director of the Company and also appoint him as Chairman of the Company

In view of the contributions made by Mr. Sandeep Parwal (DIN: 00025803) and his extensive knowledge of Company's operations and rich experience and expertise in managing the affairs of the Company, the Board of Directors of the Company, on the recommendation by the Nomination and Remuneration Committee, in its meeting held on **September 6, 2021** has approved the re-appointment and remuneration of Mr. Sandeep Parwal (DIN: 00025803) as Managing Director of the Company and also approved the appointment of Mr. Sandeep Parwal (DIN: 00025803) as Chairman of the company, the period of whose office shall not be liable to determination by retirement by rotation, for a period of 5 years commencing from **October 1, 2021 to September 30, 2026** in terms of

the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies, Act 2013 {“ Act”}, and the Rules framed thereunder, subject to the approval of shareholders of the company.

Mr. Sandeep Parwal (DIN: 00025803) satisfies all the conditions set out in Part –I of Schedule V of the Act and conditions as set out under sub-section (3) of Section 196 of the Companies Act, 2013.

Copy of the draft letter of re-appointment/appointment to be issued to Mr. Sandeep Parwal (DIN: 00025803) is open for inspection in physical by any member of the Company at the Registered Office of the Company during the business hours on any working day. The same may be treated as written memorandum setting out the terms and conditions of his appointment under Section 190 of the Companies Act, 2013.

The Board considers that his association would be of immense benefit to the company and it is desirable to avail services of Mr. Sandeep Parwal (DIN: 00025803) as Chairman Cum Managing Director of the Company for a period of five year w.e.f **October1, 2021**.

General Disclosure as per schedule V of the companies Act 2013:

I.	General Information	
(1)	Nature of Industry	Financial Services
(2)	Date or expected date of commencement of commercial production/Operation	20-07-1984
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions	Not applicable

	appearing in the prospectus						
(4)	Financial performance based on given indicators (Rs. In Crores)						
	2017-2018	2018-2019		2019-2020		2020-2021	
		Standalone	Consolidated	Stand alone	Consolidated	Standalone	Consolidated
Paid up Capital	3.07	3.07	3.07	3.07	3.07	3.07	3.07
Reserve & Surplus	13.79	14.25	14.25	13.41	13.41	12.54	12.50
Revenue from operation	76.77	90.26	90.26	32.66	32.67	30.94	30.94
Other Income	9.75	8.24	8.24	0.03	0.03	0.15	0.15
Total Revenue	86.52	98.50	98.50	32.69	32.71	31.10	31.10
Profit before tax	2.09	0.91	0.91	0.69	0.69	(0.70)	(0.70)
Less: Tax Exp.	0.74	0.46	0.46	0.53	0.53	(0.21)	(0.21)
Net Profit after tax	1.35	0.45	0.45	0.15	0.15	(0.49)	(0.54)
(5)	Foreign investments or collaborations, if any	N.A.					
II.	Information about the appointee						
(1)	Background details	He is associated with the Company and He is Managing Director of the company					
(2)	Past remuneration	Rs. 300,000 per month					
(3)	Recognition or awards	N.A.					
(4)	Job profile and his suitability	Chairman Cum Managing Director					
(5)	Remuneration	The detail of remuneration proposed is specified in					

	proposed	resolution.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The salary proposed to be paid is in line with current industry standards based upon size and operations of the Company.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Beside the remuneration proposed, Mr. Sandeep Parwal (DIN: 00025803), does not have any pecuniary relationship with the Company and does not related to any managerial personnel/ Director except a) spouse of Mrs. Honey Parwal, Director of the Company, b) holds 2,75,450 (8.96%) Equity Shares of the Company and 1, 22,500 (3.98%) Equity Shares of the Company, in the name of SANDEEP PARWAL HUF, and c) member of promoter and promoter group.
III.	Other information	
(1)	Reasons of loss or inadequate profits	Covid-19 Pandemic and Market Scenario
(2)	Steps taken or proposed to be taken for improvement	Appropriate business growth strategy suitable in accordance to market scenario.
(3)	Expected increase in productivity and profits in measurable terms.	Yes
IV.	Disclosures	
The report on Corporate Governance in the Annual Report indicates the remuneration to be paid to managerial personnel.		

The above remuneration as aforesaid to be allowed to the Executive director shall be subject to such limits for this remuneration as laid down by the Companies Act, 2013 and rules made thereunder.

The Scope and quantum of remuneration and perquisites specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with the relevant provisions of the Companies Act and schedule V and / or the rules and regulations made there under and / or such guidelines as may be announced by the Central Government from time to time in future.

In absence of or inadequacy of profits in any financial year during the currency of tenure of the appointee, the aforesaid remuneration will be paid as the minimum remuneration subject to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 or such other amount as may be provided in Schedule V as may be amended from time to time or an equivalent statutory re-enactments thereof.

The Company shall pay to or reimburse the Executive Director and he shall be entitled to be paid and / or to be reimbursed by the Company all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.

Except Mr. Sandeep Parwal (DIN: 00025803 and Ms. Honey Parwal (Director) (DIN: 00025835), no other Director or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise in the proposed resolutions set out at Item No.5 of the Notice.

The Board recommends the special resolution set forth in Item no. 5 for your approval.

(Pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India.)

Particulars	
Name and Age of Director	Mr. Sandeep Parwal (DIN: 00025803), 55 years
DIN	00025803
Qualification	Chartered Accountant

Expertise in specific functional areas	He has a vast experience in Financial Service Industry
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid	Terms: - 5 years w.e.f October 1, 2021 to September 30, 2026
Last Drawn Remuneration	Rs. 300,000 per month
Date of first appointment on the Board	15.11.2003
Directorship held in other companies	8 (Eight) SPA Comtrade Private Limited Bhoopati Trading Private Limited Bluemoon Financial Services Private Limited SPA Insurance Broking Services Limited JagritiBuildtech Private Limited Parth Infracon Private Limited Niveshak Mpowered Private Limited SPA Capital Advisors Limited
No. of Board Meeting attended during the year 2020-2021	7 (Seven)
Membership/Chairmanship of the Committees across the Companies	Details Specified in the Corporate Governance Report
Shareholding in the Company (Including shareholding as beneficial owner)	2,75,450(8.96%) Equity Shares as on March 31, 2021 held by Mr. Sandeep Parwal 1,22,500 (3.98%) Equity Shares as on March 31, 2021 held by SANDEEP PARWAL HUF (Details of shareholding as beneficial owner is available on the website of the Company)
Relationship with other	Mr. Sandeep Parwal (DIN: 00025803) is Spouse of

Directors	Mrs. Honey Parwal, Director of the Company
Brief Profile	Mr. Sandeep Parwal (DIN: 00025803) is a Chartered Accountant and has more than 30 year of experience in financial service Industry.

Item No. 6 to the notice

To approve the voluntarily surrender of Certificate of Registration – NBFC-ND granted by RBI

The Company is registered with the Reserve Bank of India (“RBI”) as a Non-Deposit accepting Non-Banking Financial Company vide registration no. B-14.00790. Main object of the Company is to carry on Business activities of leasing and hire-purchase, to finance the industrial enterprises by way of lending and advancing money etc., to manage investment pools, mutual funds, issue of shares, stocks, securities, etc. The Company is also registered as a Mutual Fund Distributor/Advisor and holding AMFI (The Association of Mutual Funds in India) Certification.

Considering the current market scenario and business prospective, the Company voluntarily does not want to carry on the Business of a Non-Banking Financial Company ”NBFC” – Non Deposit.

The Board of Directors of the Company in their meeting held on February 12, 2021 has decided to voluntary surrender the Certificate of Registration – NBFC-ND (Regn. Number B-14.00790) granted by Reserve Bank of India.

The Company has not accepted any deposits from the public during its tenure of registration as NBFC- Non Deposit.

The Board recommends the special resolution set forth in Item no. **6** for your approval.

None of the Director or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise in the proposed resolutions set out at Item No. 6 of the Notice.

Item No. 7 to the Notice

To Approve the Related Party Transactions of the Company.

To ensure smooth operation of the Company, your Company proposes to enter into transaction(s) with related party/parties as defined in Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable. The total value of the proposed related party transaction(s) could reach up to Rs. 50.00 Crore each financial year with each related party.

Section 188 of the Act and the applicable Rules framed there under provide that any Related Party Transaction will require prior approval of shareholders through resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company. Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) are available on the website of the Company i.e. <http://www.spacapital.com/CapitalServices>.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise except as aforesaid, in the resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 7 of this Notice as Special Resolution.

Item No. 8 to Notice

The Board of Director of the Company during their meeting held on February 12, 2021 has decided to voluntarily cease the operation of NBFC – ND and to surrender the CoR NBFC –ND, accordingly the Company had issued a letter to Reserve Bank of India (RBI) pertaining to voluntarily surrender of Certificate of Registration “CoR” of NBFC- ND (Reg No. B-14.00790), which was issued under Section 45IA of Reserve Bank of India Act, 1934 and receipt of said letter has been duly acknowledged by RBI- New Delhi on 5 March 2021.

With a view to utilize the funds of the Company from time to time, it is proposed to make investment in Term Rated Papers, Treasury Bills, Call Money market, securities, Term

Deposit, Mutual Funds, other investment and Short Term Rated Papers or for giving loans, guarantees or providing securities to anybody corporate or other person from time to time on such other terms and conditions and in such manner as the Board of Directors of The Company (“Board”) may think fit and subject to necessary approvals, Permissions, consents and sanctions of Concerned Statutory and other authorities as may be necessary under provisions of other applicable laws and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board.

In order to make loan, guarantees and investment(s) in excess of limits specified under section 186 of Companies Act, 2013, the Company requires approval from the shareholders in a general meeting.

The Board therefore recommends the Special Resolution set out at Item No. **8** of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise except as aforesaid, in the resolution set out at Item No.8 of the Notice.

Item No. 9 to Notice

Pursuant to Section 180(1) (c) of the Companies Act, 2013 approval of the shareholders is required for increasing the borrowings as suggested above in said resolution and to authorise the Board to borrow funds from time to time from FIs, Banks, FII or any other source.

The Board considered this matter in its meeting held on **September6, 2021** and recommends this resolution for your approval.

None of the Directors and KMP of the Company and their relatives are, in any way interested or concerned in the resolution.

Item No. 10 to the Notice

In terms of the Section 185 of the Companies Act, 2013 as amended, a company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the Director of the Company is interested directly or indirectly subject to the condition that approval of the shareholders of the Company is obtained by way of Special Resolution.

In view of the above; and in line with the resolution for approval of the shareholders under section 186 of the Act & as an abundant caution, the Board at its meeting held on **September 6, 2021** decided to seek approval of the shareholders pursuant to the provisions of Section 185 of the Act to advance any loan including any loan represented by book debt, or give guarantee or provide any security in connection with any debentures / bonds/ loan etc. taken by any person in whom any of the Director of the Company is interested, up to an aggregate amount not exceeding Rs. 250 cr. (Rupees Two Hundred and fifty Crores Only) or in other currency for an equivalent amount and the loans are subject to utilized by the borrowing company for its principal business activities.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested in the said resolution.

Your Board recommends the said resolution, as special resolution, for your approval.

By the Order of the Board of Directors

For SPA Capital Services Limited

Sd/-

Sandeep Parwal

(Chairman cum Managing Director)

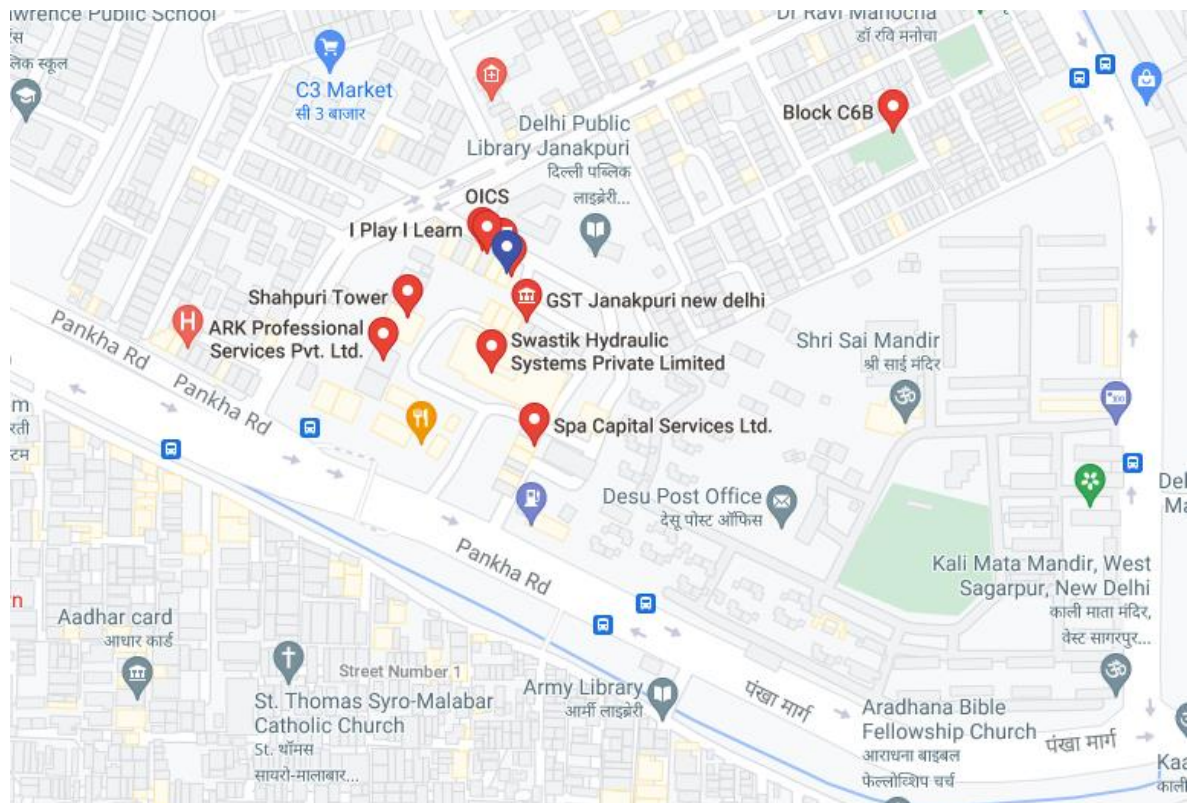
DIN: 00025803

Date: - 06.09.2021

Place: - New Delhi

Route map to the venue of the 37thAGM

Venue of AGM: 25, C – BLOCK, COMMUNITY CENTRE, JANAKPURI, NEW DELHI
– 110058



ATTENDANCE SLIP

SPA CAPITAL SERVICES LIMITED

Regd. Office: 25, C – BLOCK, COMMUNITY CENTRE, JANAKPURI, NEW DELHI –

110058, Phone: 011- 4567 5500

E-mail: listing@spacapital.com, Website: <http://www.spacapital.com/CapitalServices/>

CIN - L65910DL1984PLC018749

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING.

DP ID – Client ID* / Folio No.:	
Name of Member:	
Name of Proxy holder:	
No. of Share(s) held:	

I hereby record my presence at the **37th ANNUAL GENERAL MEETING** of SPA CAPITAL SERVICES LIMITED held on Thursday, September 30, 2021 at 25, C – BLOCK, COMMUNITY CENTRE, JANAKPURI, NEW DELHI – 110058

Signature of Shareholder / Proxy

Notes:

1. Members / Proxy-holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.
2. Members are requested to bring their copy of Annual Report for reference at the Meeting.

*Applicable for investors holding shares in electronic form.

Proxy Form
Form MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

SPA CAPITAL SERVICES LIMITED

Regd. Office: 25, C – BLOCK, COMMUNITY CENTRE, JANAKPURI, NEW DELHI –
110058, Phone: 011- 4567 5500

E-mail: listing@spacapital.com, Website: <http://www.spacapital.com/CapitalServices/>
CIN - L65910DL1984PLC018749

37th ANNUAL GENERAL MEETING of members of SPA CAPITAL SERVICES
LIMITED on Thursday, September 30, 2021 at 25, C – BLOCK, COMMUNITY CENTRE,
JANAKPURI, NEW DELHI – 110058, **at 10.00 A.M**

Name of the member(s): Registered Address:		E-mail Id: DP Id - Client Id*/ Folio No	
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I/We, being the member(s) of _____ shares of SPA CAPITAL SERVICES
LIMITED, hereby appoint:

1) Name: _____ Address:

E-mail id: _____ Signature: _____

or failing him

2) Name: _____ Address:

E-mail id: _____ Signature: _____

or failing him

3) Name: _____ Address:

E-mail id: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting of the Company, to be held on Thursday, September 30, 2021 at 25, C – Block, Community Centre, Janakpuri, New Delhi – 110058 and any adjournment thereof in respect of such resolutions as are indicated below:

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

S. No.	Resolutions	For	Against
1.	Adoption of Audited standalone and consolidated Financial Statements along with the Report of the Board of Directors and Auditors for the financial year ended March 31, 2021		
2.	To appoint a director in place of Mrs. Honey Parwal (DIN: 00025835), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.		
3.	To appoint Mr. Mahaveer Prasad Mundhra as Non-Executive, Independent Director of the Company.		
4.	Adoption of Articles of Association “AOA” As Per The Provisions of The Companies Act, 2013.		
5.	To re-appoint Mr. Sandeep Parwal as Managing Director of the Company and also appoint as Chairman of the Company.		
6.	To approve the voluntarily surrender of the Certificate of Registration – NBFC-ND granted by RBI.		
7.	Approval for Related Party Transactions.		
8.	Investment(S), Loans, Guarantees And Security In Excess Of Limits Specified Under Section 186 Of Companies Act, 2013.		

9.	Increasing the Borrowing Powers under Section 180(1) (c) of the Companies Act, 2013.		
10.	Approval of loans, investments, guarantee or security under section 185 of Companies act, 2013.		

* Applicable for investors holding shares in electronic form.

Signed this.....day of 2021

Signature of Shareholder

Affix Revenue Stamp of Rs.1/-
--

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

NOTES:

1. This proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person of shareholder.
4. ** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank

against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

SPA CAPITAL SERVICES LIMITED
Regd. Off.: 25, C – Block, Community Centre,
Janakpuri, New Delhi – 110 058
Email Id: listing@spacapital.com Ph: 011- 4567 5500
CIN: L65910DL1984PLC018749

BALLOT FORM

1. Name(s) of Shareholder(s)/ Joint :
Holder(s), if any
(In Block Letters)
2. Registered Address of the Sole/First :
named Shareholders/ Beneficial
Owners
3. Registered Folio No./ DP ID – Client :
ID*
(*Applicable to members holding
shares in Dematerialized form)
4. No. of shares held :
5. I/We hereby exercise my/our vote in respect of the following Resolution(s) set out
in the Notice of the 37th AGM of the Company held on September 30, 2021 at 25,
C – Block, Community Centre, Janakpuri, New Delhi – 110058, at 10.00 a. m. -by
conveying my/our assent or dissent to the said Resolution(s) by placing tick (✓)
mark at the appropriate box below:-

S. No.	Resolutions	For	Against
1.	Adoption of Audited standalone and consolidated Financial Statements along with the Report of the Board of Directors and Auditors for the financial year ended March 31, 2021		

2.	To appoint a director in place of Mrs. Honey Parwal (DIN: 00025835), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.		
3.	To appoint Mr. Mahaveer Prasad Mundhra (DIN: 00642941) as Non-Executive, Independent Director of the Company.		
4.	Adoption of Articles of Association “AOA” As Per The Provisions of The Companies Act, 2013.		
5.	To re-appoint Mr. Sandeep Parwal as Managing Director of the Company and also appoint as Chairman of the Company.		
6.	To approve the voluntarily surrender of the Certificate of Registration – NBFC-ND granted by RBI		
7.	Approval for Related Party Transactions.		
8.	Investment(S), Loans, Guarantees And Security In Excess Of Limits Specified Under Section 186 Of Companies Act, 2013.		
9.	Increasing the Borrowing Powers under Section 180(1) (c) of the Companies Act, 2013.		
10.	Approval of loans, investments, guarantee or security under section 185 of Companies act, 2013.		

(Shareholder)

DIRECTORS' REPORT

Dear Members,

It gives me great pleasure to share with you the performance of your company along with audited standalone and consolidated accounts/financial statements for the financial year ended March 31, 2021.

1. State of Company Affairs

Our revenues primarily consist of revenue from sale of securities, brokerage income from distribution of Mutual Fund, other financial products, income from interest and dividend etc.

The Company is registered with the Reserve Bank of India ("RBI") as a Non-Banking Financial Company – Non Deposit, vide registration no. B-14.00790. Main object of the Company is to carry on Business activities of leasing and hire-purchase, to finance the industrial enterprises by way of lending and advancing money etc., to manage investment pools, mutual funds, issue of shares, stocks, securities, etc. The Company is also registered as a Mutual Fund Distributor/Advisor and holding AMFI (The Association of Mutual Funds in India) Certification.

Considering the current market scenario and business prospective, the Company voluntarily does not want to carry on the Business of a Non-Banking Financial Company "NBFC" – Non Deposit. The Board of Directors of the Company in their meeting held on February 12, 2021 has decided to voluntary surrender the Certificate of Registration "CoR" – NBFC-ND (Regn. Number B-14.00790), which was granted by Reserve Bank of India and accordingly the Company had issued a letter to Reserve Bank of India (RBI) pertaining to voluntarily surrender of CoR- NBFC- ND (Reg No. B-14.00790), and receipt of said letter has been duly acknowledged by RBI- New Delhi on 5 March 2021. However, the Company is yet to obtain the approval/confirmation pertaining to surrender of CoR - NBFC- ND from RBI.

The Company has not accepted any deposits from the public during its tenure of registration as NBFC- Non Deposit.

The Company has also obtained registration as Point of Presence - Sub entity (POP- SE) from Pension Fund Regulatory and Development Authority (PFRDA) for providing various facilities to the Subscribers under the National Pension Scheme (NPS) and rendering other services as specified under the Pension Fund Regulatory and Development Authority Act, 2013.

The Financial Year 2020-21 was marked with volatility and disruptions due to Covid-19 pandemic. Your Company however continued to perform consistently well in these challenging times and deliver better results. During the year your Company reported total revenue of ₹ 30.88 Crore and EBIDTA of ₹ (0.71) Crore on standalone basis.

Financial Results

The operating results of the Company for the year under review are as follows:

(Rs. in Crores, except per share data)

Particulars	Standalone , Year ended 31.03.2021	Consolidated, Year ended 31.03.2021	Standalone , Year ended 31.03.2020	Consolidate d, Year ended 31.03.2020
Revenue	31.108	31.108	32.69	32.71
Profit before Interest, Depreciation & Taxation	0.19	0.19	2.118	2.118
Interest & Finance Costs	0.509	0.509	1.025	1.025
Depreciation and amortisation	0.314	0.314	0.395	0.395
Profit from Operations before Exceptional Items and Tax	(0.633)	(0.633)	0.698	0.698
Exceptional Items	0.076	0.076	0.008	0.008
Profit before Taxation	(0.709)	(0.709)	0.689	0.689
Less : Provision for Taxation				
Current Tax	-	-	0.225	0.225
Deferred Tax	(0.098)	(0.098)	0.282	0.282
Profit After Taxation	(0.493)	(0.540)	0.158	0.154

Total other Comprehensive Income	(0.371)	(0.371)	(0.939)	(0.939)
Total Comprehensive Income for the period	(0.865)	(0.911)	(0.781)	(0.785)
Paid up equity share capital (Face value of Rs 10 each)	30742250	30742250	30742250	30742250
Other Equity as per balance Sheet	12.548	12.50	13.414	13.410
Earnings Per Share	(2.813)	(2.965)	(2.55)	(2.55)

2. Operations Review

In order to strengthen its market share, the Company has taken steps to improve the business, operation and growth strategy. Besides, efficiency improvement and cost optimisation have been followed vigorously across all the functions of the organisation, across the country during the year.

It is one of the fastest growing financial service oriented company in India and enjoys strong brand equity from customers across segments/services.

During the year under review, the Company continued to focus on enhancing the capability of the organization and towards the achievement of this goal, the Company has been taking a number of initiatives.

3. Economic Overview

India's mutual fund (MF) industry is currently experiencing a state of flux; while ample opportunities are knocking at the door, it's equally concerned with the numerous challenges. However, as Albert Einstein states, 'in the middle of difficulty lies opportunity', the dictum is equally applicable to India's mutual fund industry. The Indian capital markets have witnessed a marked shift in the last few years, largely owing to the mutual fund industry which has been instrumental in channelizing retail savings into the capital markets in a big way. The steady shift in savings pattern in favour of equities through SIP (systematic investment plan) in mutual funds has resulted not only in a significant rise in the Indian equity ownership, but also

contributing as a strong counterbalance to foreign institutional investors.

With only 2 crore plus investors investing in mutual funds, the industry body pointed out the significant untapped potential for growth in the Indian mutual fund space.

During FY 20-21 outbreak of Covid-19 pandemic was continue, to contain the outbreak, many economies implemented partial or full shutdown which, in turn, significantly disrupted the economic activity and resulted in large job losses. Most asset classes including equities and commodities also affected, and there was a substantial increase in volatility in the financial markets.

In view of the above developments, International Monetary Fund (IMF) revised its Global GDP growth forecast for Calendar Year (CY) 2021 owing to a low base and normalisation of economic activity.

With a view to cushion the economic impact, most global central banks reduced the policy rates significantly.

4. Future outlook

The AUM of the mutual fund industry in India has grown at a CAGR of 15.5% over the past five years, with the equity AUM growing at a CAGR of 17.3%. Rising awareness about benefits of investing in equity markets, growing popularity of ways of investing, such as SIP, are some of the factors contributing to the increased participation of domestic individual investors in the Indian mutual fund industry. On the other hand, fixed income products including liquid funds have seen increased popularity amongst corporate, as well as retail and high net-worth investors.

In this period, Indian equity markets achieved a healthy balance between the domestic institutional investors (largely Mutual Funds) and Foreign Portfolio Investors (FPIs), thereby significantly reducing the skew towards reliance on FPI inflows, lending more stability to the Indian markets.

We believe we are well-poised to capitalise on the healthy prospects of the industry and further solidify our position in the market. Our strong brand equity, disciplined investment philosophy and robust process, customer-centric approach and expansive reach should facilitate our future growth.

5. Dividend

Implementation of landmark reforms and immense growth opportunity for the organised service industry in India, your Directors intend to retain previous internal accrual for business

growth of the Company. Due to losses during the year, the Board of Directors does not propose to declare any dividend for this year.

6. Transfer to Reserve

Your Directors do not propose to transfer any amount to the general reserve.

7. Material changes and commitments

No material changes and commitments have occurred from the date of close of the financial year till the date of this Report, which might affect the financial position of the Company.

Impact of Novel Covid -19 Pandemic

1. Due to novel COVID-19 outbreak, Government of India announced a nationwide lockdown of 21 days with effect from March 25, 2020, which got extended from time to time to combat the spread of the COVID-19 virus. In compliance with various directives issued by the State and Central authorities, your Company suspended the operations at respective location and shut the offices with a view to safeguard the risks to the health of the employees/staff of the Company.

2. During this period, the Company took every possible precaution to ensure safety of its staff across the country. The Company has started to slowly resume its operations across the country in line with guidance issued by Ministry of Home Affairs (MHA) and local authorities. Each office is being opened with utmost precautions, implementing the highest standards and protocols on safety and hygiene to make them absolutely safe for employees and clients. The disruption in operations due to Covid 19 pandemic during the year negatively impacted our financial performance for the entire financial year 2020-21 and also had a bearing on Q1 of FY 22. Although the external environment presents a slightly worrisome picture, we are confident and prepared to handle these uncertainties.

8. Share Capital

The paid - up share capital of the Company is ₹30,742,250 as on March 31, 2021.

During the year the Company has not made any allotment of shares.

9. Transfer to Investor Education and Protection Fund

Pursuant to the provisions of Section 205C of the Companies Act, 1956 (Section 125 of the Companies Act, 2013), your Company has not transferred any amount during the year 2020-21 to the Investor Education and Protection Fund.

10. Employee Stock Option Scheme

During the year, the Company has not implemented any Employee Stock Option Scheme “ESOP” and no ESOP scheme is in existence as on 31.03.2021

Therefore, the information is not required to be disclosed under SEBI (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2021

11. Bonus issue

Company has not allotted/transferred or issued any bonus shares during the year.

12. Change in the nature of the Business, if any

There was no change in the nature of business of the Company during the financial year ended March 31, 2021 except the Company has voluntarily applied for surrender of Certificate of Registration – NBFC-ND as aforesaid. However Company is planning to broaden its operations by adopting competitive business strategy for strengthening existence and to reach amongst the larger consumer base to enhance its turnover and operating revenue.

13. Internal Control systems and their adequacy

Your Company has in place, an adequate system of internal controls commensurate with its size, requirements and the nature of operations. These systems are designed keeping in view the nature of activities carried out at each location and various business operations.

Your Company’s in-house internal audit department carries out internal audits at all, offices, across all locations of the country. Their objective is to assess the existence, adequacy and operation of financial and operating controls set up by the Company and to ensure compliance with the Companies Act, 2013, SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015) (to the extent as applicable) and corporate policies.

Board of Directors of the Company has appointed M/s Khandelia & Sharma Chartered Accountant, having office at 407, South-Ex Plaza II, South Extension 2, New Delhi-110049, India, as the Internal Auditor of the Company to conduct the Internal Audit Functions for Financial Year 2020-21.

A summary of all significant findings by the audit department/auditor along with the follow-up actions undertaken thereafter is placed before the Audit Committee for review. The Audit Committee reviews the comprehensiveness and effectiveness of the report and provides valuable suggestions and keeps the Board of Directors informed about its major observations, from time to time.

14. Internal financial controls

The Company has in place adequate financial controls commensurate with its size, scale and complexity of its operations. The Company has in place policies and procedures required to properly and efficiently conduct its business, safeguard its assets, detect frauds and errors, maintain accuracy and completeness of accounting records and prepare financial records in a timely and reliable manner.

15. Segment Reporting

The Board wishes to inform you that Segment Reporting is not applicable to the Company.

16. Cash Flow Analysis

The Cash Flow Statement for the year, under reference in terms of Regulation 36 of SEBI (LODR) Regulations, 2015 is annexed with the Annual Accounts of the Company.

17. Subsidiary companies, joint ventures and associate companies

The Company had no subsidiary and joint venture during the financial year 2020-21. Further, there are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act") except your company has acquired equity share equivalent to 40.2% of the issued and paid-up share capital of the SPA Investment Adviser Private Limited (Previously known as IFAN Finserv Private Limited) ("Associate Company") on March 29, 2020, from the Promoter and other existing shareholders of the Associate Company. Pursuant to this

acquisition, SPA Investment Adviser Private Limited (Previously known as IFAN Finserv Private Limited) becomes the Associate Company of your company.

Pursuant to the provisions of section 129(3) of the Act read with rule 5 of Companies (Accounts) Rules, 2014), a statement containing salient features of Financials of the Associate Company in **Form AOC-1** is annexed in the Annual Report.

The Company has adopted a Policy for determining the criteria of material subsidiaries which is available on Company's website at <https://www.spacapital.com/>

18. Consolidated financial statements

In accordance with the provisions of Section 129(3) of the Act and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"), as applicable, the Consolidated Financial Statements form part of this Annual Report and will also be laid before the ensuing Annual General Meeting of the Company.

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statement, the Company will make available the said financial statements and related information of the Associate Company upon written request by any member of the Company.

These financial statements are kept open for inspection by any member at the Registered Office of the Company and the Associate Company and are also be available at website of the Company <https://www.spacapital.com/>. The consolidated profit and loss account for the period ended 31st March, 2021, includes the profit and loss account for the Associate for the financial year ended 31st March, 2021. The Board of Directors of the Company has given consent for not attaching the Balance Sheets of the Associate concerned.

19. Deposits

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014.

20. Secretarial Standards of ICSI

The Ministry of Corporate Affairs has mandated SS-1 and SS-2 with respect to Board meetings and General meetings respectively. The Company is in compliance with the same.

21. Auditors and Auditors' Report

Statutory audit

Your Company's Auditors, M/s. SNMG & Co., Chartered Accountants (Regn. No. 004921N), Chartered Accountants, Delhi, were appointed as the Statutory Auditors of the Company from the conclusion of 35th Annual General Meeting till the conclusion of the 40st Annual General Meeting of the Company.

The Ministry of Corporate Affairs vide its Notification dated May 7, 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing Annual General Meeting.

The Company has received a certificate from the Auditor under section 141 of the Companies Act 2013 to the effect that they are eligible to continue as Statutory Auditors of the Company.

The Auditor's have put certain qualifications in their report to which the management has put forward the following below mentioned replies;

Qualification and response to Auditor's Report

The company has taken various loans, which were outstanding as on 31st March, 2021. The management has not provided the interest on some of the loans, which constitute a departure from the Accrual basis of accounting. The company's records indicate that an amount of Rs. 74,19,353.99 /- has not been provided as interest expenses on these loans, which would have been decrease the profit by Rs. 74,19,353.99 /- and also increase the loan liability by same amount.

Management Response: Interest of Rs. 74,19,353.99 /- has not been provided in the books as the there is some dispute going on with the concerned parties and management is in view that no provision of interest is required in the books of accounts.

Secretarial audit

Pursuant to the provisions of Section 204 of the Companies Act 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms Charu Gupta, Company Secretary in Practice, having office at 116 Kallapura, Nehru Nagar –II Ghaziabad, Uttar Pradesh- 200102 and having membership number F9263

and COP – 10446, as its secretarial auditor to undertake the secretarial audit for FY 2020-21. The secretarial audit report certified by the secretarial auditors, in the specified form MR-3 is annexed herewith and forms part of this report and enclosed as **Annexure I**. The secretarial audit report does not contain any qualifications, reservations or adverse remarks.

22. Frauds Reported By Auditor Under Section 143 (12) Other Than Those Which Are Reportable To The Central Government

There are no such frauds reported by auditor, which are committed against the Company by officers or employees of the Company.s

23. Conservation energy, technology and foreign exchange outgo

The particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo in accordance with the provisions of Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts of Companies) Rules, 2014, is annexed herewith and forms part of this Report and enclosed as **Annexure II**.

24. Extract of Annual Returns

In terms of provisions of Section 92, 134(3) (a) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of the annual return in form MGT-9 is annexed herewith and forms part of this Report as **Annexure III** and same is displayed on the website of the company i.e. <https://www.spacapital.com/CapitalServices/>.

25. Corporate social responsibility

Corporate social responsibility forms an integral part of your Company's business activities. Your Company is a responsible corporate citizen, supporting activities which benefit the society as a whole. The Provision of the Section 135 of the Companies Act, 2013 read with Companies (Corporate social Responsibility Policy) Rules, 2014 is not applicable to the Company.

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the Company.

26. Directors and key managerial personnel

In accordance with provisions of Section 152 of the Act read with Rules made thereunder, Mrs. Honey Parwal, (DIN No. 00025835), Non-Executive Director is liable to retire by rotation at the 37th Annual General Meeting “AGM” and being eligible, offers herself for reappointment.

Ms. Sukhjit Kaur has resigned as Company Secretary & Compliance officer of the Company w.e.f 14.07.2021 due to her personal reason.

Mr. Umesh Kumar has been appointed as Company Secretary & Compliance Officer of the Company w.e.f 13.08.2021.

Mr. Sanjay Kumar Jain has resigned as Chief Financial Officer of the Company w.e.f 31.10.2020 due to his personal reason

Mr. Sanjay Goel has been appointed as Chief Financial Officer of the Company w.e.f 30.04.2021

Ms Sugeeta Upadhyay has been appointed as an Independent Director of the Company w.e.f. 27.07.2020.

Mr. Ramesh Menon, Independent Director has resigned from the Board of Directors of the Company w.e.f. 10.06.2021 due to his personal reason as independent director of the company.

Mr. Mahaveer Prasad Mundhra (DIN: 00642941) appointed as independent director of the Company w.e.f 30.09.2021 for a period of five year subject to the approval of the members in the ensuing annual general meeting of the Company.

The Nomination and remuneration committee has recommended and board of the Company has approved the re-appointment of Mr. Sandeep Parwal as Managing Director of the Company also appointment as Chairman of the company, w.e.f 01.10.2021 for a period of Five year subject to approval of members in the ensuing annual general meeting.

All the Independent Directors have submitted their declaration to the Board confirming that they meet the criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013 read with Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (to the extent as applicable).

None of the Directors of the Company is disqualified for being appointed as Director, as specified in Section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

A brief resume of the Director proposed to be appointed/reappointed, is provided in the Notice of the Annual General Meeting forming part of the Annual report.

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

1. Mr. Sandeep Parwal: Chairman Cum Managing Director
2. Mr. Umesh Kumar: Company Secretary & Compliance Officer w.e.f 13.08.2021
3. Mr. Sanjay Goel : Chief Financial Officer w.e.f 30.04.2021

27. Board induction, training and familiarization programme for Independent Directors

Prior to the appointment of an Independent Director, the Company sends a formal invitation along with a detailed note on the profile of the Company, the Board structure and other relevant information. At the time of appointment of the Director, a formal letter of appointment which *inter alia* explains the role, functions, and responsibilities expected of him/her as a Director of the Company is given. The Director is also explained in detail about the various compliances required from him/ her as a Director under the various provisions of the Companies Act 2013, SEBI Listing Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, the Code of Conduct of the Company and other relevant regulations.

A Director, upon appointment, is formally inducted to the Board. In order to familiarise the Independent Directors about the various business drivers, they are updated through presentations at Board Meetings about the performance and Financials of the Company. They are also provided presentations/booklets about the business and operations of the Company.

The Directors are also updated on the changes in relevant corporate laws relating to their roles and responsibilities as Directors. The details of the Board familiarization programme for the Independent Directors can be accessed at <http://www.spacapital.com/CapitalServices/>

28. Performance evaluation

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and the Guidance note on Board evaluation issued by SEBI vide its circular dated January 5, 2017, the Company has framed a policy for evaluating the annual performance of its Directors, Chairman, the Board as a whole, and the various Board Committees. The Nomination and Remuneration Committee of the Company has laid down parameters for performance evaluation in the policy, they include:

- Attendance

- Preparedness for the meeting
- Staying updated on developments
- Active participation in meetings
- Constructive contributions/positive attributes
- Engaging with and challenging management team without being confrontational or obstructive
- Protection of stakeholder interests
- Contribution to strategic planning
- Carrying out responsibilities as per the code of conduct

The Board also evaluated the performance of each of the Directors, the Chairman, the Board as whole and all committees of the Board. The process of evaluation is carried out in accordance with the Board Evaluation Policy of the Company and as per criteria suggested by SEBI.

29. Number of meetings of the Board

The Board of Directors held Seven (7) meetings during the year on 31.07.2020, 12.08.2020, 02.09.2020, 15.09.2020, 12.11.2020, 12.02.2021, 30.03.2021. The maximum time gap between any two meetings was less than 120 days except for Board Meeting dated 31.07.2020, which was held in accordance to SEBI Notification dated March 19, 2020 vide Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/38, June 26, 2020 vide Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/110 and Ministry of Corporate Affairs vide General Circular No. 11 /2020, dated March 24, 2020, whereby the gap between two board meetings was extended on account of Covid-19 Pandemic, as prescribed under Companies Act, 2103 and Secretarial Standard as notified by ICSI and approved by Central Govt. Video conferencing facilities are also used to facilitate Directors at other locations to participate in the Board Meetings.

The details of Board Meetings held and attendance of Directors are provided in the Report on Corporate Governance forming part of this report.

30. Separate meeting of Independent Directors

Details of the separate meeting of the Independent Directors held and attendance of Independent Directors therein are provided in the Report on Corporate Governance forming part of this report.

31. Committees of the Board

The Company has constituted/reconstituted various Board level committees in accordance with the requirements of Companies Act 2013. The Board has the following committees as under:

- I. Audit Committee
- II. Nomination and Remuneration Committee
- III. Stakeholders Relationship Committee

Details of all the above Committees along with composition and meetings held during the year under review are provided in the Report on Corporate Governance forming part of this report.

32. Whistleblower policy

The Company has established an effective whistle blower policy (vigil mechanism) and procedures for its Directors and employees; details of which are provided in the Report on Corporate Governance which forms part of this report. The policy on vigil mechanism may be accessed on the Company's website at: www.spacapital.com.

33. Remuneration policy

The remuneration policy of the Company aims to attract, retain and motivate qualified people at the executive and at the board levels. The remuneration policy seeks to employ people who not only fulfil the eligibility criteria but also have the attributes needed to fit into the corporate culture of the Company. The remuneration policy also seeks to provide well-balanced and performance related compensation packages, taking into account shareholder interests, industry standards and relevant regulations.

The remuneration policy ensures that the remuneration to the directors, key managerial personnel and the senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. The remuneration policy is consistent with the 'pay-for-performance' principle. The Company's policy on remuneration and appointment of Board members as mentioned in the Remuneration Policy has been disclosed at the company's website <http://www.spacapital.com/CapitalServices/> and annexed with the Directors' Report which forms part of the Annual Report as **Annexure V**.

34. Related party transactions

All related party transactions entered into by the Company during the financial year were at arm's length. During the year the Audit Committee had granted an omnibus approval for transactions which were repetitive in nature for one financial year and all such omnibus approvals were reviewed by the Audit Committee on a periodic basis. No material contracts or arrangements with related parties were entered into during the year under review. All related party transactions were placed in the meetings of Audit Committee and the Board of Directors for the necessary review and approval. Your Company's policy on related party transactions, as approved by the Board, can be accessed at: <http://www.spacapital.com/CapitalServices/>. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

35. Particulars of loans, guarantees and investments

As on March 31, 2021, the Company has an investment of Rs 48,911,421 and details in accordance with section 186 of the Companies Act 2013 are given in the notes to financial statements. As on March 31, 2021, the Company has granted loan of Rs 3, 32,806,970.

36. Particulars of employees and managerial remuneration

The information of employees and managerial remuneration, as required under Section 197(2) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and other details are annexed herewith and forms part of this report as **Annexure IV**.

37. Management discussion and analysis

As per Regulation 34(3) read with schedule V of the SEBI Listing Regulations 2015, as applicable, Management Discussion Analysis, is an integral part of this report and annexed herewith and forms part of this report as **Annexure VII**.

38. Corporate Governance Report

As per the provision of Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Compliance with Corporate Governance provisions as specified in the Regulations 17 to 27, clause (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V shall not apply to listed entities having paid-up equity share

capital not exceeding Rs. 10 Crores and net worth not exceeding Rs. 25 Crores as on the last date of previous financial year.

The Paid up Equity Share Capital and the Net Worth of the Company is Rs. 3,07,42,250/- and Rs.15,62,28,561 respectively, which are less than Rs. 10,00,00,000/- and Rs. 25,00,00,000/ respectively as per the Audited Financial Statements of the company for the Financial year 2020-2021 and during FY 20, the paid up equity share capital and net worth of the Company is also less than the requisite limit as specified in Regulation 15(2).

Hence, the Company being falling under the specified limits of above regulation, Compliance with Corporate Governance provisions as specified in the Regulations 17 to 27, clause (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V is not applicable to the Company.

However, your Company has made serious effort to comply with the provisions of the Corporate Governance in order to secure the interest of all the stakeholders of the Company. It has always been the Company's Endeavour to excel through better Corporate Governance and fair & transparent practices, many of which have already been in place even before they were mandated by the law of land.

The management of Company believes that it will further enhance the level of Corporate Governance in the Company.

39. Risk Management system

The Company has developed and implemented a risk management policy which is periodically reviewed by the management, the enterprise risk management policy of the Company, which has been duly approved by the Board, is reviewed by the Audit Committee and the Board on a periodic basis. The risk management process encompasses practices relating to identification, assessment, monitoring and mitigation of various risks to key business objectives. Besides exploiting the business opportunities, the risk management process seeks to minimise adverse impacts of risk to key business objectives.

40. Prevention of sexual harassment at workplace

Your Company is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. There is zero-tolerance towards sexual harassment and any act of sexual harassment invites serious disciplinary action.

The Company has established a policy against sexual harassment for its employees. The policy allows every employee to freely report any such act and prompt action will be taken thereon. The policy lays down severe punishment for any such act. Further, your Directors state that during the year under review, there were no cases of sexual harassment reported to the Company pursuant to the sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

41. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There are no significant and material orders passed by the regulators or courts or tribunals that may have an impact for the company as a going concern and/or company's operations.

42. Depository Systems

Company's shares are listed on BSE. As on March 31, 2021, 528,020 Equity Shares stand with the NSDL and 1,965,925 Equity Shares stand with the CDSL and 580,280 Equity Shares stands in physical form.

The Company has entered into agreements with both National securities Depository Limited (NSDL) and Central Depository services (India) Limited (CDSL) whereby shareholders holding Shares in physical mode are requested to avail of the dematerialization facility with either of the depositories.

Your Company has appointed M/s MAS Services Limited, a Category-I SEBI registered R&T Agent as its Registrar and Share Transfer Agent.

43. Listing Of Shares

The Company's shares are listed on the below mentioned Stock Exchanges:-

I. BSE Limited (BSE)

Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street,
Mumbai – 400001

44. Dividend Distribution Policy

The Company has formulated a dividend distribution policy which is enclosed as **Annexure VI** and the same is also displayed on the website of the company i.e. <http://www.spacapital.com/CapitalServices>.

45. Industrial Relations

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of Employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across organization.

The Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders.

46. General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:-

- a) Issue of the equity shares with differential rights as to dividend, voting or otherwise. Issue of shares (including sweat equity shares) to Directors or employees.
- b) Purchase of or subscription for shares in the Company by the employees of the Company.
- c) There is no subsidiary of the Company.

As there is no subsidiary or holding Company of your Company, so Managing Director/Whole Time Directors of the Company does not receive any remuneration or commission from any of such Companies.

47. Directors' Responsibility Statement

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility statement, the Directors confirm that:

- 1) In the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards have been followed and no material departures have been made there from. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit and loss of the Company for the year ended on that date.

- 2) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 3) The annual accounts were prepared on a going concern basis.
- 4) The Directors have laid down effective internal financial controls to consistently monitor the affairs of the company and that such internal financial controls were adequate and operating effectively.
- 5) The Directors have devised a proper system to ensure compliance with the provisions of all applicable laws and the same are adequate and operating effectively.

48. Disclosure with Respect to DMAT suspense account /unclaimed suspense account;

No DMAT suspense account /unclaimed suspense account reported by RTA, NSDL and CDSL to the company.

49. Disclosure of details of any application filed for corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the IBC before the NCLT;

No such instance has taken place during the period under review.

50. Business Responsibility Report (BRR)

Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, mandate the inclusion of the BRR as part of the Annual Report for top 1,000 listed entities based on market capitalization. In compliance with the Regulation 32(f) of the Listing Regulations, the Business Responsibility Report of the Company for the year ended March 31, 2021 is not applicable to the Company.

51. Maintenance of Cost Records

As per the provisions of the Section 148(1) of the Companies Act, 2013 the Company is not required to maintain cost Records. Accordingly such accounts and records are not made and maintained.

52. Acknowledgements

Your Directors would like to acknowledge and place on record their sincere appreciation of all stakeholders – shareholders, bankers, dealers, vendors and other business partners for the excellent support received from them during the year under review. Your Directors recognise and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

**By the Order of the Board of Directors
For SPA Capital Services Limited**

**Sd/-
Sandeep Parwal
(Chairman cum Managing Director)
DIN: 00025803**

**Sd/-
Honey Parwal
(Director)
DIN: 00025835**

**Date: - 06.09.2021
Place: - New Delhi**

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

To,

The Members,

SPA Capital Services Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SPA Capital Services Limited** (“**hereinafter called as the COMPANY**”). Having **CIN: L65910DL1984PLC018749**, The Company is a listed on BSE vide ISIN **SPACAPS | 542376 | INE726X01014**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained 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 financial year from **01st April, 2020 to 31st March, 2021**(“**Audit Period**”), 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 bring to the attention of the user that the audit of company records has been performed in the most competitive conditions during the increasing fear of COVID 19 3rd wave. Further to assess the recoverability of certain documents, the management has provided in soft copy and it has been considered as reliable source for recognition.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the following provisions and concluded to the compliances as follows:

- (i) The Companies Act, 2013 (the Act) and the rules made there under along with the provisions of the Companies Act, 1956 to the extent as applicable as amended;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under as amended;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under as amended;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - a. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended;
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015 and Rules there under as amended;
 - c. SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended; **(Not Applicable) (As the Company has not issue further capital during the financial year).**
 - d. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on 02nd September, 2015 as amended
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended **(Not Applicable) (As the Company has not given any options to its employees during the financial year).**

- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended; - **(Not Applicable) (As the Company has not listed any debt securities during the financial year).**
 - g. 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 as amended;
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended; **(Not Applicable) (As the Company has not applied for delisting of its equity shares from any stock exchange during the financial year).**
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable) (As the Company has not bought back any of its securities during the financial year).**
 - j. The Employees' Provident Funds And Miscellaneous Provisions Act, 1952 as amended
 - k. The Employees State Insurance Act, 1948 as amended
- (v) The Company being registered with the RBI as NBFC-ND, following specific laws applicable to the Company during the period under review:
- a) The Reserve Bank of India Act, 1934 and Guidelines, Directions and Instructions issued by Reserve Bank of India prescribed there under.
 - b) The SEBI (Mutual Fund) Regulations, 1996.
 - c) AMFI Guidelines (The Company being a Mutual Fund Distributor, is registered under Association of Mutual Funds in India (AMFI) and holds a valid Certificate of Registration obtained from AMFI.
 - d) Pension Fund Regulatory and Development Authority Act, 2013 and Pension Fund Regulatory and Development Authority (Point of Presence) Regulations, 2015;

The Company had issued a letter to Reserve Bank of India (RBI) pertaining to voluntarily surrender of Certificate of Registration “CoR” of NBFC- ND (Reg No. B-14.00790), which was issued under Section 45IA of Reserve Bank of India Act, 1934 and receipt of said letter has been duly acknowledged by RBI- New Delhi on 5 March 2021.

Other laws applicable to the Company has been comply by the Company as per information provided to me by the management of the company.

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

- a. The Listing Agreements entered into by the Company with BSE Limited.
- b. Secretarial Standards issued by the Institute of Company Secretaries of India.

During the Audit period under review, the company has complied with provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We have checked the compliance management system of the Company, to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We report that:

1. The board of Directors of the company is constituted with balance of Executive Directors, Non- Executive Directors, Independent directors and Women Director.
2. Following changes has been took place during the financial year.
 - *Mrs. Sugeeta Upadhyay has been appointed as, independent director of the Company with effect from July 27, 2020.*
 - *Mr. Sanjay Kumar Jain, Chief Financial Officer “CFO” of the Company, has resigned from the position of CFO of the Company with effect from 31st October, 2020.*

- *Ms. Kajal Gupta, Company Secretary and Compliance Officer of the Company, has resigned from the position of Company Secretary and Compliance Officer of the Company with effect from 31st October, 2020.*
 - *Ms. Sukhjit Kaur has been appointed as Company Secretary and Compliance Officer of the Company, with effect from 12 November, 2020.*
3. Adequate notice is given to all its directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

MCA Relaxation:

The company shall hold at least four Meetings of its Board in each Calendar Year with a maximum interval of one hundred and twenty days between any two consecutive Meetings. *The MCA has already relaxed the gap between two meetings, and the consequent relaxation applies to SS-1.*

4. Majority decisions were carried through, while the dissenting member's views, if any, were captured and recorded as part of the minutes.
5. As per the records, the company has generally filed forms, returns documents and resolution as were required to be filled with ROC and other authorities and all the formalities relating to the same is in compliance with the act.
6. *The Company had issued a letter to Reserve Bank of India (RBI) pertaining to voluntarily surrender of Certificate of Registration "CoR" of NBFC- ND (Reg No. B-14.00790), which was issued under Section 45IA of Reserve Bank of India Act, 1934 and receipt of said letter has been duly acknowledged by RBI- New Delhi on 5 March 2021.*

We further report that during the audit period, there were no instances of:

- (i) (Public/Rights/Preferential issue of debentures/sweat equity

- (ii) Redemption/Buy back of securities.
- (iii) Merger/Amalgamation/Reconstruction.
- (iv) Foreign technical collaborations.

Date: 06.09.2021

Place: Ghaziabad

UDIN: F009263C000906313

CS CHARU GUPTA

(Practicing Company Secretary)

M. No.: F9263

COP No.: 10446

Note: This Secretarial audit report of even date, for the FY 2020-2021 is to be read along with attached “annexure”.

ANNEXURE

The Members

SPA Capital Services Limited

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of the financial statements of the Company.
4. The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
5. 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.

Date: 06.09.2021

Place: Ghaziabad

UDIN: F009263C000906313

CS CHARU GUPTA

(Practicing Company Secretary)

M. No.: F9263

COP No. : 10446

ANNEXURE-II

STATEMENT OF PARTICULARS UNDER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

(A) Conservation of energy-

(i) Steps taken or impact on conservation of energy:

The Board considers the conservation of energy as one of the most vital point and has taken steps for formulation of policy for energy consumption. During the year under review, further efforts were made to ensure optimum utilization of electricity.

(ii) Steps taken by the Company for utilizing alternate sources of energy: Nil

(iii) Capital invested on energy conservation equipment's: Nil

(B) Technology absorption-

(i) Efforts made towards technology absorption: The Company is implementing the updated software's and other technology in the operations.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution: Nil

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Nil

(a) Details of technology imported - NA

(b) Year of import - NA

(c) Whether the technology been fully absorbed - NA

(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof - NA

(iv) Expenditure incurred on Research and Development – Nil

(C) Foreign Exchange Earnings and outgo

The Company is not indulged into export of goods. No activities relating to exports have been undertaken by the Company during the financial year 2020-2021.

(₹)

Particulars	2020-21	2019-20
Foreign Exchange Outgo		
Travelling	NIL	NIL
Consultancy	Nil	Nil
Others	Nil	Nil
Imports		
Raw Materials	Nil	Nil
Finished Goods	Nil	Nil
Capital Goods	Nil	Nil
Others		
Foreign Exchange Earnings		
Earnings in foreign exchange	Nil	Nil

Form No. MGT-9

Extract of Annual Return as on the Financial Year ended on 31.03.2021

[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	L65910DL1984PLC018749
ii.	Registration Date:	20.07.1984
iii.	Name of the Company	SPA Capital Services Limited
iv.	Category / Sub-Category of the Company	Public Company Limited by shares
v.	Address of the Registered office and contact details	25, C - Block, Community Centre Janak Puri, New Delhi - 110 058 Tel No.: +91 11 4567 5500 Fax No.: +91 11 2553 2644
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any –	MAS Services Ltd. T-34, IInd Floor, Okhla Industrial Area Phase-II, New Delhi 110020 Ph:- +91-11-2638 7281 82, 83 Fax: – +91-11-2638 7384 Email: - info@masserv.com Website: http://www.masserv.com/index.asp

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:-

(f)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(g)	Insurance Companies	0	0	0	0	0	0	0	0	0
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)	0	0	0	0	0	0	0	0	0
	Sub Total (B)(1)	0	0	0	0	0	0	0	0	0
[2]	Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0	0
	Sub Total (B)(2)	0	0	0	0	0	0	0	0	0
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	1223000	5242300	6465300	21.03	993750	5242300	6236050	20.28	(0.75)
(ii)	Individual shareholders holding nominal share capital in	1939450	560500	2499950	8.13	1939450	560500	2499950	8.13	0

	excess of Rs. 1 lakh									
(b)	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
(d)	Overseas Depositorie s(holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)	0	0	0	0	0	0	0	0	0
	Hindu Undivided Family	0	0	0	0	0	0	0	0	0
	Non Resident Indians (Non Repat)	0	0	0	0	0	0	0	0	0
	Non Resident Indians (Repat)	0	0	0	0	0	0	0	0	0
	Clearing Member	0	0	0	0	0	0	0	0	0
	Bodies Corporate	875000	0	87500 0	2.85	875000	0	87500 0	2.85	0
	Sub Total (B)(3)	403745 0	5802800	98402 50	32.01	380820 0	580280 0	96110 00	31.26	(0.75)
	Total Public Sharehold ing(B)=(B)(1)+(B)(2)+ (B)(3)	403745 0	5802800	98402 50	32.01	380820 0	580280 0	96110 00	31.26	(0.75)

	Total (A)+(B)	249394 50	5802800	30742 250	100	249394 50	580280 0	30742 250	100	0
(C)	Non Promoter - Non Public	0	0	0	0	0	0	0	0	0
[1]	Custodian/ DR Holder	0	0	0	0	0	0	0	0	0
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulation s, 2014)	0	0	0	0	0	0	0	0	0
	Total (A)+(B)+(C)	249394 50	5802800	30742 250	100	249394 50	580280 0	30742 250	100	0

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year – 2020 (01.04.2020)			Shareholding at the end of the year – 2021 (31.03.2021)			% change in Shareholding during the year
		No. of Shares Held	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	No. of Shares Held	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	

	Promoters							
1	Sandeep Parwal	252525	8.21	NA	275450	8.96	NA	0.75
2	Kamal Kishore Somani	210175	6.84	NA	210175	6.84	NA	0
	Promoter Group							
3	Dhrubtara Trading Private Limited	586250	19.07	NA	586250	19.07	NA	0
4	Defiant Enterprises Private Limited	568750	18.50	NA	568750	18.50	NA	0
5	Honey Parwal	175000	5.69	NA	175000	5.69	NA	0
6	Sandeep Parwal HUF	122500	3.98	NA	122500	3.98	NA	0
7	Vijay Shree Builders Private Limited	87500	2.85	NA	87500	2.85	NA	0
8	Kamal Kishore Somani HUF	35000	1.14	NA	35000	1.14	NA	0
9	Rameshwar Dass Parwal	26250	0.85	NA	26250	0.85	NA	0
10	Laxmi Devi Parwal	26250	0.85	NA	26250	0.85	NA	0
	Total	2090200	67.99	NA	2113125	68.73	NA	0.75

(i) **Change in Promoters' Shareholding**

Sr No.		Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year – 2021	
		No. of shares held	% of total shares of the company	Date of transaction	No. Of shares	No of shares held	% of total shares of the company
	Promoter						
1	Mr. Sandeep Parwal	2,52,525	8.21 %	25.12.2020	22,925	2,75,450	8.96 %
2	Mr. Kamal Kishore Somani	2,10,175	6.84 %	Nil	Nil	2,10,175	6.84 %
	Promoter Group						
3	Dhrubtara Trading Private Limited	5,86,250	19.07 %	Nil	Nil	5,86,250	19.07 %
4	Defiant Enterprises Private Limited	5,68,750	18.50 %	Nil	Nil	5,68,750	18.50 %
5	Honey Parwal	1,75,000	5.69 %	Nil	Nil	1,75,000	5.69 %
6	Sandeep Parwal HUF	12,25,00	3.98 %	Nil	Nil	12,25,00	3.98 %
7	Vijay Shree Builders Private Limited	87,500	2.85 %	Nil	Nil	87,500	2.85 %
8	Kamal Kishore Somani HUF	35,000	1.14 %	Nil	Nil	35,000	1.14 %
9	Rameshwar Dass Parwal	26,250	0.85 %	Nil	Nil	26,250	0.85 %
10	Laxmi Devi Parwal	26250	0.85 %	Nil	Nil	26250	0.85 %

(iv) Share holding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year – 2021	
		NO.O F SHAR ES HELD	% OF TOTAL SHARES OF THE COMPA NY	DATE OF TRANSACT ION	NO. OF SHAR ES	NO OF SHAR ES HELD	% OF TOTAL SHARES OF THE COMPAN Y
1	Zealous Financial Services Private Limited	87,500	2.85%	Nil	Nil	87,500	2.85%
2	Satish Kumar Maheshwari	64,750	2.11%	Nil	Nil	64,750	2.11%
3	Rama Nand Sharma	41,195	1.34 %	Nil	Nil	41,195	1.34 %
4	Anita Satish Maheshwari	36,750	1.20 %	Nil	Nil	36,750	1.20 %
5	Sunil Maheshwari	35,175	1.14 %	Nil	Nil	35,175	1.14 %
6	Sanju Sharma	31,500	1.02 %	Nil	Nil	31,500	1.02 %
7	Vijay Kumar Tehlan	17,675	0.57 %	Nil	Nil	17,675	0.41 %
8	Santosh Kabra	14,000	0.46 %	Nil	Nil	14,000	0.46 %
9	Anju Jain*						
	*Transfer of Shares to Mr. Sandeep Parwal on 25.12.2020	14,000	0.44 %	25.12.2020	14,000	Nil	Nil
10	Sanjay Joon	8,754	0.28 %	Nil	Nil	8,754	0.28 %
11	Ratan Lal Maheshwari*	7000	7000	23.10.2020	7000	14000	0.46 %
	*Shares bought by Mr. Ratan Lal Maheshwari as on 23.10.2020						

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholders Name	Shareholding at the beginning of the year		Change in Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	Date of Change and No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Directors							
1.	Sandeep Parwal*	2,52,525	8.21	25.12.2020	22,925	2,75,450	8.96 %
2.	Honey Parwal	1,75,000	5.69 %	Nil	Nil	1,75,000	5.69 %
3.	Kamal Kishore Somani*	2,10,175	6.84 %	Nil	Nil	Nil	Nil
4.	Ramesh Menon	Nil	Nil	Nil	Nil	Nil	Nil
5.	Sugeeta Upadhyay	Nil	Nil	Nil	Nil	Nil	Nil
Key Managerial Personnel							
6.	Kajal Gupta*	0	0	0	0	0	0
7.	Sukhjit Kaur	0	0	0	0	0	0
8.	Sanjay Kumar Jain*	8,925	0.29 %	Nil	Nil	Nil	Nil

* Transfer of Shares from Mr. Sanjay Kumar Jain (8,925) and Ms. Anju Jain (14,000) to Mr. Sandeep Parwal on 25.12.2020 i.e. total 22,925 shares are transferred.

*Mr. Kamal Kishore Somani resigned from the position of Directorship of the Company w.e.f. 02.09.2019

*Ms. Kajal Gupta resigned from the position of Company Secretary and Compliance Officer of the Company w.e.f. 31/10/2020

*Mr. Sanjay Kumar Jain resigned from the position of Chief Financial Officer of the Company w.e.f. 31/10/2020

*Ms. Sukhjit Kaur was appointed as a Company Secretary and Compliance Officer of the Company w.e.f. 12/11/2020

VI. INDEBTEDNESS

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

(₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,49,26,922	187,818,784	-	2,52,745,706
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6,49,26,922	187,818,784	-	2,52,745,706
Change in Indebtedness during the financial year				
- Addition				
- Reduction	3,444,368	18,499,998		21,944,366
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	61,482,554	169,318,786		230,801,340
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)				

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Whole-time Directors:

(₹)

Sl. No.	Particulars of Remuneration	Name of Managing Directors/ Whole-time Directors	Total
		Mr. Sandeep Parwal	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000	36,00,000
	(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 -Other, specify	-	-
5	Other, please specify	-	-
Total (A)		36,00,000	36,00,000
6.	Overall Ceiling as per the Act	The remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent. of the net profits of the company and if there is more than one	

	such director remuneration shall not exceed ten per cent. of the net profits to all such directors and manager taken together;
--	--

B. Remuneration to other directors:

(₹)

S. No	Particulars of Remuneration	Name of Directors				Total Amount
		Ramesh Menon	Sugeeta Upadhyay	-	-	
1.	Independent Directors <ul style="list-style-type: none"> • Sitting Fee for attending board • committee meetings • Commission • Others, 	-	-	-	-	-
	Total(1)					
2.	Other Non-Executive Directors <ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 	Honey Parwal	None			
		-	-			
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-				
	Overall Ceiling as per the Act		The remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed,— (A) one per cent. of the net profits of the company, if there is a managing or whole-time director or manager; (B) three per cent. of the net profits in any other case.			

C. Remuneration to Key Managerial Personnel Other than Managing Director and Whole-time Directors

(₹)

S. No	Particulars of Remuneration	Key Managerial Personnel			
		Ms. Sukhjith Kaur (CS)*	Ms. Kajal Gupta (CS)**	Sanjay Kumar Jain*** (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	1,98,562	3,21,623	6,00,000	1,120,185
2.	ESOP Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission -as % of profit , -Other, specify	-	-	-	-
5.	Other, please specify				
	Total (A)	1,98,562	3,21,623	6,00,000	1,120,185

* w.e.f 12th November 2020

**Resigned w.e.f 31st October 2020

*** Resigned w.e.f 31st October 2020

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF 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)
A. COMPANY					

Penalty	None
Punishment	
Compounding	
B. DIRECTORS	
Penalty	None
Punishment	
Compounding	
C. OTHER OFFICERS IN DEFAULT	
Penalty	None
Punishment	
Compounding	

ANNEXURE – IV**Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014****i. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2020-21**

Sl. No.	Name	Ratio of Median Remuneration
1	Mr. Sandeep Parwal (Chairman cum Managing Director& Promoter)	15.03
2	Smt. Honey Parwal (Non Executive Director & Promoter)	-
3	Mr. Ramesh Menon (Independent Director)	-
4.	Ms. Sugeeta Upadhyay (Independent Director)	-
5.	Mr. Sanjay Kumar Jain (Chief Financial Officer)*	2.50
6.	Ms. Kajal Gupta (Company Secretary & Compliance Officer)**	1.34
7.	Ms. Sukhjīt Kaur (Company Secretary & Compliance Officer)	0.83

* Kajal Gupta resigned from the position of Company Secretary and Compliance Officer on 31.10.2020.

** Sanjay Kumar Jain resigned from the position of Chief Financial officer on 31.10.2020.

ii. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in Financial Year 2020-21

Sl. No.	Name	Designation	% Increase in remuneration
1	Mr. Sandeep Parwal	Chairman & Managing Director	Nil
2	Mrs.Honey Parwal	Non- Executive Director	Nil
3.	Mr. Ramesh Menon	Independent Director	Nil
4.	Ms. Sugeeta Upadhyay	Independent Director	Nil

5.	Mr. Sanjay Kumar Jain	CFO	Nil
6.	Ms. Kajal Gupta	Company Secretary & Compliance Officer	Nil
7.	Ms. Sukhjit Kaur	Company Secretary & Compliance Officer	Nil

- iii. Percentage increase in the median remuneration of employees in the financial year:- Nil%
- iv. Number of permanent employees on the rolls of Company as on March 31, 2021 : **35**
- v. 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 and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average increase in salaries of employees other than managerial personnel in Financial Year 2020-21 was Nil.

Percentage increase in the KMP, other than Directors, managerial remuneration for the year was Nil.

vi. Affirmation that the remuneration is as per the remuneration policy of the Company

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavours to attract, retain, develop and motivate a high-performance staff. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

Details of Top Employees of the Company in terms of Remuneration Drawn for the Financial Year 2020-21

Sl. No.	Employee Name	Designation	Gross Remuneration paid	Nature of employment whether	Education Qualification	Experience (in	Date of joining	Previous Employment	% of equity shares held by	Whether any such employee is a relative of
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			(₹)	contractual or otherwise	ifications	years)			the employee within the meaning of clause (iii) of sub-rule (2)	any Director or Manager of the Company and if so, name of such Director or Manager
1	Sandeep Parwal	Managing Director	3600000	Permanent	B.com , CA & NISM V-A	34 Yrs	01/01/1996	-	-	-
2.	Satish Kumar Brudyaan	Vice President	2471273/-	Permanent	MCA	26 Yrs	01/06/2010	F&F Global Pvt Ltd.	-	-
3.	Kanika Parwal		1800000/-	Permanent	B.com (H)		01/07/2020	-	-	Daughter of Sh. Sandeep Parwal
4.	Kanav Parwal		1600000/-	Permanent	B.com , B.sc & IB Diploma	7 Yrs	01/08/2020	-	-	Son of Sh. Sandeep Parwal
5.	Amit Sharma	Sr. Vice President	1478003/-	Permanent	Diplo ma in Office Mana geme nt &NIS M V-A	22 Yrs	09/09/2019	LIC Mutual funds	-	

6.	Anil Dhoot	Sr. Manager	1145563/-	Permanent	B.com & Mutual Fund Advisor module	23 Yrs	01/05/2006	White Line Airways	-	-
7.	Anish Kumar	Sr. Manager	919788/-	Permanent	PGD BM	17 Yrs	21/07/2008	Ankh Software Solutions	-	-
8.	Ravneet Kaur	Sr. Manager-HR	859833/-	Permanent	PGD BM - HR	14 Yrs	01/08/2018	Unified Credit Solutions Pvt Ltd	-	-
9.	S. Elayaraja	Sr. Manager	839641/-	Permanent	B.com & NSE's Certification in Financial Markets(NC FM)	18 Yrs	22/10/2007	Almondz Global Securities Ltd.	-	-
10	Sanjay Goel	Manager	724412/-	Permanent	B.com	20 Yrs	01/08/2018	Floor & Furnishing India Pvt Ltd	-	-

ANNEXURE– V

REMUNERATION POLICY FOR THE MEMBERS OF BOARD AND EXECUTIVE MANAGEMENT

The Board has delegated to the Nomination and Remuneration Committee in consultation with the Chairman of the Board, the responsibility for identifying and recommending to the Board, candidates for the Board, after considering the necessary and desirable competencies for new.

Policy for Appointment and Re-Appointment of Director

The Board believes that its membership should comprise Directors with an appropriate mix of skills, experience and personal attributes that will best complement board effectiveness, cohesion and diversity and allow the Directors to individually, and as a Board collectively, to:

- (a) Discharge their responsibilities and duties under the law effectively and efficiently;
- (b) Assess the performance of management in meeting those objectives and goals.

Accordingly, in selecting potential new directors, the Nomination and Remuneration committee will seek to identify the competencies required to enable the Board to fulfill its responsibilities. In doing so, the Committee will have regard to the results of the annual appraisal of the Board's performance.

While recognizing that each director will not necessarily fulfill all criteria, the Nomination and Remuneration Committee have identified the following fundamental factors as relevant to the selection and appointment of new directors:

- (a) Outstanding in capability with extensive and senior commercial experience;
- (b) High level of personal integrity; and
- (c) Time available to meet the commitment required.

Remuneration payable to Managing Director/ Whole Time Director

The Managing Director/ Whole-Time Director are receiving remuneration from the Company as per the approval by the members of the Company in the General Meeting (GM) in accordance to the provision of the Companies Act, 2013 and rules made there under.

The annual increments and performance incentive of the Managing Director/Whole Time Directors are linked to their performance and are decided by the Nomination and Remuneration Committee from time to time.

Remuneration payable to Non-Executive Directors

The Non-Executive Directors will be paid with the sitting fee, if any, subject to the approval of Board of Directors/including any sub-committee thereof, upto the limit as specified under Companies Act, 2013 and also in Compliance with the Listing Agreement.

Evaluation

In addition to an annual self-evaluation by the Nomination and Remuneration Committee, the Board must review the effectiveness of the Committee annually.

Amendments

This policy can be modified or repealed at any time by the Board of Directors of the Company.

ANNEXTURE – VI

DIVIDEND DISTRIBUTION POLICY

1. Purpose & Background

This Policy will regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions contained in Companies Act, 2013 read with the applicable Rules, regulation 43A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as applicable from time to time. However, this document does not solicit investments in the Company's equity shares.

2. Dividend,

Dividend is the payment made by the company to its shareholders out of the profit made by the company in proportion to the equity capital they hold, dividend included Interim Dividends.

3. Parameters for declaration of Dividend

The Board of Directors of the Company shall consider the following parameters for declaration of dividend: - .

Financial parameters (internal factors)

- Consolidated net operating profit after tax;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund acquisitions and/or new businesses
- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Past Dividend Trends
- Net Worth of the company
- Accumulated Losses
- Deferred Tax
- Liabilities Including Contingent Liabilities

External Factor

- Prevailing legal requirements
- Regulatory conditions or restrictions laid down under the applicable laws including tax laws.
- Dividend pay-out ratio of companies in the same industry.

4. Circumstances under which the shareholders may or may not expect Dividend

- If the Company undertakes or proposes to undertake a significant expansion of business, project, acquisitions of business brand, company and/or joint ventures requiring higher allocation of capital;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it proposes to utilize surplus cash for buy-back of securities; or
- In the event of inadequacy of profits or whenever the Company has incurred losses.
- If the company intend to retain internal accrual for Business growth of company
- Previous Accumulated Losses
- Negative Net Worth

5. Utilization of retained earnings

The retained earnings except declaration of the dividend if any if recommended by the board, shall be utilised in the manner as considered appropriate by the Board and subject to the applicable laws.

6. Parameters adopted with regard to various classes of shares:

Since the company has issued only one class of equity shares with equal voting rights, all the members of the company are entitled to the same dividend per share.

7. Review

The board of the company is authorised to make alterations in the policy if required from time to time. In case of any amendment(s), clarification(s) circular etc. issued by relevant authorities not being consistent to the provisions laid down under this policy then such amendment, clarification, circular etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment, clarification, circular etc.

ANNEXURE –VII

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Covid-19 Pandemic

The Covid 19 pandemic is an unprecedented event which caused the extreme suffering across the world in terms of health, wealth and sustainability etc. When the Covid-19 pandemic struck and led to nationwide lockdowns, it was natural to fear that the global economy would stay in extreme stress of the kind not seen since the great depression and would have a long-lasting economic impact. To counter the crippling impact of the lockdowns on economies, the world's policymakers have resorted to fiscal and monetary measures never seen before in global economic history. It still remains to be seen if these relief measures sufficed, and whether actions taken by Governments across the globe adequately compensated for the disruptions created in the lives of people.

Fortunately, science prevailed. The announcement of successful development of vaccines seemed to lift spirits around the world. Unfortunately, the advent of winter saw several countries battle second waves of COVID-19 infections, including more virulent strains leading to partial lockdowns. The race between vaccines and variants is heating up as massive vaccination drives are underway. Much depends on blocking transmission and not just the disease. The only three most important preventives are masks, social distancing and vaccinations. However, to vaccinate even half of the world's population of 7.8 billion is going to take years.

The production, storage and distribution challenges require that Governments prioritise the vaccinations in a judicious manner so as to limit the human toll. Fortunately for India, which is home to some of the largest vaccine makers in the world, the supply constraints should be limited and temporary. Moreover, our experience in implementing large scale vaccination programmes should help in vaccinating our vulnerable population. Even so, with many states in India witnessing a seriously full-blown second surge of COVID-19, the vaccination challenge is enormous.

After an estimated historic correction of (3.3%) in 2020, the International Monetary Fund (IMF) has projected the global economy to grow 6% in calendar year 2021 and 4.4% in 2022 on the back of the fiscal and monetary support provided by Governments of the world over coupled with widespread vaccination. We know that India can ill afford another country-wide lockdown such as was imposed from March to June 2020. The impact on the economy and employment was severe in the first instance; and cannot be repeated yet again. The lockdown that continued throughout the first quarter of the FY2021 saw India's GDP for April-June 2020 contracting by a massive 24.4%. Even the second quarter was terrible, with GDP shrinking by 7.3% in July-September 2020. Thereafter, we have seen a rebound — thanks to the resilience of our citizens, our entrepreneurs and of our economy.

The third quarter (October-December 2020) saw a small positive growth of 0.4% compared to the same period in the previous year. The second advance estimates of national income for FY2021 released by the Central Statistics Office (CSO) on 26 February 2021 anticipates the total contraction for FY2021 to be 8% implying a significant 'V' shaped bounce-back in the second half of the year. The most recent IMF forecast has also raised India's GDP growth estimate for FY2022 from 11.5% to 12.5%. If that were to occur, it will be the most significant growth turnaround among all the major nations of the world, including China. The only grey cloud at present is the huge surge in infections that started with the second wave beginning in early March 2021. Hopefully, a serious increase in the pace of vaccinations across the country will bring this surge down; and if we keep all enterprises and workers open for business, it should not affect the economy in any significant manner.

- **Industry Structure And Developments**

The Average Assets under Management (AAUMs) of the Mutual Fund (MF) industry in FY21 touched a historic high of ₹32.17 lakh crore as on March 31, rising 30% over the previous year's ₹24.70 lakh crore. (As per annual data released by the Association of Mutual Funds in India (AMFI)).

After eight months of consecutive outflows, equity mutual funds witnessed a net inflow of ₹9,115 crore in March amid a correction in the stock market.

Barring multi-cap and value fund categories, all the equity schemes saw inflow last month. However, investors pulled out ₹52,528 crore from debt mutual funds last month, after investing ₹1,735 crore in February, owing to advance tax payments and other year-end commitments. Mutual Funds continue to be the preferred investment vehicle to build long-term, goal-based wealth creation, as is reflected from the number of unique investors across Mutual Fund schemes increasing in the last one year, by 10% to 2.28 crore as on March 31, 2021.

Another highlight during the pandemic-hit 2020-21 has been the rising acceptance for mutual funds from tier 2 and tier 3 locations, with Mutual Fund AUM from beyond the Top 30 cities rising 54% to ₹5,35,373 crore as on March 31.

1. Opportunities and Threats

(a) Opportunities

India's mutual fund (MF) industry is currently experiencing a state of flux; while ample opportunities are knocking at the door, it's equally concerned with the numerous challenges. However, as Albert Einstein states, 'in the middle of difficulty lies opportunity', the dictum is equally applicable to India's mutual fund industry.

❖ **Low mutual fund penetration**

The above image indicates that despite the mutual fund industry registering a growth by over 20 per cent, it has only 2 crore investors. The numbers indicate the huge opportunity lying ahead. Industry leaders should focus on the B30 category cities (Tier 2 and 3), where nearly 90 per cent of India's population resides and accounts for nearly 16 per cent. It's time that smaller cities are brought under the wings of the industry.

❖ **Rising middle class incomes**

Middle class population in India has increased manifold. While 2005, one in 15 households were considered upper middle class, by 2018 it moved to one in five households. Today, India has 6.1 crore upper middle class households with disposable income. However, only 2 crore choose to invest in mutual funds. How to tap in the remaining four crore? Probably, a new kind of marketing strategy can be the answer.

❖ **Move to market-linked products**

The chart below shows that there is movement from physical (gold, real estate) to financial assets. There is also a shift from traditional products to market-linked ones. Today, people realise that with rising expenses and declining interest rates, some level of market risk is a must, and this is best taken via products like mutual funds.

❖ **Millennials and retirees, two ends of the age spectrum**

Millennials form a third of our population. According to a Deloitte report they contribute 70 per cent of total household income and account for 46 per cent of the workforce. There is no doubt that this segment provides a significant growth opportunity.

However, with the proportion of senior citizens increasing, India will have INR 3.5 crore such individuals by 2030. With increasing life expectancy, lack of social security, rising medical expenses, senior citizens need solutions that not only beat inflation, but also support their golden years. The opportunity lies in offering accumulation solutions to millennials and decumulation solutions to seniors, both of which mutual funds are well suited to do.

❖ **Fixed income products**

Mutual funds have played a key role in developing India's debt market and have emerged as a key source of funding. However, despite the variety of fixed income products, investors have shown preference for equity funds vis-à-vis debt funds.

(b) Threats

❖ **Shifting from awareness to education**

The industry spends two basis points or about Rs.500 crore per annum on investors' education. 50 per cent of which was via AMFI's pretty successful Mutual Funds Sahi Hai campaign. However, need of the hour is to transform mutual funds from a push to a pull product. For example, adding financial investment (mutual funds) in high-school or college curriculum. Such efforts will help in instilling the habit of early savings.

❖ **Need for more distributors**

There is a need for far more distributors and advisors to spread the message of investing in mutual funds far and wide. Indians are usually risk averse and lacks sound financial literacy, thus refrain from investing in market-linked products owing to a lack of understanding.

To address this, we need an army of well-trained financial advisors who can help educate investors about modern investment tools such as mutual funds.

❖ **Mutual Funds will have a tough job to maintain the growth in SIP accounts**

Many new investors that have participated in the markets through mutual fund SIPs over the last few years haven't seen any extended bearish phase of the market. If the markets fail to generate attractive returns even in 2021, some investors might consider discontinuing their SIPs. That's the real challenge mutual fund houses may have to deal with this year.

❖ **Simplified operational processes**

While the mutual fund industry has made significant strides in standardising processes, but few challenges still remain: such as a simplified KYC to make on boarding hassle-free; making Aadhar inter-changeable with PAN; and allowing investments on the basis of 'Bank KYC'.

2. Segment-wise or product-wise performance of the Company

The business activities of the Company is engaged in one segment (i.e. Financial Services) only, hence segment wise reporting is not required to be given.

3. Outlook

The AUM of the mutual fund industry in India has grown at a CAGR of 15.5% over the past five years, with the equity AUM growing at a CAGR of 17.3%. Rising awareness about benefits of investing in equity markets, growing popularity of ways of investing, such as SIP, are some of the factors contributing to the increased participation of domestic individual investors in the Indian mutual fund industry. The number of individual folios has increased from 8.97 crores to 9.78 crores in this period. On the other hand, fixed income products including liquid funds have seen increased popularity amongst corporate, as well as retail and high net-worth investors.

The net SIP inflow into mutual funds stood at a record Rs 9,182 crore . This is the highest ever SIP flows into MFs in any single month. This massive boost in March does two things. Firstly, it takes the total SIP flows for FY21, fairly close to the coveted Rs1 trillion mark achieved in FY20. Secondly, due to the sharp spike in SIP inflows in Mar-21, the average monthly SIP flows for FY21 crossed the psychological Rs 8,000 crore mark. SIPs offer the benefit of regular investing coupled with benefits of rupee cost averaging and are typically sticky long term inflows and lend visibility and predictability of AUM growth.

In this period, Indian equity markets achieved a healthy balance between the domestic institutional investors (largely Mutual Funds) and Foreign Portfolio Investors (FPIs), thereby significantly reducing the skew towards reliance on FPI inflows, lending more stability to the Indian markets.

We believe we are well-poised to capitalise on the healthy prospects of the industry and further solidify our position in the market. Our strong brand equity, disciplined investment philosophy and robust process, customer-centric approach and expansive reach should facilitate our future growth.

4. Risks and Concerns

Risk Management is the continuous process of systematically identifying, quantifying, prioritizing and responding to all risks and opportunities that can affect the achievement of

the Company's strategic and annual objectives. Accordingly the risk Management Policy of the company elaborates the various methods in identification, assessment, monitoring and mitigation of various risks that the company may face in its business. The company's objective is to achieve a balance between acceptable levels of risk and reward in effectively managing its operational, financial, business and other risks.

5. Internal control systems and their adequacy

An effective internal control mechanism is imperative to good corporate governance. The Company has put in place robust internal control systems and procedures in line with the scale of operations and business to ensure timely and accurate recording of financial transactions and adherence to applicable accounting standards; optimum utilisation and safety of assets; compliance with applicable laws & regulations; and an effective management information system & reviews of other systems. The Company also has in place well-defined organisational structures to facilitate clearly established roles and responsibilities for effective discharge of duties in a smooth manner.

6. Discussion on financial performance with respect to operational performance

Our revenues primarily consist of revenue from sale of securities, brokerage income from distribution of Mutual Fund and other financial products, income from interest and dividend. The Company had issued a letter to Reserve Bank of India (RBI) pertaining to voluntarily surrender of Certificate of Registration "CoR" of NBFC- ND (Reg No. B-14.00790).

The Company has obtained registration as Point of Presence - Sub entity (POP- SE) from Pension Fund Regulatory and Development Authority (PFRDA) for providing various facilities to the Subscribers under the National Pension Scheme (NPS) and rendering other services as specified under the Pension Fund Regulatory and Development Authority Act, 2013.

During the year, the brokerage Income has decreased from Rs. 320,767,264/- in the Financial Year 2019-20 to Rs. 248,050,899 in the financial year 2020-21.

It is submitted further that company has recorded losses of Rs. 7,099,385/- as compared to the profit before tax of Rs. 68,94,267/- in the financial year 2019-20.

7. Material developments in Human Resources / Industrial Relations front, including number of people employed

Employees are our vital and most valuable assets. We have created a favourable work environment that encourages innovation and meritocracy. It is important for us that organization culture and organization strategy are well aligned. Over a period we have developed a strong culture of transparency through constant employee communication and have developed strong performance management practices wherein best class rewards and recognition systems are deployed. We have also set up a scalable recruitment and human resources management process which enables us to attract and retain high calibre employees.

8. Cautionary Statement

The statements describing the Company's outlook, estimates or predictions may be forward-looking statements based on certain assumptions of future events. Actual results may differ materially from those expressed or implied, since the Company's operations are influenced by external or internal factors. Your Company closely monitors all major developments likely to affect the operations and will respond to meet the potential threats and to gain from any possible opportunities.

**By the Order of the Board of Directors
For SPA Capital Services Limited**

**Sd/-
Sandeep Parwal
(Chairman cum Managing Director)
DIN: 00025803**

**Sd/-
Honey Parwal
(Director)
DIN No. [00025835](#)**

**Date: - 06.09.2021
Place: - New Delhi**

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Good governance practices stem from the culture and mindset of the organisation and at SPA Capital Services Limited "SPA", we are committed to meet the aspirations of all our stakeholders. Our customers have benefitted from products/services having value which is available at the most competitive prices.

The Company lays a strong emphasis on ethical corporate citizenship and the establishment of good corporate culture. The corporate governance process and systems has gradually strengthened over the years. The Company endeavours not only to meet the statutory requirements in this regard if any but also to go well beyond them by instituting such systems and procedures as are in accordance with the latest global trends of making management completely transparent and institutionally sound.

The Company at the same time ensures full compliance with regulatory disclosure requirements as applicable. The Company further believes that the concept of corporate governance is founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company has always given its best efforts to uphold and nurture these core values across all operational aspects.

BOARD OF DIRECTORS

a. Introduction

The Board of Directors is the apex body that governs the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness besides ensuring that the long-term interests of stakeholders are being served. The Board plays a pivotal role in ensuring good governance. The Board's role, functions, responsibility and accountability are clearly defined in this regard.

The Board meeting is conducted at least once in every quarter except for Board Meeting dated 31.07.2020, which was held in accordance to SEBI Notification dated March 19, 2020 vide Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/38 and June 26, 2020 vide Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/110, whereby the gap between two board meeting was extended on account of Covid-19 Pandemic, to discuss the performance of the Company and its Quarterly Financial Results, along with other corporate matters. The Board also meets to consider other business (es), whenever required, from time to time. Agenda of the business

(es) to be transacted at the Board Meeting along with explanatory notes thereto are drafted and circulated well in advance to the Board of Directors of the Company. The Company always ensures that Board members are presented with all the relevant information on vital matters affecting the working of the Company. Every Board Member is free to suggest the inclusion of any item on the agenda and hold due discussions thereto. The Chairman cum Managing Director/ Whole-time Directors are assisted by the CFO/senior managerial personnel in overseeing the functional matters of the Company.

The Board reviews its strength and composition from time to time to ensure that it remains aligned with statutory as well as business requirements. The Board Meetings are usually held at the registered office of the Company situated at 25, C – Block, Community Centre, Janakpuri, New Delhi – 110 058.

b. Composition of the Board

The Company's policy is to maintain an optimal combination of Executive and Non-Executive Directors. As on March 31, 2021, the Board comprised of 4 (Four) Directors, 1 (One) of them being Executive, 1 (One) being Non-Executive and 2 (Two) being Non-Executive Independent Director. The Company has two woman Directors on its Board. The Detailed profile of all the directors is available on the company's website [http://www.spacapital.com/Capital Services/](http://www.spacapital.com/Capital%20Services/). The Company has complied with the provisions of Section 149 of the Companies Act, 2013 with respect to the Composition of the Board.

The Composition of the Board and category of Directors are as under:

Name and Category of Directors					
Promoter /Promoter Group Director (Executive Director)		Promoter/Promoter Group Director (Non-Executive Director)		Independent Directors (Non-Executive)	
	Sandeep Parwal		Honey Parwal		Sugeeta Upadhyay
	-		-		Ramesh Menon

At the time of appointment, every Independent Director signs a declaration to confirm that he/she fulfils all the conditions for being an Independent Director as laid down under the law. The Independent Directors comply with the definition of Independent Directors as given under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (to the extent as applicable). While appointing/reappointing any independent Directors/Non-Executive Directors on the Board, Nomination and Remuneration Committee (NR Committee) consider the criteria as laid down in the Companies Act, 2013 and Regulation 16(1) (b) of SEBI Listing Regulations, 2015 (to the extent as applicable). All the Independent Directors give a certificate confirming that they meet the independence criteria as mentioned in Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations, 2015(to the extent as applicable).

c. Agenda papers distributed in advance

Agenda of the Meeting of Board of Directors/committees are circulated among the Directors/invitees; well in advance, in a structured format except unpublished price sensitive information. All material information is incorporated in the agenda papers to facilitate meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda and approval for the same is taken from the Board/committees as applicable. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

d. Directors' responsibilities

- i. The principal responsibility of the Board is to oversee the management of the Company and in doing so serve the best interest of the Company and its stakeholders. These include:
 - Reviewing and approving operating, financial and other corporate plans, strategies and objectives.
 - Evaluating whether the corporate resources are used for the appropriate business purposes.
 - Establishing a corporate environment that promotes timely and effective disclosures (including robust and appropriate control procedures and incentives), fiscal responsibility, high ethical standards and compliance with all applicable laws and regulations.
 - Evaluating the performance of the Company.
 - Attending the meetings of the Board, committees and shareholders.
- ii. Exercise best business judgments: In discharging their fiduciary duties with care and loyalty, the Directors exercise their judgment to act in what they reasonably believe to be in the best interest of the Company and its stakeholders.
- iii. Understand the Company and its business: The Directors have an obligation to remain informed about the Company and its business, including principal operational and financial objectives, strategies and plans.
- iv. To establish effective systems: The Directors ensure that the effective systems are in place for periodic and timely reporting to the Board on matters concerning the Company.

e. The role of Company Secretary in the overall governance process

The Company Secretary plays a vital role in ensuring that Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and the senior management for effective decision making at the meeting.

f. Compliance

The Board of Directors of the Company and Company Secretary is required to ensure adherence to all the applicable laws and regulations primarily the Companies Act, 2013 read with the rules thereunder and SEBI Listing Regulations, 2015. Company Secretary, besides preparing the agenda, the notes on the agenda and minutes of the meeting, among others, establishes and regularly monitors the compliance mechanism in place to carry out effective and timely compliance of relevant laws, rules and regulations.

A composite report of statutory compliances of all applicable laws, rules and regulations among others along with the Certificates of Compliance duly signed by the respective heads of Department are placed before the Board on an appropriate periodic basis. The Company has a dedicated team to monitor the compliance system and in turn is responsible for checking and reviewing the reports and preparing the Composite Compliance report. Based on the reports and certificates, a certificate of statutory compliances duly signed by the Managing Director and the CFO is also placed before the Board during the year under review.

The Audit Committee and the Board of Directors review the compliance reports of the laws applicable to the Company as well as instances of non-compliances, if any, together with their possible impacts on the business, if any. A strict internal audit system is also in place to monitor and certify the compliance system.

The Company has complied with all the mandatory requirements of SEBI Listing Regulations, 2015(to the extent as applicable) except the provision which are exempted in accordance with provision of Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

g. Risk management

The Company has a comprehensive Enterprise Risk Management System at work. The risk management system is periodically reviewed by the Audit Committee and the Board of Directors of the Company.

h. Number of Board meetings and the Directors present therein

The Board of Directors held 7 (Seven) meetings during the year.

Details of board meetings held during the financial year and the number of Directors present			
Sl. No.	Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
1.	31.07.2020	4	3
2.	12.08.2020	4	3
3.	02.09.2020	4	3

4.	15.09.2020	4	4
5.	12.11.2020	4	4
6.	12.02.2021	4	4
7.	30.03.2021	4	4

The maximum time gap between any two meetings was less than 120 days except for Board Meeting dated 31.07.2020, which was held in accordance to SEBI Notification dated March 19, 2020 vide Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/38 and June 26, 2020 vide Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/110, whereby the gap between two board meetings was extended on account of Covid-19 Pandemic, as prescribed under Companies Act, 2013 and Secretarial Standard as notified by ICSI and approved by Central Govt. Video conferencing facilities are also used to facilitate Directors at other locations to participate in the Board Meetings.

i. Attendance of Directors at Board meetings, last Annual General Meeting, relationship with other Directors and number of Directorships held, Chairmanship or memberships of committees of each Director in various companies as at March 31, 2021.

Details of Board Meetings held during the financial year and the number of Directors present:

Sl. No.	Name of Director & DIN	Position	Relationship with other Directors	Date of Joining	Number of Board Meetings attended	Number of Directorships as on March 31 2021 in other company*	Number of Committee positions held**	Attendance at the last AGM
1.	Sandeep Parwal	Managing Director (Promoter Executive)	Spouse of Honey Parwal	15.11.2003	7	8	1	No
2.	Honey Parwal	Director (Promoter Non-Executive)	Spouse of Sandeep Parwal	25.09.2017	7	7	1	Yes
3.	Ramesh Menon*	Independent Director (Non-	N.A.	20.01.2018	7	2	2	Yes

		Executive)						
4.	Sugeeta Upadhyay	Independent Director (Non-Executive)	N.A.	27.07.2020	4	Nil	2	No

**Mr. Ramesh Menon, Independent Director (Non-Executive), DIN 02182698 has resigned from the directorship of the Company with effect from 10.06.2021 due to personal reason as independent director. Other directorships do not include alternate directorships, Section 25, / 8 companies and companies incorporated outside India.*

j. Information placed before the Board of Directors

The Company has placed requisite information before the Board of Directors.

The following items are generally tabled for information and review of the Board:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Company's annual financial results, financial statements, Auditors' Report and Report;
- Formation/reconstitution, terms of references and minutes of Board Committees including Audit Committee
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices which are materially important;
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which may have been passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications for the Company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions. Any significant development on human resources/industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, among others;
- Sale of material nature of investment and assets, which is not in the normal course of business;

- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as delay in share transfer, among others;
- Appointment, remuneration and resignation of Director(s) and key managerial personnel;
- General notices of interest to the Directors including declaration of Independent Directors at the time of appointment/annually;
- Appointment of internal auditors, and secretarial auditors;
- Secretarial audit report submitted by secretarial auditor;
- Certificate of statutory compliance certifying compliance with all laws as applicable to the Company;
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulation, 1996;
- Dividend declaration;
- Grant of loans and making investments of surplus funds;
- Transactions with related parties;
- Review of the risk management policy;
- Any other important or critical matter

The Board is presented with all the information under the above heads whenever applicable and materially significant. These are submitted either as a part of the agenda papers well in advance of the Board meetings, or are tabled in the course of the Board meetings or meetings of the relevant committees. Functional heads are also called upon to provide additional inputs to the items being discussed by the Board/committee as and when required.

k. Presentation by the management

Before putting on record the quarterly/annual financial results of the Company, a presentation is made before the Board on operations of the Company including performance of our services, private labels/brand, initiatives taken for sales/business promotion and all other matters having impact on the business of the Company.

l. Succession plan

The Board of Directors has satisfied itself that plans are in place for orderly succession for outgoing members of the Board of Directors and Senior Management Personnel.

m. Training of Board members and familiarization programme for Independent Directors

At SPA, all the members of the Board of Directors are well- experienced professionals who are well acquainted with nature of industry, business model and other aspects of the Company.

At each of the Board Meeting, Board members are provided presentations containing details about the Company, Financial Services Business and business model among others.

The Company arranges discussions / meetings on risks associated with the Company's business wherein experts are invited and mitigation plans are discussed with the Executive

Directors, such discussion form of trainings enables them for better decision-making in discharging their responsibilities.

The Executive Directors were imparted training on the Companies Act, 2013, the SEBI Listing Regulations 2015, Direct & Indirect Taxation, among others. During the year the Company has arranged a training session on the Companies Act, 2013 and amendments thereto and Recommendation of Kotak/respective Committee on Corporate Governance Committee and note on both the topics were circulated to the Board Members.

The relevant statutory changes/updates are discussed with the directors from time to time so that it helps them to make better and informed decisions.

All new Independent Directors inducted on the Board are given in a formal orientation.

The Company has initiated a familiarization programme for the Independent Directors.

Independent Directors are regularly informed and updated on the business activities of the Company by providing them with the details of businesses of the Company as well as details of competitors, changes in relevant laws, their duties/responsibilities and liabilities as a Director. Such information enables the Independent Directors to be familiarized with the Company's operations and the industry at large. The Company had also organized other office visits for the Independent Directors as a part of the familiarization programme.

Web link for familiarisation programmes imparted to independent directors: - <http://www.spacapital.com/CapitalServices/>

n. Whistleblower/ Vigil mechanism

The Company has a strong and effective whistleblower policy which aims to deter and detect actual or suspected, misconduct. It has been established to ensure that genuine concerns of misconduct/unlawful conduct, which an individual believes may be taking place within the organization, are raised at an early stage in a responsible and confidential manner. This mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism. Any employee may report such incident without fear to the Chairman of the audit committee or alternatively may report to Head-Internal Audit. The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's intranet as well as on the Company's website <http://www.spacapital.com/CapitalServices/>.

The Audit Committee is empowered to monitor the functioning of the mechanism. It reviews the status of complaints received under this policy. The Committee has, in its report, affirmed that no personnel have been denied access to the Audit Committee.

o. Criteria for selection of Directors

The selection process of Board members is dependent on several parameters. The Company recognizes and embraces the benefits of having a diverse Board and believes that it will enhance the quality of the decisions of the Board by utilizing their varied skills, qualifications, professional experience, gender, knowledge, among others, of the members of

the Board, which is necessary for achieving sustainable and balanced growth of the Company.

The Nomination and Remuneration Committee, in consultation with the Chairman of the Board, suggests appointment of suitable professionals who may be inducted into the Board. Upon fulfilment of the parameters, the Directors are appointed.

p. Terms and conditions for appointment of Independent Directors

The terms and conditions of appointment of the Independent Directors are subject to the provisions of the applicable laws, including the Companies Act, 2013, SEBI Listing Regulations 2015(to the extent as applicable) along with the Articles of Association of the Company. Each Independent Director is issued a letter specifying the details of appointment at the time of joining. Every Independent Director signs a declaration to confirm that he/she fulfils all the conditions for being an Independent Director as laid down under the law.

q. Board diversity policy

The Company recognizes and embraces the benefits of having a diverse Board of Directors. The Company believes that increasing diversity at the Board level is an essential element in maintaining a competitive advantage in the complex business that it operates. It recognizes that a Board comprising of appropriately qualified people, with a broad range of experience relevant to the business of the Company, is important to achieve effective corporate governance and sustained commercial success.

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors, and Women Directors. The composition of the Board is in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, SEBI Listing Regulations, 2015 (to the extent as applicable) and all other Statutory, Regulatory and Contractual obligations of the Company.

r. Board evaluation policy

The primary objective of the policy is to provide a framework and set standards for the evaluation of the Board as a whole and each Director individually. The Company aims to achieve a balance of merit, experience and skills on the Board. The policy is to assess and enhance the effectiveness of the Board as a whole. Individual members are assessed on their effective contribution and commitment to their role and responsibilities as Directors. The Board evaluation process is carried out by the Nomination and Remuneration Committee.

s. Post -meeting follow-up mechanism

The important decisions taken at the Board/Board-level Committee meetings are promptly communicated to the concerned departments/divisions. A report on the action taken on the decisions/suggestions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/committee for noting the same.

Code of conduct

The Company has its code of conduct for all the members of the Board including Independent Directors, Committees and employees working at the level of Heads of Departments. In compliance with SEBI Listing Regulations, 2015 (to the extent as applicable) and Companies Act, 2013 the code of conduct suitably lays down the duties of the Independent Director. The said code is displayed on the Company's website, <http://www.spacapital.com/CapitalServices>. All the Board Members and Employees have affirmed compliance with the said code for the year ended March 31 2021.

Committees of the Board

With an objective to have a more focused attention on various facets of business, better accountability and ensuring compliances, the Board has constituted under mentioned committees which complies with the requirements of the Companies Act, 2013 as well as SEBI Listing Regulations, 2015 (to the extent as applicable).

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee

Each of these committees has been mandated to operate within a given framework. The details of composition of the above mentioned committees is available on the company's website <http://www.spacapital.com/CapitalServices/>

1. Audit Committee

The Audit Committee acts as the link between the statutory auditors, the internal auditors and the Board of Directors of the Company.

The terms of reference of the Audit Committee are as per Section 177 of the Companies Act, 2013.

The Company has a well-defined and structured internal audit control system to ensure reliability of operational and financial information, statutory/regulatory compliances and safeguard of the assets of the Company.

The internal audit department governs its audit through modules/checklists to carry out process wise audit and to ensure effective discharges of their duties. The Audit process being used by Internal Audit Department is also reviewed from time to time with a view to bring it in line with the regulatory framework.

The representatives of statutory auditors are permanent invitees to the audit committee meeting. The Chairman Cum Managing Director is the member of the audit committee and CFO attends the Audit Committee as special invitees.

As on March 31, 2021 the Audit Committee comprises 3(Three) Directors out of whom 2(Two) are Independent Directors.

The Audit Committee held 6 (Six) meetings during the year on 31.07.2020, 12.08.2020, 15.09.2020, 12.11.2020, 12.02.2021, 30.03.2021.

Mr. Ramesh Menon, Chairman of the Committee was duly present in Annual General Meeting held on September 30, 2020.

The gap between any two meetings did not exceed 120 days (except as aforesaid) complying with the Companies Act, 2013 and provisions of SEBI Listing Regulations, 2015 (to the extent as applicable). The functions of the committee include:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of statutory auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related-party transactions;
 - Qualifications in the draft audit report; if any.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, among others), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence, performance and effectiveness of the audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud, irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors;
- Reviewing the functioning of the vigil mechanism and whistleblower mechanism;
- Approval of appointment of CFO (i.e., Chief Financial Officer or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background among others of the candidate;
- Carrying out any other function mentioned in the terms of reference of the Audit Committee;
- Reviewing the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - Appointment, removal and terms of remuneration of the chief internal auditor.

Composition of the Committee and attendance of the Members at the meetings held during the year:

Name of the Member	Designation in the Committee	Directorship	Particular of Attendance	
			No. of meetings held during the Members' Tenure	No. of meetings attended by the Member
Mr. Sandeep Parwal	Member	Managing Director (Executive)	6	6
Mr. Ramesh Menon	Chairman Member	Independent Director (Non-Executive)	6	6
Ms. Sugeeta Upadhyay	Member	Independent Director (Non-Executive)	6	4

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee recommends the nomination of Directors, and carries out evaluation of performance of individual Directors.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration and for performance evaluation of Independent Directors. During financial year 2020-21, the Nomination and Remuneration Committee met 2 (two) times.

The Committee comprises 2 (two) Independent Directors and 1 (one) Non-Executive Director, Ms. Sukhjit Kaur, Company Secretary and Compliance officer, as its Secretary as on March 31st 2021.

The Committee held 3(Three) meetings during the year on 02.09.2020, 12.11.2020, 30.03.2021.

Mr. Ramesh Menon, Chairman of the Committee was duly present at the Annual General Meeting held on September 30, 2020.

The functions of the Committee include:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to remuneration of the Directors, key managerial personnel and other employees.
- To formulate criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become a Director and who may be appointed in senior management.
- To evaluate, review and recommend to the Board, the remuneration of the Executive Directors, striking a balance between the performance and achievement.
- Whether to extend or continue the terms of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors.

Composition of the Committee and attendance of the Members at the meetings held during the year:

Name of the Member	Designation in the Committee	Directorship	Particular of Attendance	
			No. of meetings held during the Members' Tenure	No. of meetings attended by the Member
Mrs. Honey Parwal	Member	Director (Non-Executive)	3	3
Ms. Sugeeta Upadhyay	Member	Independent Director (Non-Executive)	3	2
Mr. Ramesh Menon	Chairman Member	Independent Director (Non-Executive)	3	3

REMUNERATION POLICY

Executive Directors

The Nomination and Remuneration Committee takes into account experience, qualification and prevailing industry practices before giving its recommendations to the Board. The Board, based on the recommendations, decides the quantum of remuneration to be paid to Executive Directors, subject to approval by the shareholders in terms of the provisions of the Companies Act, 2013, read with Schedule V thereof. The Committee aims to reward stellar performances on a periodical basis.

The Company has entered into agreement with each of the Executive Directors which may be terminated by either party by giving to the other party one months' notice of such termination.

Non-Executive Directors

The Non – Executive/ Independent Director of the Board may be entitled for sitting fees for attending the meeting of the Board or Committees thereof. The sitting fees paid to the Directors are within the limits prescribed under the Companies Act, 2013. An Independent Director shall not be eligible to get any stock options and also shall not be eligible to participate in any shares based payment schemes of the Company. The Non – Executive Independent Director do not have any material pecuniary relationship or transactions with the Company. Tenure of Independent Directors is for 5 (Five) years from the date of appointment

and can be terminated by either party by giving one month advance notice in writing. There is no separate provision for payment of severance fees. The details of criteria of making payments to non-executive directors is available on the company's website <http://www.spacapital.com/CapitalServices/>

The aggregate sitting fees paid to Non-Executive Directors for the FY 2020-21 is amounted to Rs. Nil (excluding GST). The Non-Executive Directors are also reimbursed expenses incurred for attending the meeting.

Performance evaluation criteria for Independent Directors

Nomination and Remuneration Committee lays down the criteria for performance evaluation of Independent Directors and the Board. The Committee formulates evaluation criteria for the Independent Directors which is broadly based on:

- Knowledge to perform the role;
- Time and level of participation;
- Level of oversight; and
- Professional conduct and independence.

In terms of Section 134 of the Companies Act 2013, the Directors' Report also includes a statement indicating the process in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

Company also conducts familiarisation programme for Independent Directors covering business overview, store visits, operational updates & such other matters.

The details of sitting fees paid during the financial year are as under: Nil

Particulars				
Sitting fees for the Board Meetings	-	-	-	-
Sitting fees the Committee Meetings	-	-	-	-
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total	-	-	-	-

Managing Director & Executive Directors

During the year, Company has paid remuneration to its Executive Directors by way of salary and perquisites, within the limits stipulated under the Companies Act, 2013 and as per the approval sought from the shareholders of the Company. The details of remuneration paid to the Executive Directors of the Company during the financial year 2020-21 are as under:

Name of the Director	Basic Salary	Contribution to PF	Value of Perquisites	Variable	Total
Sandeep Parwal	35,78,400	21,600	Nil	Nil	36,00,000

Service contracts, notice period, severance fees:

Appointment of Managing Director/Whole time Directors is on contractual basis with the notice period of one month from either side, and there is no provision of payment of severance fees.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: Not Applicable

Shares held by the Non –Executive Directors as on March 31, 2021

Sl. No.	Name of the Director	Category of Director	Number of Shares
1.	Honey Parwal	Promoter Non-Executive Director	1,75,000 (5.69 %)
2.	Sugeeta Upadhyay	Independent Non-Executive Director	Nil
3.	Ramesh Menon	Independent Non-Executive Director	Nil

There is no pecuniary relationship or transactions of the non-executive independent director's vis-à-vis the listed entity other than receipt of sitting fees for the meetings of Board and its Committees and their shareholding, if any, in the Company.

3. Stakeholders Relationship Committee

The Stakeholders' Relationship Committee of the Board was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013. This Committee deals with stakeholder relations and grievances raised by the investors in a timely and effective manner and to the satisfaction of investors. The Committee oversees the performance of the Registrar and Share Transfer Agents of the Company relating to investor services and recommends measures for improvement.

The Committee held 1 (One) meeting during the year on 12.11.2020

The functions of the committee include:

- Approval of transfer/transmission/consolidation of securities of the Company;
- Overseeing of the performance of the registrar and share transfer agents of the Company;
- Redressal of shareholders' complaints relating to transfer of shares, non-receipt of annual reports and non-receipt of declared dividend, among others;
- Disposal of old stationeries of dividend warrants, among others;
- Issue of duplicate share certificates;
- Recommending upgradation measures for the standard of service to investors;
- Any other matter(s) out of and incidental to these functions and such other acts assigned by the Board.

Composition of the Committee and attendance of the Members at the meetings held during the year

Name of the Member	Designation in the Committee	Directorship	Particular of Attendance	
			No. of meetings held during the Members' Tenure	No. of meetings attended by the Member
Ramesh Menon	Independent Director (Non-Executive Director, Chairman)	Yes	1	1
Ms. Honey Parwal	(Non-Executive Director) (Member)	Yes	1	1
Ms. Sugeeta Upadhyay	Independent Director (Non-Executive Director, Member)	Yes	1	1

The Company Secretary is the Compliance Officer as per the SEBI Listing Regulations, 2015 (to the extent as applicable). During the year ended March 31, 2021, No complaint was received from shareholders. Details of the complaints received and redressed are given below:

Nature of	Pending as on	Received During the	Disposed during the	Pending as on
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Complaint	1st April 2020	Year	year	31st March 2021
Investor Complaints	0	0	0	0

Corporate Social Responsibility Committee

The Provision of Section 135 of the Companies Act, 2013 is not applicable to the Company.

Separate meeting of the Independent Directors

During the year under review, the separate meeting of Independent Director's was held as required under Schedule IV (Code of Independent Directors) of the Companies Act, 2013 on 12.02.2021 inter alia to:

- Review the performance of Non - Independent Director's and the Board as a whole;
- Review the Performance of the Managing Director of the Company, taking in to account the views of Non – Executive Directors;
- Assess the quality, quantity and timeline of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- Develop understanding of Company's people and its key stakeholders.

Governance in subsidiary companies

The Company does not have a listed and non-listed subsidiary.

DISCLOSURES

a. Related-party transactions

In accordance with relevant provisions of the Companies Act 2013 and SEBI Listing Regulations, 2015 (to the extent as applicable) the Company has formulated a policy on materiality of related party transactions and on dealings with related party transactions. The policy for Transactions with Related Parties can be accessed at: <http://www.spacapital.com/CapitalServices/>

All related party transactions are approved by the audit committee prior to the transaction. Related party transactions of repetitive natures are approved by audit committee on omnibus basis for one financial year at a time. All transactions pursuant to omnibus approval are reviewed by the audit committee on a quarterly basis.

There were no material significant related-party transactions and all contracts / agreements/ transactions entered into during the period with the related parties were carried out at arm's length at the fair market value.

Details of such transactions as per requirements of IND-AS-24 are disclosed in Notes to the audited accounts. A statement of these transactions was also placed before the Audit Committee and in the Board meetings from time to time.

b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There has been no instance of any such non-compliance.

c. Disclosure of Vigil Mechanism Policy and access to the Chairman of the Audit Committee

The Company has formulated Vigil Mechanism Policy, pursuant to which the Director(s) and employee(s) of the Company (including their representative bodies, if any) have open access to the Authorised Person/ Committee member, as the case may be, and also to the Chairman of Audit Committee, whenever exceptionally required, in connection with any grievance, which is concerned with unethical behaviour, frauds and other illegitimate activities in Company. The Vigil Mechanism Policy adopted by the Company is available on the website of the Company i.e. <http://www.spacapital.com/CapitalServices/>.

The Company did not receive any complaint from any Director and employee pursuant to Vigil Mechanism Policy during the financial year 2020-21.

d. Policy on determination of materiality for disclosures

The Company has adopted a policy on determination of materiality for disclosures.

e. Policy on archival and preservation of documents

The Company has adopted a policy on archival and preservation of documents.

f. Risk management

The Company has framed a comprehensive enterprise risk management policy and a new risk register, not only to manage risks but also to minimize their impact. This policy is periodically reviewed by the management and the board in consultation with reputed and specialized consultants. The policy is updated as per requirements to ensure that the risks are properly dealt and mitigated. The Risk Management procedures are discussed and reviewed by the Audit Committee and the Board of Directors every quarter.

g. Observance of the secretarial standards issued by the Institute of Company Secretaries of India (ICSI).

The Institute of Company Secretaries of India has issued secretarial standards on board meetings, general meetings and also issued draft secretarial standards for payment of dividend, maintenance of register and records, minutes of meetings, transmission of shares and debentures, passing of resolution by circulation, affixing of common seal among others. The Ministry of Corporate Affairs has mandated SS-1 and SS-2 with respect to

board/committee meetings and general meetings respectively. The Company has complied with these two standards and voluntarily complied with the other standards.

h. Audit report for reconciliation of share capital:

A qualified practicing company Secretary M/s. Karan S & Associates, having office at 1459, First Floor, Punjabi Mohalla, Shora Kothi, Subzi Mandi, Delhi-110007, Company Secretaries carried out a share capital audit to reconcile the total admitted equity share capital with NSDL and the CSDL and the total issued and listed equity share capital. The audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

i. Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations

As per the provision of Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Compliance with Corporate Governance provisions as specified in the Regulations 17 to 27, clause (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V shall not apply to listed entities having paid-up equity share capital not exceeding Rs. 10 Crores and net worth not exceeding Rs. 25 Crores as on the last date of previous financial year.

The Paid up Equity Share Capital and the Net Worth of the Company is Rs. 3,07,42,250/- and Rs.15,62,28,561 respectively, which are less than Rs. 10,00,00,000/- and Rs. 25,00,00,000/ respectively as per the Audited Financial Statements of the company for the Financial year 2020-2021 and during FY 20, the paid up equity share capital and net worth of the Company is also less than the requisite limit as specified in Regulation 15(2).

Hence, the Company being falling under the specified limits of above regulation, Compliance with Corporate Governance provisions as specified in the Regulations 17 to 27, clause (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V is not applicable to the Company.

However, your Company has made serious effort to comply with the provisions of the Corporate Governance in order to secure the interest of all the stakeholders of the Company. It has always been the Company's endeavour to excel through better Corporate Governance and fair & transparent practices, many of which have already been in place even before they were mandated by the law of land.

The management of Company believes that it will further enhance the level of Corporate Governance in the company.

Declaration pursuant to Code of Conduct:

The Board has laid down a Code of Conduct for its members and senior management personnel of the Company. The Code of Conduct is available on the website of the Company (<http://www.spacapital.com/CapitalServices/>). All the Board members and senior management personnel have affirmed compliance with the Code of Conduct. The

CFO/Managing Director has affirmed to the Board that this Code of Conduct has been compiled by the Board members and senior management personnel.

General shareholders' information

Resignation /Appointment of Director

In accordance with provisions of Section 152 of the Act read with Rules made there under, Mrs. Honey Parwal, (DIN No. 00025835), Non-Executive Director is liable to retire by rotation at this AGM and being eligible, offer herself for reappointment.

GENERAL BODY MEETINGS

The location and time of the last three Annual General Meetings and special resolutions passed therein are as follows:

A) DETAILS OF LAST THREE ANNUAL GENERAL MEETING HELD

Financial year	Date	Time	Venue	Special resolution passed if any
2020-2021	30.09.2020	11.30 A.M.	25 C- Block Community Centre, Janakpuri New Delhi-110058, India	Nil
2019-2020	30.09.2019	11.30 A.M.	25 C- Block Community Centre, Janakpuri New Delhi-110058, India	Nil
2018-2019	18.09.2018	12.00 Noon	23-24, C- Block Community Centre, Janakpuri New Delhi-110058, India	Nil

B) DETAILS OF LAST THREE EXTRA ORDINARY GENERAL MEETING HELD

Financial year	Date	Time	Venue	Special resolution passed if any
2020-2021	-	-	-	Nil
2019-2020	24.04.2019	11.30 A.M.	23,24 C- Block Community Centre, Janakpuri New Delhi-110058 India	<ul style="list-style-type: none"> Alteration of Object Clause of the Memorandum of Association of the Company
2018-	16.11.2018	12.30	23,24 C- Block Community Centre, Janakpuri New	Nil

2019		P.M.	Delhi-110058 India	
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Whether any special resolution passed through postal ballot during the year:

During the financial year ended March 31, 2021, the Company has not passed any special/ordinary resolution through Postal Ballot.

Whether any special/ordinary resolution is proposed to be conducted through postal ballot: No

Details of resolutions passed through e-voting:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company provided members the facility to exercise their right to vote on resolutions transacted at AGM by electronic means, provided by Central Depository Securities Limited (CDSL).

Green initiatives undertaken as per the directives of the Ministry of Corporate Affairs, Government of India

The Company as a responsible corporate citizen welcomes and supports the Green Initiatives taken by the Ministry of Corporate Affairs, Government of India by its circular, enabling electronic delivery of documents to the shareholders. The Company has already implemented to send the communication to the shareholders by electronic mode at their e-mail addresses registered with the depository/registrar and share transfer agent and all such communications were immediately uploaded at the Company's website. This helped in prompt delivery of documents avoiding loss in transit.

The Company had requested the shareholders to register their e-mail ids with the Registrar and Share Transfer agents of the Company or to their depository participants so as to enable the Company to use the same for serving documents to them electronically.

Consolidation of Folios and avoidance of multiple mailing

The members who are holding multiple folios are requested to consolidate their holding under single folio to avoid multiple mailing which will reduce cost and duplicity of efforts.

Code for prevention of Insider-Trading practices

As per the SEBI (Prohibition of Insider Trading) Regulations 2015 as amended, the Board of the Company is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price-sensitive information, pre-clearance of trade, monitoring of trades and implementation of the code of conduct for trading in Company's securities under the overall supervision of the Board.

The Company has adopted a code of conduct for prevention of insider trading as well as a code of corporate disclosure practices. All the Directors on the Board, senior management at all locations and other employees who could be privy to unpublished price sensitive information of the Company are governed by this code. The Company has also formulated

code of practices and procedures for fair disclosure of unpublished price-sensitive information which is available on the Company's website <http://www.spacapital.com/CapitalServices/>.

Foreign Exchange Risk Management Policy

During the financial year company has not made any transaction pertaining to import and export of the goods/services however with an objective to indemnify the Company as a result of Foreign Exchange fluctuations, the Company has framed a structure of Foreign Exchange Risk Management Policy which elaborates on the process of risk management and to protect profits/ insulate itself against losses on account of forex fluctuations.

Dividend Distribution Policy

As required under Regulation 43A of the SEBI Listing Regulations 2015, Dividend Distribution policy is given separately in the Annual Report and same is also available at the Company's website at <http://www.spacapital.com/CapitalServices/>.

Means of communication

i. Quarterly /Annual results

The Notice and Financial Result are generally published in The Mint/Financial Express / Business Standard/Jansatta/Naya India within 48 Hours after approval of Board of Directors and are displayed on the Company's website <http://www.spacapital.com/CapitalServices/>

ii. Presentations/News releases

Presentations and official press release made to the media, analysts, and institutional investors, among others if any are displayed on the Company's website <http://www.spacapital.com/CapitalServices/>. The same are also disseminated to the Stock Exchanges as per the SEBI Listing Regulations, 2015 (to the extent as applicable).

iii. Website

The Company's corporate website <http://www.spacapital.com/CapitalServices/> contains comprehensive information about the Company. An exclusive section is for investors wherein annual reports, quarterly/half-yearly financial results, notices, shareholding patterns, policies among others are available for reference or download.

iv. Annual report

The annual report containing *inter alia* audited annual accounts, financial statements, reports of the auditors and directors, chairman's statement, management discussion and analysis report and other important information is circulated to the members and displayed on the Company's website.

v. Designated exclusive mail-id

The Company has designated email-id exclusive for investor services– investors' listing@spacapital.com which has been displaced on the Company's website <http://www.spacapital.com/CapitalServices/>

vi. Intimation to stock exchanges

The Company intimates the Stock Exchanges about all price sensitive information or such other matters which in its opinion are material and of relevance to the shareholders.

vii. Investor relations

The Company's executives participate in investor meetings including conferences in India and abroad from time to time organized by financial institutions, analyst and broking houses.

Shareholders' information

A) Company Registration Details:

The Company is registered in Delhi, India, under the jurisdiction of Registrar of Companies, Delhi. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65910DL1984PLC018749.

B) Financial Year

April 01, 2020 to March 31, 2021

C) Annual General Meeting For The Financial Year 2020- 21

DAY AND DATE	Thursday, September30, 2021
TIME	10:00 A.M
VENUE(Registered Office of the Company)	25 C- Block Community Centre Janakpuri New Delhi-110058 India
FINANCIAL YEAR	2020-2021
BOOK CLOSURE DATES	24th Sept, 2021 to 30th Sept, 2021
DIVIDEND PAYMENT DATE	N.A.
REGISTERED OFFICE	25 C- Block Community Centre Janakpuri New Delhi-110058 India
CORPORATE OFFICE	C Block Community Centre, C-25, Mall Rd, Block C 6A, Janakpuri, New Delhi, Delhi 110058

D) Stock Exchange Info

Stock Exchange on which shares are listed	BSE Limited – Mumbai
Stock Code/ Script Id	542376

E) Market Price Data

The Company's equity shares are listed on The BSE Limited. The high and low share prices and volumes of your Company's shares at BSE (based on closing price) for the year is as under:

Month	SPA Share Price on BSE		
	High	Low	Close
Mar-21	-	-	-
Feb-21	-	-	-
Jan-21	-	-	-
Dec-20	-	-	-
Nov-20	-	-	-
Oct-20	-	-	-
Sep-20	-	-	-
Aug-20	-	-	-
Jul-20	-	-	-
Jun-20	-	-	-
May-20	-	-	-
Apr-20	-	-	-

Graphical Representation of share price of SPA Capital Services Limited at BSE – N.A.

F) Distribution of Shareholding as on March 31, 2021

DISTRIBUTION OF SHAREHOLDING (SHARES)							
SR. NO	SHAREHOLDING OF SHARES			SHAREHOLD ER	PERCENTA GE OF TOTAL	TOTAL SHARE S	PERCENTA GE OF TOTAL.
1	1	to	500	33	11.46 %	6,600	0.21 %
2	501	to	1000	7	2.43 %	5,425	0.18 %
3	1001	to	2000	166	57.64 %	2,35,575	7.66 %
4	2001	to	3000	1	0.35 %	2,800	0.09 %
5	3001	to	4000	4	1.39 %	14,350	0.47 %
6	4001	to	5000	7	2.43 %	31,550	1.03 %
7	5001	to	10000	49	17.01 %	3,27,305	10.65 %

8	10001	to	***** **	21	7.29 %	24,50,62 0	79.71 %
Total				288	100 %	30,74,22 5	100 %

G) SHARE TRANSFER SYSTEM

Transfers of Equity Shares are handled by MAS Services Limited. The transferee is required to furnish transfer deed duly completed in all respects together with share certificate to MAS Services Limited at the above address in order to enable the Registrar and transfer agent to process the transfer and during the FY 20-21 company has complied with the process of transfer and consolidation of the shares.

Demat requests are confirmed within stipulated time period from the date of receipt of request. The Company obtains from a Company Secretary in Practice half yearly Certificate of Compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificate with Stock Exchange.

H) SHAREHOLDING PATTERN AS ON MARCH 31, 2021

Listing of shareholders category (Summary)							
Category	Demat Shares	Demat_Holders	Physical_Shares	Physical_Holders	Total_Shares	Total_Value	Total_Percent
Corporate Bodies (Promoter Co)	12,42,500	3	0	0	12,42,500	1,24,25,000	40.42 %
Hindu Undivided Family (Promoter)	1,57,500	2	0	0	1,57,500	15,75,000	5.12 %
Hindu Undivided Family (Public)	0	0	21,000	3	21,000	2,10,000	0.68 %
Clearing Members	0	0	0	0	0	0	0
Other Bodies Corporate (Public)	87,500	1	0	0	87,500	8,75,000	2.85 %
Financial Institutions	0	0	0	0	0	0	0

Mutual Funds	0	0	0	0	0	0	0
Non Nationalised Banks	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0
Non Resident (Non Repatriable)	0	0	0	0	0	0	0
Public	293320	32	559280	241	852600	8526000	27.73 %
Promoters	713125	6	0	0	713125	7131250	23.19 %
Foreign Portfolio Investors (Corporate)	0	0	0	0	0	0	0
NBFCs registered with RBI							
TOTAL :	24,93,945	44	5,80,280	244	30,74,225	3,07,42,250	100 %

I) Dematerialization of Shares and Liquidity

The Equity Shares of your Company are under dematerialization and physical mode as on March 31, 2021. The ISIN for the Equity Shares of the Company is INE726X01014.

81.12 % of shares of the Company are dematerialized as on March 31, 2021. Trading in Equity shares of the Company is permitted only in Demat mode.

The Equity shares of your Company are not traded on 31st March 2021.

J) Outstanding GDRs / ADRs/ Warrants or any Convertible Instruments, Conversion date and likely impact on Equity:

There are no GDR/ ADR/ Warrants or any Convertible Instruments pending conversion or any other instruments which can have an impact on the equity share capital of the Company.

K) Address of Correspondence:

CS & Compliance Officer	R&T Agent:	Correspondence with the Company
Mr. Umesh Kumar Company Secretary & Compliance Officer Tel No: 011-45586528 Email: listing@spacapital.com	Mas Services Limited Tel No: +91 1126387281/82/83 Email: info@masserv.com	SPA Capital Services Limited Tel No:=(011) 45586600 Email :listing@spacapital.com

Financial calendar

Financial year: April 1, 2020 to March 31, 2021

The board meetings for approval of financial results for financial year 2020-21 were held on the following dates:

Period	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Date	15.09.2020* date was extended by SEBI Notification dated March 19, 2020 and June 26, 2020	12.11.2020	12.02.2021	30.06.2021

The tentative dates of the board meetings for consideration of quarterly and annual financial results for the financial year 2021-22 are as follows:

Period	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Date	13.08.2021	On or before 14.11.2021	On or before 14.02.2022	On or before 30.05.2022

Registrar and Share Transfer Agent

Mas Services Limited, Tel No: +91-11-2638 7281 82, 83
 Email: info@masserv.com

All activities in relation to both physical and electronic share transfer facility are maintained by the registrar and share transfer agent of the Company, a compliance certificate in this respect duly signed by the compliance officer and the authorised representative of the share

transfer agent is submitted to the exchanges within one month from the end of each half of the financial with the requirements of sub- regulation 7(3) of SEBI Listing Regulations, 2015.

Applications for transfer of shares held in the physical form are received at the office of the Registrar and Share transfer agent of the Company. All valid transfers/requests are processed within 15 days from the date of receipt.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt, provided they are in order in all respects. Bad deliveries are immediately returned to depository participants under advice to the shareholders.

Pursuant to the provisions of Regulation 40(9) of SEBI Listing Regulations, 2015, a certificate on the compliance of share transfer formalities on half yearly basis, quarterly certificate for timely dematerialization of the shares as per SEBI (Depositories & Participants) Regulation, 1996 are sent to the Stock Exchanges where the shares are listed.

Reconciliation of share capital audit report

Reconciliation of share capital audit report by M/s. Karan S & Associates, Practicing Company Secretary for reconciliation of the share capital confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the audit report is submitted to the Stock Exchanges where company's shares are listed.

Mandatory requirements

The Company was fully compliant with mandatory requirements SEBI Listing Regulations, 2015 (to the extent as applicable).

Non-mandatory requirements:

1. The Board (maintenance of Chairman's office):

The Company has an Executive Chairman and as such does not require a Non-Executive Chairman's Office.

2. Shareholders' rights

The quarterly and half-yearly financial results are published in widely circulated national and local dailies and are displayed on the Company's website

<http://www.spacapital.com/CapitalServices/>

3. Audit qualification

.Statutory Auditor of the company has given the modified/qualified Auditor Report for the year ended March 31, 2021 and same has been specified in board report along with management response thereon.

4. Reporting of internal auditor

The Company has a well-defined and structured internal audit control system to ensure reliability of operational and financial information, statutory/regulatory compliances and safeguard of the assets of the Company. The internal audit or reports directly to the Audit Committee.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SPA CAPITAL SERVICES LIMITED

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone Ind AS financial statements of **SPA CAPITAL SERVICES LIMITED** ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

The company has taken various loans, which were outstanding as on 31st March, 2021. The management has not provided the interest on some of the loans, which constitute a departure from the Accrual basis of accounting. The company's records indicate that an amount of Rs. 74,19,353.99 for the year ended on March 31, 2021 has not been provided as interest expenses on these loans, which would have been decrease the profit by Rs. 74,19,353.99 for the year ended on March 31, 2021 and also increase the loan liability by same amount.

Information other than Financial Statements and Auditors 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 financial statements and our auditors' report thereon. Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial and the Cash Flow Statement of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We also:

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

2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) With respect to the matter to be included in the Auditors’ Report under section 197(16):
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements which would impact its financial position
 - ii. The Company has no long-term contracts as at 31st March, 2021 and therefore there are no material foreseeable losses.
 - iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2021

For SNMG & Company
Chartered Accountants
ICAI FRN No. : 04921N

CA Deep Chand Garg
Partner
Membership No.076117
Place : New Delhi
Date : 30.06.2021
UDIN : 21076117AAAADO1390

Annexure A to the Independent Auditor's Report-31st March 2021

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SPA Capital Services Limited of even date)

(i) In respect of fixed assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.

(ii) In respect of Inventories of the Company:

- a) The Company holds securities in physical form as well as in dematerialized form. The securities held in physical form have been physically verified by the management during the year. Securities in the form of dematerialized held as stock in trade by the custodian is verified with the confirmation statement received from them on a regular basis. In our opinion, the frequency of such verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of securities held as stock in trade and no discrepancies were noticed on comparing the statement from custodian with book records.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register to be maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees, and security.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the Rules framed there under. Therefore, the provision of the clause 3(v) of the Order is not applicable to the Company.

(vi) The Company is not required to maintain cost records as prescribed by the Central Government of India under sub-section (1) of section 148 of the Act.

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

- a) The Company has been irregular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Goods and Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

- b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, Goods and Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- (viii) Based upon the audit procedures and according to the information and explanations provided to us, the company has not defaulted in repayment of loans or borrowings to financial institutions, banks governments or dues to debenture holders.
- (ix) The Company has not raised any money by way of initial public offer or further public offer during the financial year. Company has obtained term loan from the banks and the same were applied for the purposes for which those were raised.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the company or any fraud on the Company, by any person including its officers or employees, has been noticed or reported during the course of our audit.
- (xi) Based on our audit procedures and as per information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the explanations given to us, the Company is not a nidhi company.
- (xiii) In our opinion and according to the explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Act and have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) In our opinion and according to the explanations given to us, the Company has not raised any capital by way of preferential allotment / private placement or fully / partly convertible debentures during the year under review and therefore the Clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore the Clause 3(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the explanations given to us, company was registered as Non Banking Financial Company under section 45-IA of the Reserve Bank of India Act, 1934, however the company has applied for the surrender of its NBFC certificate on 12th February, 2021.

For SNMG & Company
Chartered Accountants
ICAI FRN No. : 04921N

CA Deep Chand Garg
Partner
Membership No.076117
Place : New Delhi
Date : 30.06.2021

**Annexure B to the Independent Auditor's Report on the Standalone financial Statements of SPA
Capital Services Limited for the year ended 31st March 2021**

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

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SPA Capital Services Limited of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of SPA Capital Services Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

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 Act, 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 ICAI. 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 standalone financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone 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.

For SNMG & Company
Chartered Accountants
ICAI FRN No. : 04921N

CA Deep Chand Garg
Partner
Membership No.076117
Place : New Delhi
Date : 30.06.2021

SPA Capital Services Limited

Standalone Balance Sheet for the Year ended 31st March 2021

(in Rs.)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
Assets			
Financial Assets			
(a) Cash and Cash Equivalents	3	27,24,948	28,91,365
(b) Trade Receivables	4	1,90,90,909	2,80,14,913
(c) Loans	5	33,28,06,970	43,20,15,729
(d) Investments	6	4,89,11,421	5,26,24,210
(e) Other Financial assets	7	1,47,44,792	2,48,09,680
Non-financial Assets			
(a) Inventories	8	25,001	25,001
(b) Current tax assets (Net)	9	65,17,469	14,48,142
(c) Deferred tax Assets (Net)	10	30,85,272	20,98,169
(d) Property, Plant and Equipment	11	79,19,995	1,13,39,644
(e) Other Intangible assets	11	3,60,194	9,06,318
(f) Other Non Financial Asset	12	-	1,79,65,743
Total Assets		43,61,86,971	57,41,38,915
Liabilities and Equity			
Liabilities			
Financial Liabilities			
(a) Trade Payables	13		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,48,32,147	11,65,53,100
(b) Borrowings	14	23,08,01,340	25,27,45,706
(c) Other financial liabilities	15	36,51,639	2,62,77,974
Non-Financial Liabilities			
(a) Provisions	16	99,22,464	1,17,57,560
(b) Other non-financial liabilities	17	7,50,820	19,25,438
Total Liabilities		27,99,58,410	40,92,59,778
Equity			
(a) Equity Share Capital	18	3,07,42,250	3,07,42,250
(b) Other Equity	19	12,54,86,311	13,41,36,887
Total Equity		15,62,28,561	16,48,79,137
Total Equity and Liabilities		43,61,86,971	57,41,38,915

Significant accounting policies and notes to the Financial Statements

As per our report of even date attached

For and Behalf of the Board of Directors

For SNMG & Company
Chartered Accountants
ICAI FRN No. : 04921N

CA Deep Chand Garg
Partner
Membership No.076117
 Place : New Delhi
 Date : 30.06.2021

Sandeep Parwal
 Chairman cum Managing Director
 DIN No. 00025803

Honey Parwal
 Director
 DIN No. 00025835

Sukhjeet Kaur
 Company Secretary

Sanjay Goel
 Chief Financial Officer

SPA Capital Services Limited

Standalone Statement of Profit and Loss for the Year Ended March 2021

(in Rs.)			
Particulars	Note No.	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Revenue from Operations	20		
Interest Income		-	58,43,743
Sale of Services		24,80,50,899	32,07,67,264
Sale of Shares & Securities		6,07,83,380	-
Total Revenue from operations		30,88,34,279	32,66,11,007
Other Income	21	22,50,437	4,55,550
Total Income		31,10,84,716	32,70,66,557
Expenses			
Finance Costs	22	50,95,301	1,02,45,781
Brokerage Expense		21,52,19,377	23,47,95,414
Purchase of Stock-In-Trade		6,07,50,000	-
Changes in Inventories of Stock-in-Trade	23	-	-
Employee Benefit Expense	24	2,40,12,306	5,06,78,037
Depreciation and Amortisation Expense	25	31,42,414	39,52,028
Other Expenses	26	99,64,704	2,05,01,030
Total Expenses		31,81,84,102	32,01,72,290
Profit before Tax		(70,99,385)	68,94,267
Tax Expenses			
i) Current Tax	10	-	22,50,000
ii) Deferred Tax	10	(9,87,103)	28,20,648
iii) Income Tax for earlier Years		(11,74,495)	2,45,271
Total Tax Expenses		(21,61,598)	53,15,919
Profit after Tax		(49,37,788)	15,78,348
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
- Equity instruments through other comprehensive income		(37,12,789)	(93,87,210)
(ii) Income tax relating to Items that will be reclassified to Profit / (Loss)		-	-
Other Comprehensive Income net of tax		(37,12,789)	(93,87,210)
Total Comprehensive Income for the Year		(86,50,577)	(78,08,862)
Earnings per equity share of Face Value of `1/- each			
Basic earnings per share (in `)		(2.81)	(2.54)
Diluted earnings per share (in `)		(2.81)	(2.54)

See accompanying notes to the financial statements

As per our report of even date attached

For and on behalf of the Board

For SNMG & Company

Chartered Accountants

ICAI FRN No. : 04921N

CA Deep Chand Garg

Partner

Membership No.076117

Place : New Delhi

Date : 30.06.2021

Sandeep Parwal

Chairman cum Managing Director

DIN No. 00025803

Honey Parwal

Director

DIN No. 00025835

Sukhjit Kaur

Company Secretary

Sanjay Goel

Chief Financial Officer

SPA Capital Services Limited
Standalone Cash Flow Statement for the year ending 31 March 2021

(in Crores)

			STANDALONE		CONSOLIDATED	
	Particulars	Note No.	31st March 2021	31st March 2020	31st March 2021	31st March 2020
A	Cash flow from operating activities					
	Profit for the year before tax		(0.710)	(0.593)	(0.757)	(0.597)
	Adjustments for :		-	-	-	-
	Depreciation and amortization expense		0.314	0.395	0.314	0.395
	Loss on Sale of Asset		0.077	0.008	0.077	0.008
	Investment Impaired		(0.371)	-	(0.371)	-
	Interest Income		-	(0.584)	-	(0.584)
	Finance Cost		0.510	1.025	0.510	1.025
	Operating profit before working capital changes		-	-	-	-
	Adjustments for working capital		-	-	-	-
	(Increase) / Decrease in Inventories		-	-	-	-
	(Increase) / Decrease in Trade receivable		0.842	2.018	0.842	2.018
	(Increase) / Decrease in Loans		9.921	(2.259)	9.921	(2.259)
	(Increase) / Decrease in Other financial assets		1.006	0.218	1.053	0.218
	(Increase) / Decrease in Other non-financial Assets		1.291	1.174	1.291	1.174
	Increase / (Decrease) in Trade payables		(8.172)	-	(8.172)	-
	Increase / (Decrease) in other financial liabilities		-	(10.795)	-	(10.795)
	Increase / (Decrease) in other non-financial liabilities		0.020	(2.607)	0.020	(2.607)
	Net cash flow from operating activities		4.728	(12.001)	4.728	(12.005)
	Direct tax paid		(0.216)	-	(0.216)	-
	Net cash generated from Operating activities (A)		4.944	(12.001)	4.944	(12.005)
B	Cash flow from investing activities		-	-	-	-
	Acquire of property, plant and equipment		(0.044)	(0.028)	(0.044)	(0.028)
	Sale of property, plant and equipment		0.050	0.085	0.050	0.085
	Purchase/Sale of investments (Goodwill from purchase of subsidiaries)		-	0.198	-	0.202
	Interest received		-	0.584	-	0.584
	Net cash generated from /(used in) investing activities (B)		0.006	0.840	0.006	0.844
C	Cash flow from financing activities		-	-	-	-
	Finance Cost		(0.510)	(1.025)	(0.510)	(1.025)
	Borrowings (net)		(4.457)	12.155	(4.457)	12.155
	Net cash (used in)/generated from Financing activities (C)		(4.967)	11.131	(4.967)	11.131
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		(0.017)	(0.030)	(0.017)	(0.030)
	Opening balance of cash and cash equivalents		0.289	0.319	0.289	0.319
	Closing balance of cash and cash equivalents		0.272	0.289	0.272	0.289
	Balance as per Balance Sheet		0.272	0.289	0.272	0.289

See accompanying notes to the financial statements

As per our report of even date attached

For SNMG & Company
Chartered Accountants
ICAI FRN No. : 04921N

For and on behalf of the Board

CA Deep Chand Garg
Partner
Membership No.076117
Place : New Delhi
Date : 30.06.2021

Sandeep Parwal
Chairman cum Managing Director
DIN No. 00025803

Sukhjot Kaur
Company Secretary

Honey Parwal
Director
DIN No. 00025835

Sanjay Goel
Chief Financial Officer

**Statement Of Changes In Equity
For The Year Ended 31st March 2021**

A. Equity Share Capital

2020-2021

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3,07,42,250	-	3,07,42,250	-	3,07,42,250

2019-2020

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3,07,42,250	-	3,07,42,250	-	3,07,42,250

B. Other Equity

Description	Attributable to owners of SPA Capital Services Limited						Total Other Equity
	Reserves and Surplus				Other Comprehensive Income		
	Securities Premium Reserve	Retained Earnings	General Reserve	Reserve Fund(NBFC)	Remeasurement of defined Benefit Obligation	Equity instruments at fair value through other comprehensive income	
Balance as at 1 April 2019	25,00,000	1,53,63,905	11,81,52,498	59,29,347	-	-	14,19,45,749
Profit for the year	-	15,78,348	-	-	-	-	15,78,348
other Comprehensive Income	-	-	-	-	-	(93,87,210)	(93,87,210)
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-
Transfer in/out General Reserve	-	-	-	-	-	-	-
Trasnfner In/Out Reserve Fund(NBFC)	-	-	-	-	-	-	-
Balance as at 31 March 2020	25,00,000	1,69,42,253	11,81,52,498	59,29,347	-	(93,87,210)	13,41,36,887
	-	-	-	-	-	-	-
Balance as at 1 April 2020	25,00,000	1,69,42,253	11,81,52,498	59,29,347	-	(93,87,210)	13,41,36,887
Profit for the year	-	(86,50,577)	-	-	-	-	(86,50,577)
Any other changes	-	-	-	-	-	-	-
other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-
Transfer in/out General Reserve	-	-	-	-	-	-	-
Trasnfner In/Out Reserve Fund(NBFC)	-	-	-	-	-	-	-
Balance as at 31 March 2021	25,00,000	82,91,676	11,81,52,498	59,29,347	-	93,87,210	12,54,86,311

See accompanying notes to the financial statements.
As per our report of even date attached

For and on behalf of the Board

For SNMG & Company
Chartered Accountants
ICAI FRN No. : 04921N

Sandeep Parwal
Chairman cum Managing Director
DIN No. 00025803

Honey Parwal
Director
DIN No. 00025835

CA Deep Chand Garg
Partner
Membership No.076117
Place : New Delhi
Date : 30.06.2021

Sukhjot Kaur
Company Secretary

Sanjay Goel
Chief Financial Officer

Schedule to the Balance Sheet
of SPA Capital Services Limited
For Financial Year 2020-21

(as required in terms of Paragraph 18 & 19 of Non-Banking Financial Company - Non-Systemically Important Non-Deposit Taking Company (Reserve Bank) Directions, 2016)

(Rs. In lakhs)

	Particulars		
	<u>Liabilities side:</u>		
(1)	Loans and Advances availed by the NBFCs inclusive of Interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
	(a) Debentures : Secured	-	-
	: Unsecured	-	-
	(other than that falling within the meaning of public deposits)		
	(b) Deferred Credits	-	-
	(c) Term Loans	457.64	-
	(d) Inter-Corporate Loans and Borrowings	1,565.46	-
	(e) Commercial Paper	-	-
	(f) Public Deposits*	-	-
	(g) Other Loans (Loan on hypothecation of vehicles, Loan against property owned by group company and Bank Overdraft)	157.19	-
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	(a) In the form of Unsecured Debentures		
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
	(c) Other Public Deposits		
	<u>Assets side:</u>		
		Amount outstanding	
(3)	Break up of loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured		-
	(b) Unsecured		3,518.98
(4)	Break up of Leased Assets and stock on hire and other assets counting towards Asset financing activities		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease		-
	(b) Operating lease		-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-
(5)	<u>Break up of Investments:</u>		
	<u>Current Investments:</u>		
	1. <u>Quoted:</u>		
	(i) Shares: (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others (please specify)		-
	2. <u>Unquoted:</u>		
	(i) Shares: (a) Equity		-

	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
Long Term investments		
1. <u>Quoted</u> :		
(i) Shares: (a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
2. <u>Unquoted</u> :		
(i) Shares: (a) Equity		74.11
(b) Preference		415.00
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others (please specify)		-
(6)	Borrower group-wise classification of assets financed as in (3) and (4) above:	
	Category	Amount net of provisions
		SecuredUnsecuredTotal
	1. Related Parties	
	(a) Subsidiaries	- - -
	(b) Companies in the same group	- 127.73 127.73
	(C) Other related parties	- - -
	2. Other than related parties	- 3,391.25 3,391.25
	Total	- 3,518.98 3,518.98
(7)	Investor group-wise classification all investments (current and long term) in shares and securities (both quoted and unquoted):	
	Category	Market Value/Break up or fair value/NAVBook Value (Net of Provisions)
	1. Related Parties	
	(a) Subsidiaries	- -
	(b) Companies in the same group	489.11 489.11
	(C) Other related parties	- -
	2. Other than related parties	0.00 37.13
	Total	489.11 526.24
(8)	Other information	
	Particulars	Amount (Rs.)
	(i) Gross Non-Performing Assets	
	(a) Related parties	-
	(b) other than related parties	-
	(ii) Net Non-Perfroming Assets	
	(a) Related parties	-
	(b) other than related parties	-
	(iii) Assets acquired in satisfaction of debt	-

SPA Capital Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1 **CORPORATE INFORMATION**

SPA Capital Services Limited ("the Company") is a public limited company incorporated on July 20, 1984 under the provisions of the Companies Act, 1956. The Company is engaged in providing Wealth Management and Financial Advisory services to institutions, corporate and individuals. The Company is also registered with Reserve Bank of India as a Non-Deposit Accepting Non Banking Financial Institution.

2 **SIGNIFICANT ACCOUNTING POLICIES**

i. **Basis of accounting and Preparation of Financial Statements**

These financial statements have been prepared in accordance with Indian Accounting Standards (IndAS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The IndAS are prescribed under Section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

All assets and liabilities are classified as Current and Non-Current as per company's normal operating cycle of 12 months which is based on the nature of business of the Company. Current Assets do not include elements which are not expected to be realised within one year and Current Liabilities do not include items which are due after one year, the period of one year being reckoned from the reporting date.

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

Rounding off

All amounts in the financial statement and accompanying notes are presented in Lacs and have been rounded-off to two decimal place unless stated otherwise.

ii. **Use of Estimates and Judgement**

The preparation of financial statements requires management to exercise judgement and make estimates and assumptions that affects the reported amounts of revenue, expenses, assets and liabilities. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the results are known/materialise.

The areas involving significant estimates and judgement include determination of useful life of Property, Plant and Equipment (Refer note 1.4), measurement of defined benefit obligations, and recognition of deferred tax assets/liabilities (Refer note 10).

iii. **Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of Property, Plant and Equipment recognised as at 1st April, 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All Upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

S. No.	Particulars	Estimated Useful Life
1	Leasehold land	Over lease term
2	Building other than factory	60 years
3	Computers	
	- Computers and other peripherals	3 years
	- Servers and networking	6 years
4	Furniture & Fixtures	10 years
5	Vehicles	8 years
6	Other equipment	5 - 15 years

The useful lives have been determined based on technical evaluation done by the expert's which are in line those specified by Schedule II to the Companies Act 2013. The residual values are not more than 5% of the original cost of the asset. The depreciation methods, assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under Other Non-Current Assets and the cost of assets not put to use before such date is disclosed under 'Capital work-in-progress'.

SPA Capital Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

iv. Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

v. Investments :

Investments are classified as Current or Non-Current based upon management intent at the time of acquisition. Investments that are intended to be held for not more than one year from the date of acquisition are classified as Current Investments. All other investments are classified as Non-Current Investments.

vi. Inventories

The shares and securities acquired with the intention of trading are considered as Stock in trade and disclosed as Current Assets. The stock in trade of securities is valued at lower of aggregate cost or aggregate market price / aggregate net asset value in case of unquoted, as per the provisions of ICDS. The cost is determined on First In First Out (FIFO) basis.

vii. Financial Instruments, Financial Assets, Financial Liabilities and Equity Instruments

Recognition

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and Cash Equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

Amortised cost

Where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.

Fair Value Through Other Comprehensive Income (FVTOCI)

Where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in Other Comprehensive Income.

Fair Value Through Profit or Loss (FVTPL)

Where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Measurement

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Derecognition of Financial Assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset; or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

SPA Capital Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Income Recognition

Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Financial Liabilities

i) Trade Payables and Other Financial Liabilities

Trade Payables and Other Financial Liabilities are initially recognised at the value of the respective contractual obligations. Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and presented as current liabilities unless payment is not due within 12 months after the reporting period.

ii) Borrowings

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Equity Instruments

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

viii. Revenue Recognition

(a) Sale of Shares & Securities

Revenue from sales is recognized at the completion of each settlement of the capital market segment of the Stock Exchange.

In respect of non-delivery based transactions in capital market segment, the profit/loss is accounted for at the end of each settlement.

Revenue from derivative market segment:-

- in respect of settled contracts the difference between the transaction price and settlement price is recognized in the Statement of Profit and Loss; and

- in respect of open interests as on the balance sheet date, the derivatives are valued at fair value, and the difference between the fair value and the transaction price, is recognized in the Statement of Profit and Loss.

Income from Dividend is recognized when the right to receive payment is established.

(b) Other Income

Gain on Sale of Investment is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the investment.

The revenue from Interest & Other Income is recognized on accrual basis as part of Other Income in the Statement of Profit and Loss.

ix. Employee Benefits

a. Short-term Obligations

Liabilities for wages, salaries and bonus, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Post-Employment Obligations

The Company operates the following post-employment schemes:

- defined benefit plans for gratuity, and
- defined contribution plans for provident fund.

Defined Benefit Plans

SPA Capital Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined Contribution Plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

x. Impairment of Non-Financial Assets

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 the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit to which the asset belongs.

xi. Borrowing Costs

Borrowings are measured at amortized cost. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

xii. Income Tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

SPA Capital Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit forming part of deferred tax assets is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

Ind AS 12 Appendix C, Income Tax

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

xiii. Earnings Per Share

a. Basic Earnings Per Share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

b. Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

xiv. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

xv. Events occurring after the Balance Sheet date

There have been no material events other than disclosed in the financial statements after reporting date which would require disclosure or adjustments to the financial statements as of and for the year ended 31 March 2021.

As per our report of even date attached

For and on behalf of the Board

For SNMG & Company
Chartered Accountants
ICAI FRN No. : 04921N

Sandeep Parwal
Chairman cum Managing Director
DIN No. 00025803

Honey Parwal
Director
DIN No. 00025835

CA Deep Chand Garg
Partner
Membership No.076117
Place : New Delhi
Date : 30.06.2021

Sukhjot Kaur
Company Secretary

Sanjay Goel
Chief Financial Officer

SPA Capital Services Limited
Notes to the Financial Statements as at and for the Year ended 31 March 2021

11 Property Plant and Equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 01 April 2020	Addition during the year	Deletions during the year	As on 31 March 2021	As at 01 April 2020	For the year	Dep. Written off against sold assets	As on 31 March 2021	As on 31 March 2021	As on 31 March 2020
Tangible Assets										
Computers	1,93,04,676	-	-	1,93,04,676	1,67,95,119	10,92,122	-	1,78,87,241	14,17,435	25,09,557
Motor Vehicles	1,94,27,075	-	30,78,645	1,63,48,430	1,30,94,415	13,61,845	18,10,583	1,26,45,677	37,02,753	63,32,660
Furniture and Fixtures	86,07,206	-	-	86,07,206	70,96,654	1,71,077	-	72,67,731	13,39,475	15,10,552
Plant and Machinery	97,60,432	4,44,703	-	1,02,05,135	78,67,238	5,17,370	-	83,84,608	18,20,526	18,93,193
Total	5,70,99,389	4,44,703	30,78,645	5,44,65,447	4,48,53,426	31,42,414	18,10,583	4,61,85,257	82,80,189	1,22,45,962
Previous Year Details	6,22,71,402	2,75,505	54,47,518	5,70,99,389	4,54,16,672	39,52,028	45,15,274	4,48,53,426	1,22,45,962	-

SPA Capital Services Limited

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

3 Cash and Cash Equivalents

Particulars	As at 31st March 2021	As at 31st March 2020
Balances with Banks-Current Account	14,68,595	17,11,134
Cash on Hand	12,56,353	11,80,231
Total Cash and Cash Equivalents	27,24,948	28,91,365

4 Trade Receivables

Particulars	As at 31st March 2021	As at 31st March 2020
Receivables considered good - Unsecured		
Trade Receivable - Letter Of Credit	8,005	92,817
Trade Receivable - Mutual Fund	1,74,11,009	2,27,48,222
Trade Receivable - Others	16,71,894	51,73,874
Total Trade Receivables	1,90,90,909	2,80,14,913

Note: Impairment allowance recognised on Trade Receivables is Rs. Nil (Previous year Rs. Nil).

5 Loans

Particulars	As at 31st March 2021	As at 31st March 2020
Loans at Amortised Cost		
To Body Corporates		
Unsecured, Considered Goods	32,79,33,634	42,71,42,394
Unsecured, Considered Doubtful	48,73,335	35,00,000
To Others		
Unsecured, Considered Goods	-	13,73,335
Total Gross	33,28,06,970	43,20,15,729
Less: Impairment loss allowance	-	-
Total Loans (Net)	33,28,06,970	43,20,15,729

6 Investments

	Particulars	As at 31st March 2021	As at 31st March 2020
6.1	Investments Measured At Cost		
	In India		
	In equity shares of Associates (Unquoted, fully paid-up)		
	IFAN Finserv Private Limited (4,41,32,608 Shares)	74,11,420	74,11,420
	(Goodwill of Rs. 831,857/- has been included in the Investments)		
6.2	Investments Measured At Fair Value Through Other Comprehensive Income (FVTOCI)		
	In India		
	In equity shares of other companies (Unquoted, fully paid-up)		
	Impetus Analytic E solutions Pvt Ltd (13,10,000 Shares)	1	37,12,790

SPA Capital Services Limited

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

6.3	Investments Measured At Amortised Cost		
	In India		
	Investment in Preference Shares of other companies		
	SPA ComTrade Private Limited 135,000 (Previous year 135,000) Shares of Rs. 10 each fully paid-up	54,00,000	54,00,000
	SPA Securities Limited 361,000 (Previous year 361,000) Shares of Rs. 10 each fully paid-up	3,61,00,000	3,61,00,000
	Total of Investments in Preference Shares	4,15,00,000	4,15,00,000
	Total Investments	4,89,11,421	5,26,24,210

7 Other Financial Assets

Particulars	As at 31st March 2021	As at 31st March 2020
Advance Recoverable in Cash or Kind	57,402	7,44,000
Advances with Vendors	-	5,04,995
Prepaid	26,400	1,57,691
Balance with Revenue Authorities	28,18,554	1,11,82,113
Security Deposit	1,18,42,435	1,21,81,435
Interest Receivable from Staff Advances	-	39,446
Total Other Financial Assets	1,47,44,792	2,48,09,680

8 Inventories

Particulars	As at 31st March 2021	As at 31st March 2020
Stock of Shares & Securities	25,001	25,001
Total Inventories	25,001	25,001

9 Current Tax Assets (Net)

Particulars	As at 31st March 2021	As at 31st March 2020
Advance Tax	-	-
Income Tax Refund Due	7,32,747	-
Excess Provision for Earlier Year	11,891	-
Tax Deducted at Source	57,72,831	14,48,142
Total Current Tax Assets (Net)	65,17,469	14,48,142

10 Movement in Deferred tax Asset/ liabilities(Net)

Particulars	As at 31st March 2021	As at 31st March 2020
At the beginning of the year	20,98,169	49,18,817
Credit/ (Charge) to Statement of Profit and Loss (refer note 29)	9,87,103	(28,20,648)
Credit/ (Charge) to Other Comprehensive income	-	-
Movement in MAT Credit	-	-
At the end of the year		
- to Other Comprehensive Income		
At 31st March 2021	30,85,272	20,98,169

SPA Capital Services Limited

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

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

Particulars	As at 31st March 2021	As at 31st March 2020
Current Tax		
In respect of current year	-	22,50,000
In respect of prior years	(11,74,495)	-
Total Current Tax Expense	(11,74,495)	22,50,000
Deferred tax		
Increase / (Decrease) in Deferred Tax Liabilities	(9,87,103)	28,20,648
Excess Provision for earlier years reversed	-	-
Total Deferred Tax Expense / (benefit)	(9,87,103)	28,20,648
Income tax expense	(21,61,598)	50,70,648

12 Other Non Financial Asset

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Lease Rental	-	1,79,65,743
Total	-	1,79,65,743

SPA Capital Services Limited

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

13 Trade Payables

Particulars	As at 31st March 2021	As at 31st March 2020
Trade Payables		
i) Total outstanding dues to micro and small enterprises	-	-
i) Total outstanding dues of creditors other than micro and small enterprises	3,48,32,147	11,65,53,100
Total Trade Payables	3,48,32,147	11,65,53,100

14 Borrowings

Particulars	Effective interest rate	As at 31st March 2021	As at 31st March 2020
<u>Secured (Repayable on Demand)</u>			
i) Bank Overdrafts		1,49,54,405	1,90,35,593
ii) Working Capital Loan		4,57,63,993	4,44,08,252
iii) Car Loan		7,64,156	14,83,077
<u>Unsecured (Repayable on Demand)</u>			
i) From Body Corporate		15,65,45,984	17,50,45,982
ii) From Related Parties		1,27,72,802	1,27,72,802
Total Borrowings		23,08,01,340	25,27,45,706
Borrowings in India		23,08,01,340	25,27,45,706
Borrowings outside India		-	-
Total		23,08,01,340	25,27,45,706
<i>Secured Borrowings and Assets Pledged as Security</i>			

15 Other Financial Liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Lease Rental Payable	-	1,92,18,165
Salary Payable	35,48,196	69,98,809
Staff Advance	1,03,443	61,000
Total Other Financial Liabilities	36,51,639	2,62,77,974

16 Provisions

SPA Capital Services Limited

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for Gratuity	42,29,554	71,84,473
Contingent Provision against Standard Assets	8,19,575	10,73,087
Contingent Provision against Doubtful Debts	48,73,335	35,00,000
Total Provisions	99,22,464	1,17,57,560

*In accordance with the Master Direction DNBR.PD.007/03.10.119/2016-17 (updated on February 17, 2020) issued by The Reserve Bank of India (RBI) vide its directions to all NBFC's to make a general provision of 0.25% on the Standard assets, the Company has made a provision of Rs. 8,19,575/- (Previous Year Rs. 10,73,086/-)

** A provision of 100% made against Unsecured, Considered Doubtful assets

17 Other Non Financial Liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Current		
(a) Statutory Liability	6,99,384	14,48,268
(b) Advances from Customers	-	-
(c) Expenses Payable	51,436	4,77,170
Total Other Financial Liabilities	7,50,820	19,25,438

19 Other Equity

Particulars	As at 31st March 2021	As at 31st March 2020
Securities Premium	25,00,000	25,00,000
Capital Reserve	-	-
General Reserve	11,81,52,498	11,81,52,497
Reserve Fund (NBFC)	59,29,347	59,29,347
Retained Earnings	(10,95,534)	75,55,043
Total Other Equity	12,54,86,311	13,41,36,887

SPA Capital Services Limited

Securities Premium

	As at 31st March 2021	As at 31st March 2020
Particulars		
Opening Balance	25,00,000	25,00,000
Received/Utilized during the Year	-	-
Closing Balance	25,00,000	25,00,000

General Reserve

	As at 31st March 2021	As at 31st March 2020
Particulars		
Opening Balance	11,81,52,498	11,81,52,497
Add : Transferred from Retained Earnings	-	-
Closing Balance	11,81,52,498	11,81,52,497

Reserve Fund (NBFC)

SPA Capital Services Limited

	As at 31st March 2021	As at 31st March 2020
Particulars		
Opening Balance	59,29,347	59,29,347
Add : Transferred from Retained Earnings	-	-
Closing Balance	59,29,347	59,29,347

Retained Earnings

	As at 31st March 2021	As at 31st March 2020
Particulars		
Opening balance	75,55,043	1,53,63,905
Net Profit /(Loss) for the period	(49,37,788)	15,78,348
Less: Amount Transferred to Reserve Fund (NBFC)	-	-
Less: Amount Transferred to General Reserve	-	-
Closing Balance	26,17,255	1,69,42,253
<u>Items of other Comprehensive Income (Net of Tax)</u>		
- Change in Fair Value of FVOCI Equity instrument	(37,12,789)	(93,87,210)
- Tax Impact on above	-	-
Closing Balance	(10,95,534)	75,55,043

Employee Benefit Obligations

	As at 31st March 2021	As at 31st March 2020
Particulars		
Current		
Gratuity	-	-
Bonus	-	-
Total Current Employee Benefit Obligations	-	-
Total Employee Benefit Obligations	-	-

Post-Employment Obligations - Gratuity

SPA Capital Services Limited

Particulars	As at 31st March 2021	As at 31st March 2020
Present Value of Obligation at Beginning of the Year	71,84,473	1,14,28,902
Current Service Cost	3,75,148	5,89,929
Past Service Cost	-	-
Interest Expense/(Income)	5,02,913	8,00,023
Total Amount Recognized in Profit or Loss	80,62,534	1,28,18,854
Re-measurements		
Acturial (Gain)/loss	(38,32,980)	(56,34,381)
- Experience (gains)/losses		
Total Amount recognized in Other Comprehensive Income	(38,32,980)	(56,34,381)
Benefit Payments		
Present Value of Obligation at end of the year	42,29,554	71,84,473
Provision for the Current Year	42,29,554	71,84,473

Significant actuarial assumptions:

The significant actuarial assumptions were as follows

Particulars	As at 31st March 2021	As at 31st March 2020
Discount Rate	7.0	7.0
Withdrawal Rate	5.0	5.0
Salary Growth Rate	5.5	5.5

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at 31st March 2021	
	Increase (%)	Increase (%)
Discount Rate (1% movement)	7.00	7.00
Withdrawal Rate (1% movement)	0.00	0.00
Salary Growth Rate (1% movement)	7.00	7.00

Defined Contribution Plans

The Company has defined contribution plan of provident fund for employees for which contribution at the rate of 12% of basic salary were made as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation.

SPA Capital Services Limited

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

18 EQUITY SHARE CAPITAL

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Equity Shares of Rs. 10 each (March 31, 2021: 50,00,000 Equity Shares of Rs. 10 each)	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued, Subscribed & Paid Up 30,74,225 Equity shares of Rs.10/- each fully paid up (March 31, 2021: 30,74,225 Equity shares of Rs.10 each)	30,74,225	3,07,42,250	30,74,225	3,07,42,250
Total	30,74,225	3,07,42,250	30,74,225	3,07,42,250

A) Reconciliation of number of Ordinary Shares outstanding:

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	Amount	No. of Shares	Amount
As at beginning of the year	30,74,225	3,07,42,250	30,74,225	3,07,42,250
Issue of Shares	-	-	-	-
Shares bought back during the year	-	-	-	-
As at end of the year	30,74,225	3,07,42,250	30,74,225	3,07,42,250

Terms and rights attached to Equity Shares

The Company has only one class of equity share with voting rights having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. The shareholders have equal right in dividend as and when declared by the Company subject to approval of the shareholders in the ensuing Annual General Meeting. Members of the Company holding equity share capital therein have a right to vote on every resolution placed before the Company and right to receive dividend. The voting rights on a poll is in proportion to the share of the paid-up equity capital of the Company held by the shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

B) Details of Shareholders Holding more than 5% shares in the Company

Name of Shareholders	As at 31st March 2021		As at 31st March 2020	
	Number of shares	Percentage holding	Number of shares	Percentage holding
Dhrubtara Trading Private Limited	5,86,250	19.07%	5,86,250	19.07%
Defiant Enterprises Private Limited	5,68,750	18.50%	5,68,750	18.50%
Sandeep Parwal	2,52,525	8.21%	2,52,525	8.21%
Kamal Kishore Somani	2,10,175	6.83%	2,10,175	6.83%
Honey Parwal	1,75,000	5.69%	1,75,000	5.69%

As per records of the company, including its register of shareholders/ members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

The Company has not allotted any shares without payment being received in cash and has neither allotted any fully paid up shares by way of bonus shares nor has bought back any class of shares during the period of five years immediately preceeding the balance sheet date.

SPA Capital Services Limited

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

20 Revenue From Operations

Particulars	As at 31st March 2021	As at 31st March 2020
At Amortised Cost		
Interest Income	-	-
Interest Income on loans	-	58,43,743
Total Interest Income	-	58,43,743
Sale of Services	24,80,50,899	32,07,67,264
Sale of Shares & Securities	6,07,83,380	-
Total Revenue From Operations	30,88,34,279	32,07,67,264

21 Other Income

Particulars	As at 31st March 2021	As at 31st March 2020
Rental Income	-	22,500
Interest on IT Refund	6,53,428	-
Lease Liability Written Off	12,52,422	-
Earlier Year Income	-	27,140
Dividend Income	-	1,08,300
Miscellaneous Income	3,44,587	2,97,610
Total Other Income	22,50,437	4,55,550

22 Finance Cost

Particulars	As at 31st March 2021	As at 31st March 2020
On financial liabilities measured at amortised cost:		
-Interest Expenses	49,92,234	1,02,10,981
-Other	94,262	-
Bank Charges	8,805	34,800
Total Finance Cost	50,95,301	1,02,45,781

23 Changes in Inventories of Stock-in-Trade of Shares & Securities

Particulars	As at 31st March 2021	As at 31st March 2020
Opening Balance		
Shares & Securities - Bonds	25,000	25,000
Shares & Securities - Equity	1	1
Total Opening Balance	25,001	25,001
Closing Balance		
Shares & Securities - Bonds	25,000	25,000
Shares & Securities - Equity	1	1
Total Closing Balance	25,001	25,001
Total Changes in Inventories of Stock-in-Trade	-	-

24 Employee Benefit Expense

Particulars	As at 31st March 2021	As at 31st March 2020
Salaries, Wages and Bonus	2,22,62,379	4,85,76,269
Directors Remuneration	36,00,000	43,50,000
Contribution to Provident and Other Funds	9,16,872	14,29,089
Staff Welfare Expenses	1,87,974	5,67,108
Provision for Gratuity Written Off	(29,54,919)	(42,44,429)
Total Employee Benefit Expense	2,40,12,306	5,06,78,037

SPA Capital Services Limited

25 Depreciation and Amortisation Expense

Particulars	As at 31st March 2021	As at 31st March 2020
Depreciation on Property, Plant and Equipment	28,29,481	33,33,660
Amortization of Intangible Assets	3,12,933	6,18,368
Total Depreciation and Amortisation Expense	31,42,414	39,52,028

26 Other Expenses

Particulars	As at 31st March 2021	As at 31st March 2020
Operational Expenses		
Demat Charges	-	2,455
Power and Fuel	11,38,740	19,22,283
License Fee	37,630	1,23,896
Fees & subscription	1,200	2,360
Membership Fees	1,67,758	36,737
	13,45,328	20,87,731
Administrative & Selling Expenses		
Advertising & Publicity Expenses	92,820	77,320
Computer & Software Expenses	1,07,883	5,15,196
Bad Debts written off	3,252	1,84,515
Books and Periodicals	38,218	32,157
Business Promotion	7,26,662	15,56,918
Filing Fees	4,700	20,900
Insurance	72,312	2,48,301
KKC Expenses	5,98,963	-
Legal & Professional Charges	75,250	7,28,000
Miscellaneous Expenses	4,50,620	42,979
Postage, Telephone & telex etc.	5,89,440	11,95,658
Penalty	51,079	58,840
Office Expenses	63,884	69,588
Repair and maintenance - Others	1,052	5,10,711
Repair and maintenance - PNM	4,94,924	10,50,523
Repair and Maintenance - COMP	25,554	1,01,573
Security Forfeited	2,59,250	-
Travelling and Conveyance	3,99,939	15,64,003
Rent Paid	17,98,300	77,25,058
Printing and Stationary	2,76,253	5,28,776
Rates and taxes	4,781	9,960
Service Charges	48,904	2,12,301
Audit Fees	2,00,000	1,87,500
Tax Audit Fees	25,000	62,500
Listing Fees	3,00,000	3,00,000
Contingent provision against Doubtful Asset	13,73,335	-
Contingent provision against Standard Asset	(2,53,512)	55,042
Festival Expenses	22,450	41,314
Loss/(Profit) on sale of Asset	7,68,062	81,244
Deferred Lease Rental	-	12,52,422
	86,19,376	1,84,13,299
Total Other Expenses	99,64,704	2,05,01,030

Related Party Disclosures:

(a) Holding Company / Associate Company

SPA Investment Adviser Private Limited, previously known as IFAN Finserv Private Limited
(Associate Company)

(b) Directors and Key Management Personnel/Relative

- | | | |
|-----|-----------------------|---|
| 1. | Mr. Sandeep Parwal | Chairman Cum Managing Director |
| 2. | Mr. Ramesh Menon | Independent Director (upto 10 th June 2021) |
| 3. | Mr. Kanav Parwal | (Son of Director) |
| 4. | Ms Kanika Parwal | (Daughter of Director) |
| 5. | Ms. Sugeeta Upadhyay | Independent Director (w.e.f. 27 th July, 2020) |
| 6. | Mrs. Honey Parwal | Woman Director (Non-Executive Director) |
| 7. | Mr. Sanjay Kumar Jain | Chief Financial Officer (upto 31 st October 2020) |
| 8. | Ms. Kajal Gupta | Company Secretary and Compliance Officer (Upto 31 st October 2020) |
| 9. | Ms Sukhjit Kaur | Company Secretary and Compliance Officer (w.e.f 12 th November 2020) |
| 10. | Mr. Sanjay Goel | Chief Financial Officer (Appointed w.e.f.30 th .April 2021) |

(c) Companies in which Directors and Key Managerial Personnel (excluding CS and CFO) or their relative have control or significant influence;

1. SPA Constructions Private Limited
2. Defiant Enterprises Private Limited
3. Dhruvtara Trading Private Limited
4. R.P. Computer Forms Private Limited
5. Vijay Shree Builders Private Limited
6. Bluemoon Financial Services Private Limited
(Previously known as Pinkcity Skyliners Developers Private Limited)
7. Penguin Developers Private Limited
8. Wintech Marketing Private Limited
9. Simplex Construction Private Limited
10. Niveshak MPowered Private Limited
11. Bhoopati Trading Private Limited
12. Jagriti Buildtech Private Limited
13. Parth Infracon Private Limited
14. SPA Com Trade Private Limited
15. SPA Capital Advisors Limited
16. SPA Valuation Advisors Private Limited
(Previously known as ZenSPAa Capital Services Private Limited)
17. Haryana Sultans Promotions Private Limited
18. Sansaar Warehousing & Logistic Parks Private Limited
19. SPA Insurance Broking Services Limited
20. SPA Investment Adviser Private Limited,
Previously known as IFAN Finserv Private Limited
21. New Age Knowledge Solutions Limited
22. Fingreen Corp LLP

(d) Transactions with Related Parties

(Amount in Rs.)

Sr. No.	Name of Related Party	Nature of Transaction	During the year		Balance Outstanding as on	
			2020-2021	2019-2020	31-Mar-21	31-Mar-20
1	Sandeep Parwal (MD)	Directors Remuneration	36,00,000	36,00,000	16,67,200	14,06,400
2	Mahaveer Prasad Mundhra	Directors Remuneration	-	7,50,000	-	-
		Reimbursement of Exp.	-	22,370	-	-
3	Mr. Kanav Parwal	Remuneration	16,00,000	-	50,000	-
4	Ms. Kanika Parwal	Remuneration	18,00,000	-	5,00,000	-
5	Sanjay Kumar Jain (CFO) Resigned on 31/10/2020	Salary Paid	6,00,000	25,75,000	2,69,000	-
		Reimbursement of Exp.	395	31,374	-	-
6	Ms. Kajal Gupta (CS) Resigned on 31/10/2020	Salary Paid	3,21,623	5,56,264	17,472	42,472
		Reimbursement of Exp.	1,500	2,448	-	-
7	Ms. Sukhjit Kaur (CS) Appointed on 12/11/2020	Salary Paid	1,98,562	-	37,912	-
8	Bhoopati Trading Private Limited	Advance Taken & Repaid	84,730	31,569	-	-
		Rent Paid#	1,27,440	1,27,440	-	-
9	R P Computer Forms Private Limited	Advance Taken & Repaid	62,662	5,628	-	-
		Rent Paid#	2,02,500	2,70,000	-	-
		Security Deposit for Office	-	-	20,00,000	20,00,000
10	Simplex Construction Private Limited	Advance Taken & Repaid	22,75,000	2,814	-	2,814
		Rent Paid#	-	2,72,580	-	-
		Purchase of Shares	-	64,52,729	-	-
		Security Deposit for Office	-	-	10,35,000	10,35,000

11	SPA Insurance Broking Services Limited	Advance Taken & Repaid	6,177	2,08,896	-	-
12	SPA Securities Limited	Demat Expenses#	-	2,897	-	-
13	SPA Investment Adviser Private Limited, Previously known as IFAN Finserv Pvt.Ltd.	Loan Paid	-	55,22,809	-	-
		Advance Taken & Repaid		37,049	-	-
		Brokerage Paid	43,552	-	-	-
		Loan Received	-	1,27,72,802	1,27,72,802	1,27,72,802
		Interest Received	-	56,90,902	-	-
14	Vijay Shree Builders Private Limited	Rent Paid#	7,77,384	14,16,708	-	-
		Advance Taken & Repaid	-	2,814	-	2,814
		Brokerage Received		51,829	-	7,695
		Security Deposit for Office	-	-	37,57,500	37,57,500
15	Wintech Marketing Private Limited	Rent Advance	-	27,000	-	27,000
		Advance Taken & Repaid	46,254	18,195	-	-
		Rent Paid#	3,54,000	3,54,000	82,875	-
		Security Deposit for Office	-	-	20,00,000	20,00,000
15	SPA Capital Advisors Limited	Advance Taken & Repaid	3,439	72,700	-	-
16	Penguin Developers Pvt Ltd	Security Deposit for Office	-	-	45,000	45,000
		Advance Taken & Repaid	37,758	2,814	-	-
		Rent Paid#	1,80,000	1,80,000	-	-
17	Bluemoon Financial Services Private Limited	Purchase of Shares	-	9,58,691	-	-
		Loan Taken and Repaid	-	5,20,00,000	-	-

18	Niveshak M Powered Private Limited	Brokerage Paid	27,66,384	24,70,085	93,782	4,79,028
		Advance Taken & Repaid	1,02,920	23,876	-	23,876
19	Parth Infracon Private Limited	Advance Taken & Repaid	55,209	-	-	-
20	SPA Com Trade Pvt.Ltd.	Advance Taken & Repaid	-	-	54,00,000	54,00,000

#Inclusive of GST

Significant accounting policies and notes to the Financial Statements

As per our report of even date attached

For and Behalf of the Board of Directors

For SNMG & Company

Chartered Accountants

ICAI FRN No. : 04921N

CA Deep Chand Garg

Partner

Membership No.076117

Sandeep Parwal

Chairman cum Managing Director

DIN No. 00025803

Honey Parwal

Director

DIN No. 00025835

Sukhjit Kaur

Company Secretary

Sanjay Goel

Chief Financial Officer

Place : Delhi

Date : 30.06.2021

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONGWITH ANNUAL AUDITED FINANCIAL RESULTS- Standalone

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	S. No.	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualification)
	1	Turnover / Total income	31,10,84,716	31,10,84,716
	2	Total Expenditure	31,97,35,293	32,71,54,647
	3	Net Profit/(Loss)	-86,50,577	-1,60,69,931
	4	Earnings Per Share	-2.813905053	-5.227311359
	5	Total Assets	43,61,86,971	43,61,86,971
	6	Total Liabilities	27,99,58,410	28,73,77,764
	7	Net Worth	15,62,28,561	14,88,09,207
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately):			
	(A)	Details of Audit Qualification: <i>The company has taken various loans, which were outstanding as on 31st March, 2021. The management has not provided the interest on some of the loans, which constitute a departure from the Accrual basis of accounting. The company's records indicate that an amount of Rs. 74, 19, 353.99 for the year ended on March 31, 2021 has not been provided as interest expenses on these loans, which would have been decrease the profit by Rs. 74,19,353.99 for the year ended on March 31, 2021 and also increase the loan liability by same amount.</i>		
	(B)	Type of Audit Qualification : Qualified Opinion		
	(C)	Frequency of qualification: Second Time		
	(D)	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Interest of Rs. 74,19,353.99- has not been provided in the books as the there is some dispute going on with the concerned parties and management is of the view that no provision of interest is required in the books of accounts.		
	(E)	For Audit Qualification(s) where the impact is not quantified by the auditor: NA		
	(i)	Management's estimation on the impact of audit qualification: NA		
	(ii)	If management is unable to estimate the impact: NA		
	(iii)	Auditors' Comments on (i) or (ii) above: NA		

III	Signatories		
	For and on behalf of the Board		
	Sandeep Parwal Chairman Cum Managing Director	Sd/-	
	Sanjay Goel CFO	Sd/-	
	Statutory Auditor	For SNMG & Associates Chartered Accountants ICAI FRN No.04921N Sd/- CA Deep Chand Garg Partner Membership No 076117	

Date: 30.06.2021

Place: Delhi

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SPA CAPITAL SERVICES LIMITED**

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **SPA CAPITAL SERVICES LIMITED** ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

The company has taken various loans, which were outstanding as on 31st March, 2021. The management has not provided the interest on some of the loans, which constitute a departure from the Accrual basis of accounting. The company's records indicate that an amount of Rs. 74,19,353.99 for the year ended on March 31, 2021 has not been provided as interest expenses on these loans, which would have been decrease the profit by Rs. 74,19,353.99 for the year ended on March 31, 2021 and also increase the loan liability by same amount.

Information other than Financial Statements and Auditors 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 financial statements and our auditors' report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibility of Management for Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial and the Cash Flow Statement of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. 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.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Consolidated balance sheet, the Consolidated statement of profit and loss (including other comprehensive income), the Consolidated statement of changes in equity and the Consolidated statement of cash flows dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”.

(g) With respect to the matter to be included in the Auditors’ Report under section 197(16):

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

- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements which would impact its financial position
 - ii. The Company has no long-term contracts as at 31st March, 2021 and therefore there are no material foreseeable losses.
 - iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2021

For SNMG & Company
Chartered Accountants
ICAI FRN No. : 04921N

CA Deep Chand Garg
Partner
Membership No.076117

Place : New Delhi
Date : 30.06.2021

UDIN : 21076117AAAADP7417

**Annexure A to the Independent Auditor's Report on the Consolidated financial Statements of SPA
Capital Services Limited for the year ended 31st March 2021**

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

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SPA Capital Services Limited of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of SPA Capital Services Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

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

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

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 Act, 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 ICAI. 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 Consolidated financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

For SNMG & Company

Chartered Accountants

ICAI FRN No. : 04921N

CA Deep Chand Garg

Partner

Membership No.076117

Place : New Delhi

Date : 30.06.2021

SPA Capital Services Limited

Consolidated Balance Sheet for the Year ended 31st March 2021

(in Rs.)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
Assets			
Financial Assets			
(a) Cash and Cash Equivalents	3	27,24,948	28,91,365
(b) Trade Receivables	4	1,90,90,909	2,80,14,913
(c) Loans	5	33,28,06,970	43,20,15,729
(d) Investments	6	4,84,02,722	5,25,82,636
(e) Other Financial assets	7	1,47,44,792	2,48,09,680
Non-financial Assets			
(a) Inventories	8	25,001	25,001
(b) Current tax assets (Net)	9	65,17,469	14,48,142
(c) Deferred tax Assets (Net)	10	30,85,272	20,98,169
(d) Property, Plant and Equipment	11	79,19,995	1,13,39,644
(e) Other Intangible assets	11	3,60,194	9,06,318
(f) Other Non Financial Asset	12	-	1,79,65,743
Total Assets		43,56,78,272	57,40,97,341
Liabilities and Equity			
Liabilities			
Financial Liabilities			
(a) Trade Payables	13		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,48,32,147	11,65,53,100
(b) Borrowings	14	23,08,01,340	25,27,45,706
(c) Other financial liabilities	15	36,51,639	2,62,77,974
Non-Financial Liabilities			
(a) Provisions	16	99,22,464	1,17,57,560
(b) Other non-financial liabilities	17	7,50,820	19,25,438
Total Liabilities		27,99,58,410	40,92,59,778
Equity			
(a) Equity Share Capital	18	3,07,42,250	3,07,42,250
(b) Other Equity	19	12,49,77,612	13,40,95,313
Total Equity		15,57,19,862	16,48,37,563
Total Equity and Liabilities		43,56,78,272	57,40,97,341

Significant accounting policies and notes to the Financial Statements

As per our report of even date attached

For and Behalf of the Board of Directors

For SNMG & Company
Chartered Accountants
ICAI FRN No. : 04921N

CA Deep Chand Garg
Partner
Membership No.076117
 Place : New Delhi
 Date : 30.06.2021

Sandeep Parwal
 Chairman cum Managing Director
 DIN No. 00025803

Honey Parwal
 Director
 DIN No. 00025835

Sukhjot Kaur
 Company Secretary

Sanjay Goel
 Chief Financial Officer

SPA Capital Services Limited

Consolidated Profit & Loss for the Year ended 31st March 2021

(in Rs.)			
Particulars	Note No.	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Revenue from Operations	20		
Interest Income		-	58,43,743
Sale of Services		24,80,50,899	32,07,67,264
Sale of Shares & Securities		6,07,83,380	-
Total Revenue from operations		30,88,34,279	32,66,11,007
Other Income	21	22,50,437	4,55,550
Total Income		31,10,84,716	32,70,66,557
Expenses			
Finance Costs	22	50,95,301	1,02,45,781
Brokerage Expense		21,52,19,377	23,47,95,414
Purchase of Stock-In-Trade		6,07,50,000	-
Changes in Inventories of Stock-in-Trade	23	-	-
Employee Benefit Expense	24	2,40,12,306	5,06,78,037
Depreciation and Amortisation Expense	25	31,42,414	39,52,028
Other Expenses	26	99,64,704	2,05,01,030
Total Expenses		31,81,84,102	32,01,72,290
Profit before Tax		(70,99,385)	68,94,267
Tax Expenses			
i) Current Tax	10	-	22,50,000
ii) Deferred Tax	10	(9,87,103)	28,20,648
iii) Income Tax for earlier Years		(11,74,495)	2,45,271
Total Tax Expenses		(21,61,598)	53,15,919
Profit after Tax		(49,37,788)	15,78,348
Profit/Loss Share in Associate		(4,67,125)	(41,574)
Profit for the year		(54,04,913)	15,36,774
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
- Equity instruments through other comprehensive income		(37,12,789)	(93,87,210)
(ii) Income tax relating to Items that will be reclassified to Profit / (Loss)		-	-
Other Comprehensive Income net of tax		(37,12,789)	(93,87,210)
Total Comprehensive Income for the Year		(91,17,702)	(78,50,436)
Earnings per equity share of Face Value of `1/- each			
Basic earnings per share (in `)		(2.97)	(2.55)
Diluted earnings per share (in `)		(2.97)	(2.55)

See accompanying notes to the financial statements

As per our report of even date attached

For and on behalf of the Board

For SNMG & Company
Chartered Accountants
ICAI FRN No. : 04921N

CA Deep Chand Garg
Partner
Membership No.076117
Place : New Delhi
Date : 30.06.2021

Sandeep Parwal
Chairman cum Managing Director
DIN No. 00025803

Sukhjot Kaur
Company Secretary

Honey Parwal
Director
DIN No. 00025835

Sanjay Goel
Chief Financial Officer

SPA Capital Services Limited

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

20 Revenue From Operations

Particulars	As at 31st March 2021	As at 31st March 2020
At Amortised Cost		
Interest Income	-	-
Interest Income on loans	-	58,43,743
Total Interest Income	-	58,43,743
Sale of Services	24,80,50,899	32,07,67,264
Sale of Shares & Securities	6,07,83,380	-
Total Revenue From Operations	30,88,34,279	32,07,67,264

21 Other Income

Particulars	As at 31st March 2021	As at 31st March 2020
Rental Income	-	22,500
Interest on IT Refund	6,53,428	-
Lease Liability Written Off	12,52,422	-
Earlier Year Income	-	27,140
Dividend Income	-	1,08,300
Miscellaneous Income	3,44,587	2,97,610
Total Other Income	22,50,437	4,55,550

22 Finance Cost

Particulars	As at 31st March 2021	As at 31st March 2020
On financial liabilities measured at amortised cost:		
-Interest Expenses	49,92,234	1,02,10,981
-Other	94,262	-
Bank Charges	8,805	34,800
Total Finance Cost	50,95,301	1,02,45,781

23 Changes in Inventories of Stock-in-Trade of Shares & Securities

Particulars	As at 31st March 2021	As at 31st March 2020
Opening Balance		
Shares & Securities - Bonds	25,000	25,000
Shares & Securities - Equity	1	1
Total Opening Balance	25,001	25,001
Closing Balance		
Shares & Securities - Bonds	25,000	25,000
Shares & Securities - Equity	1	1
Total Closing Balance	25,001	25,001
Total Changes in Inventories of Stock-in-Trade	-	-

24 Employee Benefit Expense

Particulars	As at 31st March 2021	As at 31st March 2020
Salaries, Wages and Bonus	2,22,62,379	4,85,76,269
Directors Remuneration	36,00,000	43,50,000
Contribution to Provident and Other Funds	9,16,872	14,29,089
Staff Welfare Expenses	1,87,974	5,67,108
Provision for Gratuity Written Off	(29,54,919)	(42,44,429)
Total Employee Benefit Expense	2,40,12,306	5,06,78,037

SPA Capital Services Limited

25 Depreciation and Amortisation Expense

Particulars	As at 31st March 2021	As at 31st March 2020
Depreciation on Property, Plant and Equipment	28,29,481	33,33,660
Amortization of Intangible Assets	3,12,933	6,18,368
Total Depreciation and Amortisation Expense	31,42,414	39,52,028

26 Other Expenses

Particulars	As at 31st March 2021	As at 31st March 2020
Operational Expenses		
Demat Charges	-	2,455
Power and Fuel	11,38,740	19,22,283
License Fee	37,630	1,23,896
Fees & subscription	1,200	2,360
Membership Fees	1,67,758	36,737
	13,45,328	20,87,731
Administrative & Selling Expenses		
Advertising & Publicity Expenses	92,820	77,320
Computer & Software Expenses	1,07,883	5,15,196
Bad Debts written off	3,252	1,84,515
Books and Periodicals	38,218	32,157
Business Promotion	7,26,662	15,56,918
Filing Fees	4,700	20,900
Insurance	72,312	2,48,301
KKC Expenses	5,98,963	-
Legal & Professional Charges	75,250	7,28,000
Miscellaneous Expenses	4,50,620	42,979
Postage, Telephone & telex etc.	5,89,440	11,95,658
Penalty	51,079	58,840
Office Expenses	63,884	69,588
Repair and maintenance - Others	1,052	5,10,711
Repair and maintenance - PNM	4,94,924	10,50,523
Repair and Maintenance - COMP	25,554	1,01,573
Security Forfeited	2,59,250	-
Travelling and Conveyance	3,99,939	15,64,003
Rent Paid	17,98,300	77,25,058
Printing and Stationary	2,76,253	5,28,776
Rates and taxes	4,781	9,960
Service Charges	48,904	2,12,301
Audit Fees	2,00,000	1,87,500
Tax Audit Fees	25,000	62,500
Listing Fees	3,00,000	3,00,000
Contingent provision against Doubtful Asset	13,73,335	-
Contingent provision against Standard Asset	(2,53,512)	55,042
Festival Expenses	22,450	41,314
Loss/(Profit) on sale of Asset	7,68,062	81,244
Deferred Lease Rental	-	12,52,422
	86,19,376	1,84,13,299
Total Other Expenses	99,64,704	2,05,01,030

SPA Capital Services Limited

Notes to the Financial Statements

Consolidated Balance Sheet for the Year ended 31st March 2021

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Equity Shares of Rs. 10 each (March 31, 2021: 50,00,000 Equity Shares of Rs. 10 each)	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued, Subscribed & Paid Up 30,74,225 Equity shares of Rs.10/- each fully paid up (March 31, 2021: 30,74,225 Equity shares of Rs.10 each)	30,74,225	3,07,42,250	30,74,225	3,07,42,250
Total	30,74,225	3,07,42,250	30,74,225	3,07,42,250

A) Reconciliation of number of Ordinary Shares outstanding:

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	Amount	No. of Shares	Amount
As at beginning of the year	30,74,225	3,07,42,250	30,74,225	3,07,42,250
Issue of Shares	-	-	-	-
Shares bought back during the year	-	-	-	-
As at end of the year	30,74,225	3,07,42,250	30,74,225	3,07,42,250

Terms and rights attached to Equity Shares

The Company has only one class of equity share with voting rights having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. The shareholders have equal right in dividend as and when declared by the Company subject to approval of the shareholders in the ensuing Annual General Meeting. Members of the Company holding equity share capital therein have a right to vote on every resolution placed before the Company and right to receive dividend. The voting rights on a poll is in proportion to the share of the paid-up equity capital of the Company held by the shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

B) Details of Shareholders Holding more than 5% shares in the Company

Name of Shareholders	As at 31st March 2021		As at 31st March 2020	
	Number of shares	Percentage holding	Number of shares	Percentage holding
Dhrubtara Trading Private Limited	5,86,250	19.07%	5,86,250	19.07%
Defiant Enterprises Private Limited	5,68,750	18.50%	5,68,750	18.50%
Sandeep Parwal	2,52,525	8.21%	2,52,525	8.21%
Kamal Kishore Somani	2,10,175	6.83%	2,10,175	6.83%
Honey Parwal	1,75,000	5.69%	1,75,000	5.69%

As per records of the company, including its register of shareholders/ members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

The Company has not allotted any shares without payment being received in cash and has neither allotted any fully paid up shares by way of bonus shares nor has bought back any class of shares during the period of five years immediately preceeding the balance sheet date.

SPA Capital Services Limited

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

13 Trade Payables

Particulars	As at 31st March 2021	As at 31st March 2020
Trade Payables		
i) Total outstanding dues to micro and small enterprises	-	-
i) Total outstanding dues of creditors other than micro and small enterprises	3,48,32,147	11,65,53,100
Total Trade Payables	3,48,32,147	11,65,53,100

14 Borrowings

Particulars	Effective interest rate	As at 31st March 2021	As at 31st March 2020
Secured (Repayable on Demand)			
i) Bank Overdrafts		1,49,54,405	1,90,35,593
ii) Working Capital Loan		4,57,63,993	4,44,08,252
iii) Car Loan		7,64,156	14,83,077
Unsecured (Repayable on Demand)			
i) From Body Corporate		15,65,45,984	17,50,45,982
ii) From Related Parties		1,27,72,802	1,27,72,802
Total Borrowings		23,08,01,340	25,27,45,706
Borrowings in India		23,08,01,340	25,27,45,706
Borrowings outside India		-	-
Total		23,08,01,340	25,27,45,706

Secured Borrowings and Assets Pledged as Security

15 Other Financial Liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Lease Rental Payable	-	1,92,18,165
Salary Payable	35,48,196	69,98,809
Staff Advance	1,03,443	61,000
Total Other Financial Liabilities	36,51,639	2,62,77,974

16 Provisions

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for Gratuity	42,29,554	71,84,473
Contingent Provision against Standard Assets	8,19,575	10,73,087
Contingent Provision against Doubtful Debts	48,73,335	35,00,000
Total Provisions	99,22,464	1,17,57,560

***In accordance with the Master Direction DNBR.PD.007/03.10.119/2016-17 (updated on February 17, 2020) issued by The Reserve Bank of India (RBI) vide its directions to all NBFC's to make a general provision of 0.25% on the Standard assets, the Company has made a provision of Rs. 8,19,575/- (Previous Year Rs. 10,73,086/-)**

**** A provision of 100% made against Unsecured, Considered Doubtful assets**

17 Other Non Financial Liabilities

Particulars	As at 31st March 2021	As at 31st March 2020
Current		
(a) Statutory Liability	6,99,384	14,48,268
(b) Advances from Customers	-	-
(c) Expenses Payable	51,436	4,77,170
Total Other Financial Liabilities	7,50,820	19,25,438

19 Other Equity

Particulars	As at 31st March 2021	As at 31st March 2020
Securities Premium	25,00,000	25,00,000
Capital Reserve	-	-
General Reserve	11,81,52,498	11,81,52,497
Reserve Fund (NBFC)	59,29,347	59,29,347
Retained Earnings	(16,04,233)	75,13,469
Total Other Equity	12,49,77,612	13,40,95,313

Securities Premium

Particulars	As at 31st March 2021	As at 31st March 2020
Opening Balance	25,00,000	25,00,000
Received/Utilized during the Year	-	-
Closing Balance	25,00,000	25,00,000

General Reserve

Particulars	As at 31st March 2021	As at 31st March 2020
Opening Balance	11,81,52,498	11,81,52,497
Add : Transferred from Retained Earnings	-	-
Closing Balance	11,81,52,498	11,81,52,497

Reserve Fund (NBFC)

Particulars	As at 31st March 2021	As at 31st March 2020
Opening Balance	59,29,347	59,29,347
Add : Transferred from Retained Earnings	-	-
Closing Balance	59,29,347	59,29,347

Retained Earnings

Particulars	As at 31st March 2021	As at 31st March 2020
Opening balance	75,13,469	1,53,63,905
Net Profit /(Loss) for the period	(54,04,913)	15,36,774
Less: Amount Transferred to Reserve Fund (NBFC)	-	-
Less: Amount Transferred to General Reserve	-	-
Closing Balance	21,08,556	1,69,00,679
<u>Items of other Comprehensive Income (Net of Tax)</u>		
- Change in Fair Value of FVOCI Equity instrument	(37,12,789)	(93,87,210)
- Tax Impact on above	-	-
Closing Balance	(16,04,233)	75,13,469

Employee Benefit Obligations

Particulars	As at 31st March 2021	As at 31st March 2020
Current		
Gratuity	-	-
Bonus	-	-
Total Current Employee Benefit Obligations	-	-
Total Employee Benefit Obligations	-	-

Post-Employment Obligations - Gratuity

Particulars	As at 31st March 2021	As at 31st March 2020
Present Value of Obligation at Beginning of the Year	71,84,473	1,14,28,902
Current Service Cost	3,75,148	5,89,929
Past Service Cost	-	-
Interest Expense/(Income)	5,02,913	8,00,023
Total Amount Recognized in Profit or Loss	80,62,534	1,28,18,854
Re-measurements		
Acturial (Gain)/loss	(38,32,980)	(56,34,381)
- Experience (gains)/losses		
Total Amount recognized in Other Comprehensive Income	(38,32,980)	(56,34,381)
Benefit Payments		
Present Value of Obligation at end of the year	42,29,554	71,84,473
Provision for the Current Year	42,29,554	71,84,473

Significant actuarial assumptions:

The significant actuarial assumptions were as follows

Particulars	As at 31st March 2021	As at 31st March 2020
Discount Rate	7.0	7.0
Withdrawal Rate	5.0	5.0
Salary Growth Rate	5.5	5.5

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at 31st March 2020	
	Increase (%)	Increase (%)
Discount Rate (1% movement)	7.00	7.00
Withdrawal Rate (1% movement)	0.00	0.00
Salary Growth Rate (1% movement)	7.00	7.00

Defined Contribution Plans

The Company has defined contribution plan of provident fund for employees for which contribution at the rate of 12% of basic salary were made as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or any constructive obligation.

SPA Capital Services Limited

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

3 Cash and Cash Equivalents

Particulars	As at 31st March 2021	As at 31st March 2020
Balances with Banks-Current Account	14,68,595	17,11,134
Cash on Hand	12,56,353	11,80,231
Total Cash and Cash Equivalents	27,24,948	28,91,365

4 Trade Receivables

Particulars	As at 31st March 2021	As at 31st March 2020
Receivables considered good - Unsecured		
Trade Receivable - Letter Of Credit	8,005	92,817
Trade Receivable - Mutual Fund	1,74,11,009	2,27,48,222
Trade Receivable - Others	16,71,894	51,73,874
Total Trade Receivables	1,90,90,909	2,80,14,913

Note: Impairment allowance recognised on Trade Receivables is Rs. Nil (Previous year Rs. Nil).

5 Loans

Particulars	As at 31st March 2021	As at 31st March 2020
Loans at Amortised Cost		
To Body Corporates		
Unsecured, Considered Goods	32,79,33,634	42,71,42,394
Unsecured, Considered Doubtful	48,73,335	35,00,000
To Others		
Unsecured, Considered Goods	-	13,73,335
Total Gross	33,28,06,970	43,20,15,729
Less: Impairment loss allowance	-	-
Total Loans (Net)	33,28,06,970	43,20,15,729

6 Investments

Particulars	As at 31st March 2021	As at 31st March 2020
6.1 Investments Measured At Cost		
In India		
In equity shares of Associates (Unquoted, fully paid-up)		
IFAN Finserv Private Limited (4,41,32,608 Shares) (Goodwill of Rs. 831,857/- has been included in the Investments)	73,69,846	74,11,420
Add: Profit/ (Loss) Share of Associate	(4,67,125)	(41,574)
	69,02,721	73,69,846
6.2 Investments Measured At Fair Value Through Other Comprehensive Income (FVTOCI)		
In India		
In equity shares of other companies (Unquoted, fully paid-up)		
Impetus Analytic E solutions Pvt Ltd (13,10,000 Shares)	1	37,12,790

SPA Capital Services Limited

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

6.3	Investments Measured At Amortised Cost		
	In India		
	Investment in Preference Shares of other companies		
	SPA ComTrade Private Limited 135,000 (Previous year 135,000) Shares of Rs. 10 each fully paid-up	54,00,000	54,00,000
	SPA Securities Limited 361,000 (Previous year 361,000) Shares of Rs. 10 each fully paid-up	3,61,00,000	3,61,00,000
	Total of Investments in Preference Shares	4,15,00,000	4,15,00,000
	Total Investments	4,84,02,722	5,25,82,636

7 Other Financial Assets

Particulars	As at 31st March 2021	As at 31st March 2020
Advance Recoverable in Cash or Kind	57,402	7,44,000
Advances with Vendors	-	5,04,995
Prepaid	26,400	1,57,691
Balance with Revenue Authorities	28,18,554	1,11,82,113
Security Deposit	1,18,42,435	1,21,81,435
Interest Receivable from Staff Advances	-	39,446
Total Other Financial Assets	1,47,44,792	2,48,09,680

8 Inventories

Particulars	As at 31st March 2021	As at 31st March 2020
Stock of Shares & Securities	25,001	25,001
Total Inventories	25,001	25,001

9 Current Tax Assets (Net)

Particulars	As at 31st March 2021	As at 31st March 2020
Advance Tax	-	-
Income Tax Refund Due	7,32,747	-
Excess Provision for Earlier Year	11,891	-
Tax Deducted at Source	57,72,831	14,48,142
Total Current Tax Assets (Net)	65,17,469	14,48,142

10 Movement in Deferred tax Asset/ liabilities(Net)

Particulars	As at 31st March 2021	As at 31st March 2020
At the beginning of the year	20,98,169	49,18,817
Credit/ (Charge) to Statement of Profit and Loss (refer note 29)	9,87,103	(28,20,648)
Credit/ (Charge) to Other Comprehensive income	-	-
Movement in MAT Credit	-	-
At the end of the year		
- to Other Comprehensive Income		
At 31st March 2021	30,85,272	20,98,169

SPA Capital Services Limited

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

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

Particulars	As at 31st March 2021	As at 31st March 2020
Current Tax		
In respect of current year	-	22,50,000
In respect of prior years	(11,74,495)	-
Total Current Tax Expense	(11,74,495)	22,50,000
Deferred tax		
Increase / (Decrease) in Deferred Tax Liabilities	(9,87,103)	28,20,648
Excess Provision for earlier years reversed	-	-
Total Deferred Tax Expense / (benefit)	(9,87,103)	28,20,648
Income tax expense	(21,61,598)	50,70,648

12 Other Non Financial Asset

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Lease Rental	-	1,79,65,743
Total	-	1,79,65,743

SPA Capital Services Limited
Notes to the Financial Statements as at and for the Year ended 31 March 2021

11 Property Plant and Equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 01 April 2020	Addition during the year	Deletions during the year	As on 31 March 2021	As at 01 April 2020	For the year	Dep. Written off against sold assets	As on 31 March 2021	As on 31 March 2021	As on 31 March 2020
Tangible Assets										
Computers	1,93,04,676	-	-	1,93,04,676	1,67,95,119	10,92,122	-	1,78,87,241	14,17,435	25,09,557
Motor Vehicles	1,94,27,075	-	30,78,645	1,63,48,430	1,30,94,415	13,61,845	18,10,583	1,26,45,677	37,02,753	63,32,660
Furniture and Fixtures	86,07,206	-	-	86,07,206	70,96,654	1,71,077	-	72,67,731	13,39,475	15,10,552
Plant and Machinery	97,60,432	4,44,703	-	1,02,05,135	78,67,238	5,17,370	-	83,84,608	18,20,526	18,93,193
Total	5,70,99,389	4,44,703	30,78,645	5,44,65,447	4,48,53,426	31,42,414	18,10,583	4,61,85,257	82,80,189	1,22,45,962
Previous Year Details	6,22,71,402	2,75,505	54,47,518	5,70,99,389	4,54,16,672	39,52,028	45,15,274	4,48,53,426	1,22,45,962	-

Consolidated Balance Sheet for the Year ended 31st March 2021

(Rs. In lakhs)

Particulars			
	Liabilities side:		
(1)	Loans and Advances availed by the NBFCs inclusive of Interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
	(a) Debentures : Secured	-	-
	: Unsecured	-	-
	(other than that falling within the meaning of public deposits)		
	(b) Deferred Credits	-	-
	(c) Term Loans	457.64	-
	(d) Inter-Corporate Loans and Borrowings	1,565.46	-
	(e) Commercial Paper	-	-
	(f) Public Deposits*	-	-
	(g) Other Loans (Loan on hypothecation of vehicles, Loan against property owned by group company and Bank Overdraft)	157.19	-
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	(a) In the form of Unsecured Debentures		
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
	(c) Other Public Deposits		
	Assets side:		
		Amount outstanding	
(3)	Break up of loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured		-
	(b) Unsecured		3,518.98
(4)	Break up of Leased Assets and stock on hire and other assets counting towards Asset financing activities		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease		-
	(b) Operating lease		-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-
(5)	Break up of Investments:		
	Current Investments:		
	1. <u>Quoted:</u>		
	(i) Shares: (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others (please specify)		-
	2. <u>Unquoted:</u>		
	(i) Shares: (a) Equity		-
	(b) Preference		-

	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	Long Term investments	
	1. <u>Quoted:</u>	
	(i) Shares: (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
	2. <u>Unquoted:</u>	
	(i) Shares: (a) Equity	69.03
	(b) Preference	415.00
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	-
(6)	Borrower group-wise classification of assets financed as in (3) and (4) above:	
	Category	Amount net of provisions
		Secured Unsecured Total
	1. Related Parties	
	(a) Subsidiaries	- - -
	(b) Companies in the same group	- 127.73 127.73
	(C) Other related parties	- - -
	2. Other than related parties	- 3,391.25 3,391.25
	Total	- 3,518.98 3,518.98
(7)	Investor group-wise classification all investments (current and long term) in shares and securities (both quoted and unquoted):	
	Category	Market Value/Break up or fair value/NAV Book Value (Net of Provisions)
	1. Related Parties	
	(a) Subsidiaries	- -
	(b) Companies in the same group	484.03 488.70
	(C) Other related parties	- -
	2. Other than related parties	0.00 37.13
	Total	484.03 525.83
(8)	Other information	
	Particulars	Amount (Rs.)
	(i) Gross Non-Performing Assets	
	(a) Related parties	-
	(b) other than related parties	-
	(ii) Net Non-Performing Assets	
	(a) Related parties	-
	(b) other than related parties	-
	(iii) Assets acquired in satisfaction of debt	-

SPA Capital Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1 **CORPORATE INFORMATION**

SPA Capital Services Limited ("the Company") is a public limited company incorporated on July 20, 1984 under the provisions of the Companies Act, 1956. The Company is engaged in providing Wealth Management and Financial Advisory services to institutions, corporate and individuals. The Company is also registered with Reserve Bank of India as a Non-Deposit Accepting Non Banking Financial Institution.

2 **SIGNIFICANT ACCOUNTING POLICIES**

i. **Basis of accounting and Preparation of Financial Statements**

These financial statements have been prepared in accordance with Indian Accounting Standards (IndAS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The IndAS are prescribed under Section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

All assets and liabilities are classified as Current and Non-Current as per company's normal operating cycle of 12 months which is based on the nature of business of the Company. Current Assets do not include elements which are not expected to be realised within one year and Current Liabilities do not include items which are due after one year, the period of one year being reckoned from the reporting date.

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

Rounding off

All amounts in the financial statement and accompanying notes are presented in Lacs and have been rounded-off to two decimal place unless stated otherwise.

ii. **Use of Estimates and Judgement**

The preparation of financial statements requires management to exercise judgement and make estimates and assumptions that affects the reported amounts of revenue, expenses, assets and liabilities. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the results are known/materialise.

The areas involving significant estimates and judgement include determination of useful life of Property, Plant and Equipment (Refer note 1.4), measurement of defined benefit obligations, and recognition of deferred tax assets/liabilities (Refer note 10).

iii. **Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of Property, Plant and Equipment recognised as at 1st April, 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All Upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

S. No.	Particulars	Estimated Useful Life
1	Leasehold land	Over lease term
2	Building other than factory	60 years
3	Computers	
	- Computers and other peripherals	3 years
	- Servers and networking	6 years
4	Furniture & Fixtures	10 years
5	Vehicles	8 years
6	Other equipment	5 - 15 years

The useful lives have been determined based on technical evaluation done by the expert's which are in line those specified by Schedule II to the Companies Act 2013. The residual values are not more than 5% of the original cost of the asset. The depreciation methods, assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under Other Non-Current Assets and the cost of assets not put to use before such date is disclosed under 'Capital work-in-progress'.

SPA Capital Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

iv. Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

v. Investments :

Investments are classified as Current or Non-Current based upon management intent at the time of acquisition. Investments that are intended to be held for not more than one year from the date of acquisition are classified as Current Investments. All other investments are classified as Non-Current Investments.

vi. Inventories

The shares and securities acquired with the intention of trading are considered as Stock in trade and disclosed as Current Assets. The stock in trade of securities is valued at lower of aggregate cost or aggregate market price / aggregate net asset value in case of unquoted, as per the provisions of ICDS. The cost is determined on First In First Out (FIFO) basis.

vii. Financial Instruments, Financial Assets, Financial Liabilities and Equity Instruments

Recognition

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and Cash Equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

Amortised cost

Where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.

Fair Value Through Other Comprehensive Income (FVTOCI)

Where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in Other Comprehensive Income.

Fair Value Through Profit or Loss (FVTPL)

Where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Measurement

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Derecognition of Financial Assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset; or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

SPA Capital Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Where the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Income Recognition

Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Financial Liabilities

i) Trade Payables and Other Financial Liabilities

Trade Payables and Other Financial Liabilities are initially recognised at the value of the respective contractual obligations. Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and presented as current liabilities unless payment is not due within 12 months after the reporting period.

ii) Borrowings

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Equity Instruments

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

viii. Revenue Recognition

(a) Sale of Shares & Securities

Revenue from sales is recognized at the completion of each settlement of the capital market segment of the Stock Exchange.

In respect of non-delivery based transactions in capital market segment, the profit/loss is accounted for at the end of each settlement.

Revenue from derivative market segment:-

- in respect of settled contracts the difference between the transaction price and settlement price is recognized in the Statement of Profit and Loss; and

- in respect of open interests as on the balance sheet date, the derivatives are valued at fair value, and the difference between the fair value and the transaction price, is recognized in the Statement of Profit and Loss.

Income from Dividend is recognized when the right to receive payment is established.

(b) Other Income

Gain on Sale of Investment is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the investment.

The revenue from Interest & Other Income is recognized on accrual basis as part of Other Income in the Statement of Profit and Loss.

ix. Employee Benefits

a. Short-term Obligations

Liabilities for wages, salaries and bonus, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Post-Employment Obligations

The Company operates the following post-employment schemes:

- defined benefit plans for gratuity, and
- defined contribution plans for provident fund.

Defined Benefit Plans

SPA Capital Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined Contribution Plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

x. Impairment of Non-Financial Assets

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 the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit to which the asset belongs.

xi. Borrowing Costs

Borrowings are measured at amortized cost. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

xii. Income Tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

(i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

SPA Capital Services Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit forming part of deferred tax assets is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

Ind AS 12 Appendix C, Income Tax

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the Consolidated financial statements.

xiii. Earnings Per Share

a. Basic Earnings Per Share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

b. Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

xiv. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

xv. Events occurring after the Balance Sheet date

There have been no material events other than disclosed in the financial statements after reporting date which would require disclosure or adjustments to the financial statements as of and for the year ended 31 March 2021.

As per our report of even date attached

For and on behalf of the Board

For SNMG & Company
Chartered Accountants
ICAI FRN No. : 04921N

Sandeep Parwal
Chairman cum Managing Director
DIN No. 00025803

Honey Parwal
Director
DIN No. 00025835

CA Deep Chand Garg
Partner
Membership No.076117
Place : New Delhi
Date : 30.06.2021

Sukhjot Kaur
Company Secretary

Sanjay Goel
Chief Financial Officer

**Statement Of Changes In Equity
For The Year Ended 31st March 2021**

Consolidated Balance Sheet for the

Year ended 31st March 2021

A. Equity Share Capital

2020-2021

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3,07,42,250	-	3,07,42,250	-	3,07,42,250

2019-2020

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3,07,42,250	-	3,07,42,250	-	3,07,42,250

B. Other Equity

Description	Attributable to owners of SPA Capital Services Limited						Total Other Equity
	Reserves and Surplus				Other Comprehensive Income		
	Securities Premium Reserve	Retained Earnings	General Reserve	Reserve Fund(NBFC)	Remeasurement of defined Benefit Obligation	Equity instruments at fair value through other comprehensive income	
Balance as at 1 April 2019	25,00,000	1,53,63,905	11,81,52,498	59,29,347	-	-	14,19,45,749
Profit for the year	-	15,78,348	-	-	-	-	15,78,348
other Comprehensive Income	-	-	-	-	-	(93,87,210)	(93,87,210)
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-
Transfer in/out General Reserve	-	-	-	-	-	-	-
Trasnfer In/Out Reserve Fund(NBFC)	-	-	-	-	-	-	-
Balance as at 31 March 2020	25,00,000	1,69,42,253	11,81,52,498	59,29,347	-	(93,87,210)	13,41,36,887
	-	-	-	-	-	-	-
Balance as at 1 April 2020	25,00,000	1,69,42,253	11,81,52,498	59,29,347	-	(93,87,210)	13,41,36,887
Profit for the year	-	(91,17,702)	-	-	-	-	(91,17,702)
Any other changes	-	-	-	-	-	-	-
other Comprehensive Income	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-
Transfer in/out General Reserve	-	-	-	-	-	-	-
Trasnfer In/Out Reserve Fund(NBFC)	-	-	-	-	-	-	-
Balance as at 31 March 2021	25,00,000	78,24,551	11,81,52,498	59,29,347	-	93,87,210	12,50,19,186

See accompanying notes to the financial statements.

As per our report of even date attached

For and on behalf of the Board

For SNMG & Company
Chartered Accountants
ICAI FRN No. : 04921N

Sandeep Parwal
Chairman cum Managing Director
DIN No. 00025803

Honey Parwal
Director
DIN No. 00025835

CA Deep Chand Garg
Partner
Membership No.076117
Place : New Delhi
Date : 30.06.2021

Sukhjot Kaur
Company Secretary

Sanjay Goel
Chief Financial Officer

SPA Capital Services Limited
Consolidated Cash Flow Statement for the year ending 31 March 2021

Consolidated Balance Sheet for the Year ended 31st March 2021

in Crores

			Standalone		Consolidated	
	Particulars	Note No.	31st March 2021	31st March 2020	31st March 2021	31st March 2020
A	Cash flow from operating activities					
	Profit for the year before tax		(0.710)	(0.593)	(0.757)	(0.597)
	Adjustments for :		-	-	-	-
	Depreciation and amortization expense		0.314	0.395	0.314	0.395
	Loss on Sale of Asset		0.077	0.008	0.077	0.008
	Investment Impaired		(0.371)	-	(0.371)	-
	Interest Income		-	(0.584)	-	(0.584)
	Finance Cost		0.510	1.025	0.510	1.025
	Operating profit before working capital changes		-	-	-	-
	Adjustments for working capital		-	-	-	-
	(Increase) / Decrease in Inventories		-	-	-	-
	(Increase) / Decrease in Trade receivable		0.842	2.018	0.842	2.018
	(Increase) / Decrease in Loans		9.921	(2.259)	9.921	(2.259)
	(Increase) / Decrease in Other financial assets		1.006	0.218	1.053	0.218
	(Increase) / Decrease in Other non-financial Assets		1.291	1.174	1.291	1.174
	Increase / (Decrease) in Trade payables		(8.172)	-	(8.172)	-
	Increase / (Decrease) in other financial liabilities		-	(10.795)	-	(10.795)
	Increase / (Decrease) in other non-financial liabilities		0.020	(2.607)	0.020	(2.607)
	Net cash flow from operating activities		4.728	(12.001)	4.728	(12.005)
	Direct tax paid		(0.216)	-	(0.216)	-
	Net cash generated from Operating activities (A)		4.944	(12.001)	4.944	(12.005)
B	Cash flow from investing activities		-	-	-	-
	Acquire of property, plant and equipment		(0.044)	(0.028)	(0.044)	(0.028)
	Sale of property, plant and equipment		0.050	0.085	0.050	0.085
	Purchase/Sale of investments (Goodwill from purchase of subsidiaries)		-	0.198	-	0.202
	Interest received		-	0.584	-	0.584
	Net cash generated from /(used in) investing activities (B)		0.006	0.840	0.006	0.844
C	Cash flow from financing activities		-	-	-	-
	Finance Cost		(0.510)	(1.025)	(0.510)	(1.025)
	Borrowings (net)		(4.457)	12.155	(4.457)	12.155
	Net cash (used in)/generated from Financing activities (C)		(4.967)	11.131	(4.967)	11.131
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		(0.017)	(0.030)	(0.017)	(0.030)
	Opening balance of cash and cash equivalents		0.289	0.319	0.289	0.319
	Closing balance of cash and cash equivalents		0.272	0.289	0.272	0.289
	Balance as per Balance Sheet		0.272	0.289	0.272	0.289

See accompanying notes to the financial statements

As per our report of even date attached

For SNMG & Company
Chartered Accountants
ICAI FRN No. : 04921N

For and on behalf of the Board

CA Deep Chand Garg
Partner
Membership No.076117
Place : New Delhi
Date : 30.06.2021

Sandeep Parwal
Chairman cum Managing Director
DIN No. 00025803

Sukhjot Kaur
Company Secretary

Honey Parwal
Director
DIN No. 00025835

Sanjay Goel
Chief Financial Officer

Related Party Disclosures:**(a) Holding Company / Associate Company**

SPA Investment Adviser Private Limited, previously known as IFAN Finserv Private Limited
(Associate Company)

(b) Directors and Key Management Personnel/Relative

- | | | |
|-----|-----------------------|---|
| 1. | Mr. Sandeep Parwal | Chairman Cum Managing Director |
| 2. | Mr. Ramesh Menon | Independent Director (upto 10 th June 2021) |
| 3. | Mr. Kanav Parwal | (Son of Director) |
| 4. | Ms Kanika Parwal | (Daughter of Director) |
| 5. | Ms. Sugeeta Upadhyay | Independent Director (w.e.f. 27 th July, 2020) |
| 6. | Mrs. Honey Parwal | Woman Director (Non-Executive Director) |
| 7. | Mr. Sanjay Kumar Jain | Chief Financial Officer (upto 31 st October 2020) |
| 8. | Ms. Kajal Gupta | Company Secretary and Compliance Officer (Upto 31 st October 2020) |
| 9. | Ms Sukhjit Kaur | Company Secretary and Compliance Officer (w.e.f 12 th November 2020) |
| 10. | Mr. Sanjay Goel | Chief Financial Officer (Appointed w.e.f.30 th .April 2021) |

(c) Companies in which Directors and Key Managerial Personnel (excluding CS and CFO) or their relative have control or significant influence;

1. SPA Constructions Private Limited
2. Defiant Enterprises Private Limited
3. Dhruvtara Trading Private Limited
4. R.P. Computer Forms Private Limited
5. Vijay Shree Builders Private Limited
6. Bluemoon Financial Services Private Limited
(Previously known as Pinkcity Skyliners Developers Private Limited)
7. Penguin Developers Private Limited
8. Wintech Marketing Private Limited
9. Simplex Construction Private Limited
10. Niveshak MPowered Private Limited
11. Bhoopati Trading Private Limited
12. Jagriti Buildtech Private Limited
13. Parth Infracon Private Limited
14. SPA Com Trade Private Limited
15. SPA Capital Advisors Limited
16. SPA Valuation Advisors Private Limited
(Previously known as ZenSPAa Capital Services Private Limited)
17. Haryana Sultans Promotions Private Limited
18. Sansaar Warehousing & Logistic Parks Private Limited
19. SPA Insurance Broking Services Limited
20. SPA Investment Adviser Private Limited,
Previously known as IFAN Finserv Private Limited
21. New Age Knowledge Solutions Limited
22. Fingreen Corp LLP

(d) Transactions with Related Parties

(Amount in Rs.)

Sr. No.	Name of Related Party	Nature of Transaction	During the year		Balance Outstanding as on	
			2020-2021	2019-2020	31-Mar-21	31-Mar-20
1	Sandeep Parwal (MD)	Directors Remuneration	36,00,000	36,00,000	16,67,200	14,06,400
2	Mahaveer Prasad Mundhra	Directors Remuneration	-	7,50,000	-	-
		Reimbursement of Exp.	-	22,370	-	-
3	Mr. Kanav Parwal	Remuneration	16,00,000	-	50,000	-
4	Ms. Kanika Parwal	Remuneration	18,00,000	-	5,00,000	-
5	Sanjay Kumar Jain (CFO) Resigned on 31/10/2020	Salary Paid	6,00,000	25,75,000	2,69,000	-
		Reimbursement of Exp.	395	31,374	-	-
6	Ms. Kajal Gupta (CS) Resigned on 31/10/2020	Salary Paid	3,21,623	5,56,264	17,472	42,472
		Reimbursement of Exp.	1,500	2,448	-	-
7	Ms. Sukhjit Kaur (CS) Appointed on 12/11/2020	Salary Paid	1,98,562	-	37,912	-
8	Bhoopati Trading Private Limited	Advance Taken & Repaid	84,730	31,569	-	-
		Rent Paid#	1,27,440	1,27,440	-	-
9	R P Computer Forms Private Limited	Advance Taken & Repaid	62,662	5,628	-	-
		Rent Paid#	2,02,500	2,70,000	-	-
		Security Deposit for Office	-	-	20,00,000	20,00,000
10	Simplex Construction Private Limited	Advance Taken & Repaid	22,75,000	2,814	-	2,814
		Rent Paid#	-	2,72,580	-	-
		Purchase of Shares	-	64,52,729	-	-
		Security Deposit for Office	-	-	10,35,000	10,35,000

11	SPA Insurance Broking Services Limited	Advance Taken & Repaid	6,177	2,08,896	-	-
12	SPA Securities Limited	Demat Expenses#	-	2,897	-	-
13	SPA Investment Adviser Private Limited, Previously known as IFAN Finserv Pvt.Ltd.	Loan Paid	-	55,22,809	-	-
		Advance Taken & Repaid		37,049	-	-
		Brokerage Paid	43,552	-	-	-
		Loan Received	-	1,27,72,802	1,27,72,802	1,27,72,802
		Interest Received	-	56,90,902	-	-
14	Vijay Shree Builders Private Limited	Rent Paid#	7,77,384	14,16,708	-	-
		Advance Taken & Repaid	-	2,814	-	2,814
		Brokerage Received		51,829	-	7,695
		Security Deposit for Office	-	-	37,57,500	37,57,500
15	Wintech Marketing Private Limited	Rent Advance	-	27,000	-	27,000
		Advance Taken & Repaid	46,254	18,195	-	-
		Rent Paid#	3,54,000	3,54,000	82,875	-
		Security Deposit for Office	-	-	20,00,000	20,00,000
15	SPA Capital Advisors Limited	Advance Taken & Repaid	3,439	72,700	-	-
16	Penguin Developers Pvt Ltd	Security Deposit for Office	-	-	45,000	45,000
		Advance Taken & Repaid	37,758	2,814	-	-
		Rent Paid#	1,80,000	1,80,000	-	-
17	Bluemoon Financial Services Private Limited	Purchase of Shares	-	9,58,691	-	-
		Loan Taken and Repaid	-	5,20,00,000	-	-

18	Niveshak M Powered Private Limited	Brokerage Paid	27,66,384	24,70,085	93,782	4,79,028
		Advance Taken & Repaid	1,02,920	23,876	-	23,876
19	Parth Infracon Private Limited	Advance Taken & Repaid	55,209	-	-	-
20	SPA Com Trade Pvt.Ltd.	Advance Taken & Repaid	-	-	54,00,000	54,00,000

#Inclusive of GST

Significant accounting policies and notes to the Financial Statements

As per our report of even date attached

For and Behalf of the Board of Directors

For SNMG & Company

Chartered Accountants

ICAI FRN No. : 04921N

CA Deep Chand Garg

Partner

Membership No.076117

Sandeep Parwal

Chairman cum Managing Director

DIN No. 00025803

Honey Parwal

Director

DIN No. 00025835

Sukhjit Kaur

Company Secretary

Sanjay Goel

Chief Financial Officer

Place : Delhi

Date : 30.06.2021

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONGWITH ANNUAL AUDITED FINANCIAL RESULTS- (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	S. No.	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualification)
	1	Turnover / Total income	31,10,84,716	31,10,84,716
	2	Total Expenditure	32,02,02,418	32,76,21,772
	3	Net Profit/(Loss)	-91,17,702	-1,65,37,056
	4	Earnings Per Share	-2.965853918	-5.379260224
	5	Total Assets	43,57,19,846	43,57,19,846
	6	Total Liabilities	27,99,58,410	28,73,77,764
	7	Net Worth	15,57,61,436	14,83,42,082
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately):			
	(A) Details of Audit Qualification:			
	<p><i>The company has taken various loans, which were outstanding as on 31st March, 2021. The management has not provided the interest on some of the loans, which constitute a departure from the Accrual basis of accounting. The company's records indicate that an amount of Rs. 74, 19, 353.99 for the year ended on March 31, 2021 has not been provided as interest expenses on these loans, which would have been decrease the profit by Rs. 74,19,353.99 for the year ended on March 31, 2021 and also increase the loan liability by same amount.</i></p>			
	(B) Type of Audit Qualification : Qualified Opinion			
	(C) Frequency of qualification: Second time			
	(D) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:			
	Interest of Rs. 74, 19,353.99- has not been provided in the books as the there is some dispute going on with the concerned parties and management is of the view that no provision of interest is required in the books of accounts.			
	(E) For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification: NA			
	(ii) If management is unable to estimate the impact NA			
	(iii) Auditors' Comments on (i) or (ii) above:			

	NA		
III	Signatories		
	For and on behalf of the Board	Sd/-	
	Sandeep Parwal Chairman Cum Managing Director		
	Sanjay Goel CFO	Sd/-	
	Statutory Auditor	For SNMG & Associates Chartered Accountants ICAI FRN No.04921N Sd/- CA Deep Chand Garg Partner Membership No 076117	

Date: 30.06.2021

Place: Delhi

FORM NO. AOC-1

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

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries - Not Applicable "N.A."

(Information in respect of each subsidiary to be presented with amounts in Rs)

1. SI. No.
2. Name of the subsidiary
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.
5. Share capital
6. Reserves & surplus
7. Total assets
8. Total Liabilities
9. Investments
10. Turnover
11. Profit before taxation
12. Provision for taxation
13. Profit after taxation
14. Proposed Dividend
15. % of shareholding

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates /Joint Ventures

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

S.No.	Name of Associate	SPA Investment Adviser Private Limited (previously known as IFAN Finserv Private Limited)
1.	Latest Audited Balance Sheet Date	31-03-2021
2.	Shares of Associate held by the company on the year end	Equity Shares (acquired on 29.03.2020)
3.	Numbers	4,41,32,608
4.	Amount of Investment in Associates	Rs. 6,902,721
5.	Extent of holding %	40.2%
6.	Description of how there is significant Influence	The total shareholding is more than 20%
7.	Reason why the associate is not Consolidated	-
8.	Networth attributable to Shareholding as per latest audited Balance Sheet	Rs. 62,55,974
9.	Profit / Loss for the year	
	Considered in Consolidation	Rs (4,67,125)
	Not Considered in Consolidation	-

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Ventures – N.A.

- Names of associates or joint ventures which are yet to commence operations – N.A.
- Names of associates or joint ventures which have been liquidated or sold during the year – N.A.

For and Behalf of the Board of Directors

Sandeep Parwal
Chairman cum Managing Director
DIN No. 00025803

Honey Parwal
Director
DIN No. 00025835

Place : New Delhi

Sukhjeet Kaur

Sanjay Goel

Date : 30.06.2021

Company Secretary

Chief Financial
Officer