18TH ANNUAL REPORT 2022

YOUR FINANCIAL GOAL. OUR QUEST

FINQUEST

YOUR FINANCIAL GOAL. OUR QUEST

Finquest Financial Solutions Private Limited

2021-22

Reg Office: 602, Boston House, 6th Floor, Suren Road, Andheri (East), Mumbai-400093

Email: hpatel@finquestonline.com
Website: www.finquestfinance.in

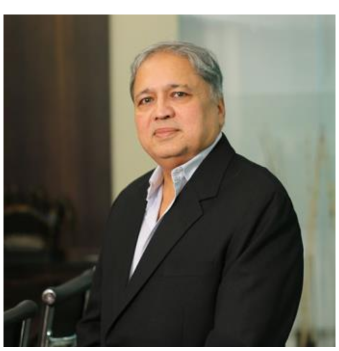
CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Saurabh Ashwin Patel
Managing Director, CEO

Mr. Hardik Bharat Patel
Non-Executive Director

Mr. Parashiva Murthy B S
Non-Executive Director



Mr. Dhiren Shevantilal Shah
Independent Director

Company Secretary
Mr. Akash T. Pandey

LEGAL ENTITY IDENTIFIER NUMBER:
3358002WCD4I4QCKFT45

REGISTERED OFFICE
Finquest Financial Solutions Private Limited
CIN: U74140MH2004PTC146715
602, Boston House, 6th Floor,
Suren Road, Andheri (E),
Mumbai-400093 Tel: 022-4000 2600
Email: hpatel@finquestonline.com
Website: www.finquestfinance.in

STATUTORY AUDITORS
Batliboi & Purohit
204, National Insurance Building,
2nd Floor, D. N. Road,
Fort, Mumbai 400001

DEBENTURE TRUSTEE
IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17
R. Kamani Marg, Ballard Estate
Mumbai - 400 001
Tele: 022 4080 7000
Fax: 022 6631 1776
Website: www.idbitrustee.com

CREDIT RATING AGENCY
Brickwork Ratings India Private Limited
3rd floor, Raj Alkaa Park, Kalena Agrahara,
Bannerghatta Road,
Bengaluru – 560076

REGISTRARS & SHARE TRANSFER AGENTS
Link Intime India Pvt Ltd
C 101, 247 Park,
Lal Bahadur Shastri Rd,
Surya Nagar, Gandhi Nagar,
Vikhroli West, Mumbai-400083
Website: www.linkintime.co.in
Tele: 022 4918 6000

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NOTICE:

NOTICE IS HEREBY GIVEN THAT THE EIGHTEEN (18TH) ANNUAL GENERAL MEETING OF THE MEMBERS OF FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED (THE "COMPANY") WILL BE HELD ON THURSDAY, SEPTEMBER 15, 2022 AT 04.00 P.M. AT 602, BOSTON HOUSE, 6TH FLOOR, SUREN ROAD, ANDHERI (E), MUMBAI-400093

ORDINARY BUSINESS:

ITEM NO. 1:

To review, consider and adopt Audited Financial Statements (Standalone) of the Company for the financial year ended March 31, 2022, together with the reports of the Board and the Auditors thereon.

ITEM NO. 2:

To review, consider and adopt Audited Financial Statements (Consolidated) of the Company for the financial year ended March 31, 2022, together with the reports of the Auditors thereon.

ITEM NO. 3:

To appoint Batliboi & Purohit, Chartered Accountants (Firm Registration No. 101048W) as the Statutory Auditors of the Company, for a period (term) of (05) five years with effect from the conclusion of the Eighteenth AGM until the conclusion of the Twenty Third AGM to be held in the financial year 2026-27 and to authorize the Board of Directors of the company to fix their remuneration.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION.**

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), read with the Companies (Audit and Auditors) Rules, 2014 (the "Rules"), the consent of the Members of the Company be and is hereby accorded for the appointment of M/s. Batliboi & Purohit, Chartered Accountants (Firm Registration No. 101048W), as the Statutory Auditors of the Company, to hold office for a period (term) of five (5) years, with effect from the conclusion of Eighteenth Annual General Meeting (the "AGM") until the conclusion of the Twenty Third AGM of the Company to be held in the year 2027, at such remuneration as may be decided by the Board of Directors of the Company from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give full effect to the above resolution and matters connected therewith or incidental thereto."

SPECIAL BUSINESS:

ITEM NO. 4:

To appoint Mr. Parashiva Murthy B S (DIN: 00011584) as a Director of the Company.

To consider and, if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 and other applicable provisions if any, (including any amendments, Statutory modifications and/or re-enactments thereof for the time being in force) and Articles of Associations of the Company, read with Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to the recommendation of the Nomination & Remuneration Committee and Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to appoint Mr. Parashiva Murthy B S (DIN: 00011584) as a Director of the Company.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to sign such forms/returns, and various documents as may be required to be submitted to the Registrar of Companies, or any such other authorities and to do all the acts, deeds and things which may be necessary to give effect to the above said."

By Order of the Board

Sd/-
Akash T. Pandey
Company Secretary

Place: Mumbai
Date: June 22, 2022
Registered Office:
602, Boston House, 6th Floor,
Suren Road, Andheri (E),
Mumbai-400093

(CIN: U74140MH2004PTC146715)

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the AGM / meeting) is entitled to appoint a proxy(s) to attend and vote instead of himself/herself and the proxy need not be a member of the company. The proxy form in order to be effective and valid should be duly stamped and signed and must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

2. Members/proxies should bring the duly filled Attendance Slip enclosed herewith, to attend the meeting.

3. 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 person or shareholder.

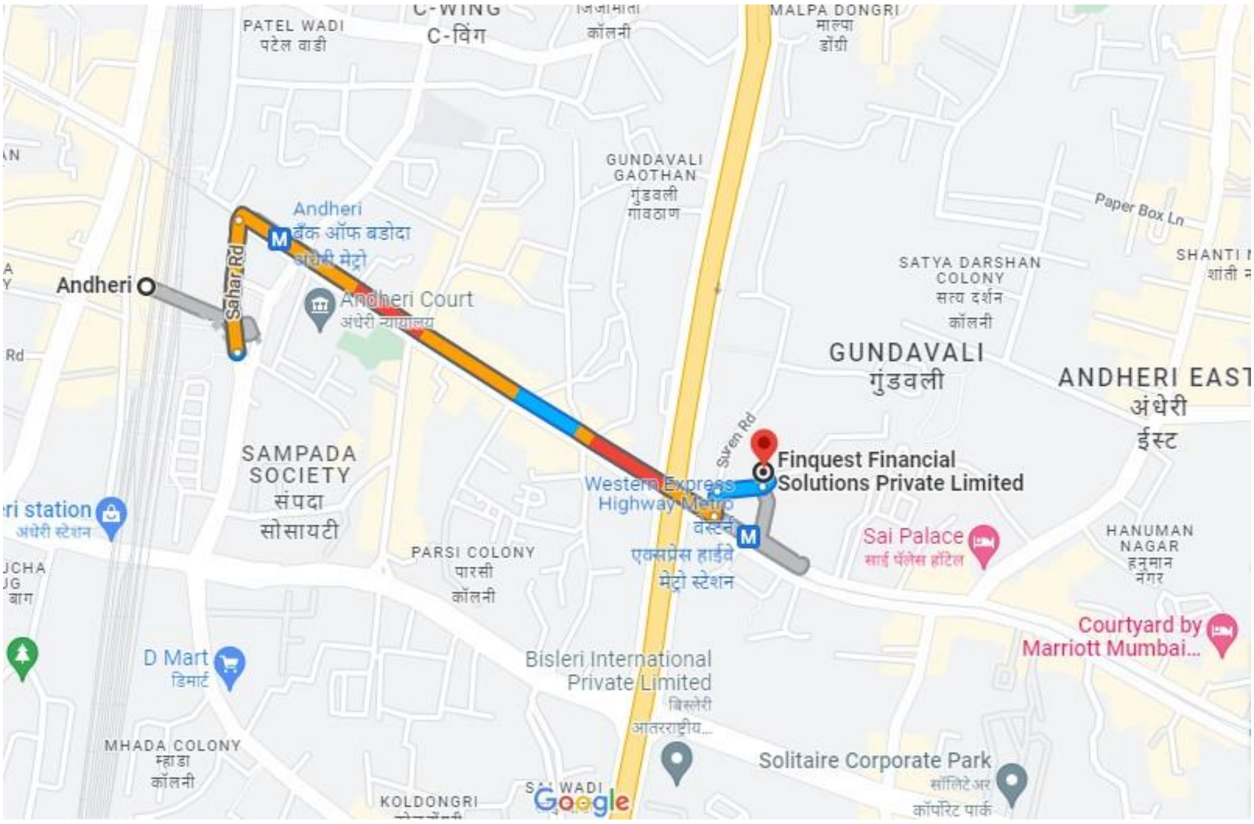
4. The Statutory Registers including the Register of Directors and their shareholding, maintained u/s 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested maintained u/s 189 of the Companies Act, 2013 and all other documents referred to in the Notice of the meeting and explanatory statement, will be available for inspection by the members of the Company at Registered Office of the Company during business hours {10:00 A.M. to 06:00 P.M.} (except Saturday and Sunday) up to the date of Annual General Meeting and will also be available during the Annual General Meeting.

5. 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.

6. A Route Map along with Prominent Landmark for easy location to reach the venue of Annual General Meeting is annexed with the notice of Annual General Meeting.

7. Corporate members intending to send their authorised representatives to attend the meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the meeting.

ROUTE MAP INDICATING THE VENUE OF ANNUAL GENERAL MEETING OF THE COMPANY:



EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4.

The members of the Company are informed that on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company at its meeting held on April 29, 2022 had appointed Mr. Parashiva Murthy B S (DIN: 00011584) as an Additional Director of the Company. As an Additional Director, Mr. Parashiva Murthy B S (DIN: 00011584), holds office till the date of the AGM and is eligible for being appointed as Non-Executive Director of the Company. The Company has received a declaration from Mr. Parashiva Murthy B S (DIN: 00011584), confirming that he is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as Non-Executive Director of the Company. The Board of Directors considers that on account of vast knowledge and experience of Mr. Parashiva Murthy B S (DIN: 00011584), his appointment shall be in the interest of the Company. Therefore, the Board of Directors recommends the Resolution set out at Item No. 4 of the accompanying Notice for approval of the Members of the Company as an Ordinary Resolution.

DIRECTORS' REPORT

To

The Members,

Finquest Financial Solutions Private Limited

Your Directors have pleasure in presenting their Eighteenth (18th) Annual Report on the business, operations and the state of affairs of your company together with Audited financial statements of the Company for the year ended 31st March 2022.

1. FINANCIAL PERFORMANCE:

The key highlights of the financial results of the Company are summarized below:

(Rs. In Lakhs)

Particulars	**Consolidated**	**Standalone**	
	2021-22	**2021-22**	**2020-21**
Total Revenue	37,023.25	19,634.54	23,110. 51
Total Expenses	34,088.20	14,183.76	13,997.56
Profit/(Loss) Before Tax	**2,935.05**	**5,450. 77**	**9,112.95**
Less: Tax Expenses			
1. Current Tax	1800.52	1,800.52	-
2. Earlier Year's Tax	-	-	-
3. Provision for Tax	-	-	-
4. Deferred Tax	(623.14)	520.69	(81.81)
5. Prior Period Adjustments	-	-	-
Net Profit/ (Loss) after Tax	**1,756.67**	**3,129.56**	**9,194.76**
Transfer to special reserve under Section 45-IC of the Reserve Bank of India Act, 1934	**-**	**629.04**	**1,837.50**

2. OVERVIEW OF THE COMPANY'S FINANCIAL PERFORMANCE:

Total Revenue:
Total revenue earned by the Company during the financial year ended March 31, 2022 was Rs. 19,634.54 lakhs as compared to Rs. 23,110. 51 lakhs during the previous financial year ended March 31, 2021.

Profit before Tax:
Profit before tax posted by the Company for the financial year ended March 31, 2022 was Rs. 5,450. 77 lakhs as against Rs. 9,112.95 lakhs recorded in the previous financial year ended March 31, 2021.

Profit after Tax:
Profit after tax was Rs. 3,129.56 lakhs for the financial year ended March 31, 2022 as against Rs. 9,194.76 lakhs in the previous financial year ended March 31, 2021.

3. PUBLIC DEPOSITS:

The Company being a RBI registered "Non-Deposit taking Systematically Important Non-Banking Financial Company", has not accepted nor invited any deposits from the public during the period under review within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and the Company is prohibited from accepting any deposits from the public without obtaining prior approval of the Reserve Bank of India (RBI). Since the Company has not accepted nor invited any deposits, there are no amounts that remained unpaid or unclaimed as at the end of the year under review. As per the Reserve Bank Master Direction issued by the RBI, a resolution in this regard has also been passed by the Board of Directors in this regard.

4. TRANSFER TO SPECIAL RESERVE:

As per the requirement of the Reserve Bank of India Guidelines, the Company has transferred an amount of Rs. 629.04 lakhs to the Statutory Reserve.

5. CHANGE IN NATURE OF BUSINESS OF THE COMPANY:

During the period under review, there was no change in nature of business of the Company. The Company is a Non-Deposit taking Systematically Important Non-Banking Financial Company (ND-SI-NBFC) registered with the Reserve Bank of India.

6. DECLARATION OF DIVIDEND AND TRANSFER OF UNPAID / UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The Directors do not recommend any dividend for the Financial Year 2021-22. Since there were no unpaid/unclaimed Dividend out of Dividend declared and paid during the last seven years, the provisions of Section 125 of the Companies Act, 2013 with regard to transfer of Unclaimed Dividend to Investor Education and Protection Fund is not applicable to the Company.

7. SHARE CAPITAL:

During the financial year under review, there has been no change in the Authorised and the Paid-up share capital of the Company.

As on March 31, 2022, the Authorised Share Capital of the Company was Rs. 42,00,00,000/- (Rupees Forty Two Crore only) divided into (i) 3,20,00,000 Equity Shares of Rs. 10/- each aggregating to Rs. 32,00,00,000 (Rupees Thirty Two Crore Only) and (ii) 1,000 Preference Shares of Rs. 1,00,000/- aggregating to Rs. 10,00,00,000 (Rupees Ten Crore Only).

As on March 31, 2022, the Paid-up Equity Share Capital of the Company was Rs. 32,00,00,000 (Rupees Thirty Two Crore Only) divided into 3,20,00,000 Equity Shares of Rs. 10/- each.)

8. OTHER EQUITY:

The Reserves and Surplus as at March 31, 2022 was Rs. 22,960.86 Lakhs as against Rs. 19,829.70 Lakhs as at March 31, 2021.

9. SUBSIDIARY & ASSOCIATE COMPANY & JOINT VENTURE:

The following companies are the subsidiaries of the Company.

Name of the Company	Percentage of Holding
Digjam Limited	90%
Krihaan Texchem Private Limited	100%

The Company does not have any Joint Venture or Associate Company. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of financial statements of the Company's subsidiary in Form AOC-1 is annexed as Annexure I to this Report.

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review is annexed as Annexure II to this Report.

11. LOAN BOOK:

The loan book of the Company as on March 31, 2022 was Rs. 31,856.13 lakhs as against Rs. 28,938.33 lakhs as on March 31, 2021.

12. DEBT-EQUITY RATIO:

The Debt Equity Ratio of the Company as at March 31, 2022 was 1.31 times.

13. EARNING PER SHARE (EPS):

The Basic Earning per share was Rs. 9.81 for the financial year ended March 31, 2022 as against Rs. 28.82 in the previous financial year ended March 31, 2021

14. CAPITAL ADEQUACY:

The Capital to Risk Assets Ratio (CRAR) of the Company is 23.08 % as on March 31, 2022, as against the prescribed RBI norms of 15%. Out of the above, Tier I capital adequacy ratio stood at 22.87 % and Tier II capital adequacy ratio stood at 0.21 %, as on March 31, 2022.

15. NET OWNED FUNDS:

The Net Owned Funds of the Company as on March 31, 2022 was Rs. 10,743.23 lakhs as against Rs. 10,815.47 lakhs as on March 31, 2021.

16. CREDIT RATING:

During the year under review Brickwork Ratings India Private Limited (BWR) has reaffirmed rating of "BWR BB-"/Stable to the Non-Convertible Debentures of the Company.

The rating draws comfort from the promoters' experience and moderate capital adequacy. However, the rating is constrained by a high sectoral and geographical concentration risk of the portfolio, modest earnings profile and deteriorating asset quality.

BWR believes credit risk profile of the Company will be maintained over the medium term. The Stable outlook indicates a low likelihood of a rating change over the medium term.

17. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

The composition of the Board of Directors of the Company is in accordance with the provisions of Companies Act, 2013 (hereinafter referred to as "the Act").

As on March 31, 2022, the Company had following 4 (four) directors on its Board, including 1 (one) Independent Director.

Name of the Directors	Designation
Mr. Saurabh Ashwin Patel	Managing Director (MD) & Chief Executive Officer (CEO)
Mr. Hardik Bharat Patel	Non-Executive Director
Mr. Parashiva Murthy B S*	Non-Executive Director
Mr. Dhiren Shah Shevantilal	Independent Director

During the year under review Mr. Bharat J. Patel ceased to be a Director of the Company w.e.f. May 29, 2021.

During the year under review Mr. Bharat Jamnadas Dattani and Ms. Sudha Bhushan ceased to be an independent director w.e.f. August 13, 2021.

*During the year under review Mr. Parashiva Murthy B S has been appointed as an Additional (Non-Executive Director) on the Board of the Company w.e.f. March 29, 2022.

All the Directors of the Company have confirmed that they are not disqualified to act as Directors of the Company in terms of Section 164 of the Companies Act, 2013.

The details of the KMP in the Company as per Section 2(51) and Section 203 of the Act, as on March 31, 2022 are given below:

Name of the KMP	Designation
Mr. Saurabh Ashwin Patel	Managing Director & Chief Executive Officer (CEO)
Mr. Akash Tirthraj Pandey	Company Secretary

During the year under review there was no change in the KMP of the Company.

18. DECLARATION BY THE DIRECTORS OF THE COMPANY:

INDEPENDENT DIRECTORS

The Company has received declaration/confirmation from the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and there has been no change in the circumstances affecting their status as independent director of the Company.

The Independent Directors has also confirmed that they complies with the Schedule IV of the Companies Act , 2013.

NON-EXECUTIVE DIRECTORS

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company .

DECLARATIONS OF FIT AND PROPER CRITERIA BY THE DIRECTORS

The Company has received declaration/confirmation from the Directors of the Company confirming that they meet the criteria of Fit and Proper person in accordance with the Policy of the ‘Policy on Fit and Proper Criteria for Directors’

19. BOARD MEETINGS:

During the financial year 2021-22, the Board met 9 (Nine) times on April 01, 2021, May 04, 2021, July 23, 2021, August 06, 2021, September 21, 2021, November 17, 2021, November 18, 2021, February 10, 2022 and March 29, 2022 and the gap between the two meetings was not more than one hundred and twenty (120) days.

The details of attendance of the directors at the board meetings held during the financial year 2021-22 and at the last annual general meeting are given below:

Name of the Directors	No. of meetings held #	No. of meetings attended	Whether attended the Annual General Meeting held on November 30, 2021
Mr. Bharat J. Patel*	2	2	No
Mr. Hardik B. Patel	9	9	Yes
Mr. Parashiva Murthy B S$	1	1	No
Mr. Dhiren S. Shah	9	8	Yes
Mr. Saurabh A. Patel	9	9	Yes
Mr. Bharat J. Dattani*	4	0	No
Ms. Sudha Bhushan*	4	0	No

#No of meetings held during the tenure of the Board Member in FY 2021-22.

**Mr. Bharat J. Patel ceased to be a Director w.e.f. 29th May, 2021 and Mr. Bharat J. Dattani & Ms. Sudha Bhushan ceased to be the Directors of the Company w.e.f. 13th August, 2021.*

$ During the year Mr. Parashiva Murthy B S was appointed as a Additional Director of the Company w.e.f. March 29, 2022.

20. BOARD COMMITTEES:

The Board Committees and other committees play an important role in the governance and focus on specific areas and make informed decisions within the scope defined in their respective charters and terms of reference, which are reviewed annually. The Board has constituted / re-constituted the following Committees to take informed decisions in the best interests of the Company:

The Board of Directors of the Company has constituted / re-constituted the following Committees:

1. Audit Committee:

In accordance with the provisions of Section 177 of the Companies Act, 2013, (the Act), the Board of the Company has constituted an Audit Committee. The said Committee carries out such functions as are statutorily prescribed under the extant applicable laws and other incidental and ancillary matters related thereto. During the year under review, the Audit Committee met 8 (Eight) times i.e. on April 01, 2021, July 23, 2021, May 04, 2021, August 21, 2021, November 17, 2021, November 18, 2021, February 10, 2022 and March 29, 2022. The constitution and the number of meetings attended by the Members of the Audit Committee during the year under review is given below:

Name of the Members	Position	No. of meetings held#	No. of meetings attended
Mr. Dhiren S. Shah$	Chairman	5	5
Mr. Saurabh A. Patel$	Member	5	5
Mr. Hardik B. Patel$	Member	5	5
Mr. Bharat J. Dattani*	Member	3	3
Ms. Sudha Bhushan*	Member	3	3
Mr. Bharat J. Patel*	Member	2	2

No of meetings held during the tenure of the Board Member in FY 2021-22.

Mr. Bharat J. Patel ceased to be a member w.e.f. 29th May, 2021 and Mr. Bharat J. Dattani & Ms. Sudha Bhushan ceased to be the members w.e.f. 13th August, 2021.

$ Mr. Dhiren S. Shah, Mr. Saurabh A. Patel & Mr. Hardik B. Patel was appointed as a member of the Committee w.e.f. September 21, 2021

Whistle-blower Policy / Vigil Mechanism

The Company is in the process of establishing required Vigil Mechanism ('Whistle-blower Mechanism') which will envisages reporting by directors and employees about their genuine concerns or grievances. The Audit Committee of the Board of Directors of the Company shall oversees the vigil mechanism.

2. Corporate Social Responsibility Committee:

In accordance with the provisions of Section 135 of the Companies Act, 2013 (the Act), the Board has constituted a Corporate Social Responsibility Committee. The said Committee carries out such functions as are statutorily prescribed under the extant applicable laws and other incidental an ancillary matters related thereto. During the year under review, the Corporate Social Responsibility Committee met once on November 17, 2021. The constitution and the number of meetings attended by the Members of the CSR Committee during the year under review is given below.

Name of the Members	Position	No. of meeting held	No. of meeting attended
Mr. Dhiren S. Shah	Chairman	1	1
Mr. Saurabh A. Patel	Member	1	1
Mr. Hardik B. Patel	Member	1	1
Ms. Sudha Bhushan*	Member	0	0

**Ms. Sudha Bhushan ceased to be the members w.e.f. 13th August, 2021.*

3. Nomination and Remuneration Committee:

In accordance with the provisions of Section 178 of the Companies Act, 2013, (the Act), the Board of the Company has constituted a Nomination and Remuneration Committee (NRC). The NRC carries out such functions as are statutorily prescribed under the extant applicable laws and other incidental and ancillary matters related thereto. The Company has formulated a Remuneration Policy ("Policy") as per the provisions of Section 178 of the Companies Act, 2013. During the year under review, there were no changes or amendments to the remuneration policy of the Company. The said Policy is provided as Annexure IV to this Report

During the year under review, the Nomination & Remuneration Committee met 4 (four) times i.e. on April 01, 2021, May 04, 2021, November 17, 2021 and March 29, 2022. The constitution and the number of meetings attended by the Members of the NRC during the year under review is given below:

Name of the Members	Position	No. of meetings held#	No. of meetings attended
Mr. Dhiren S. Shah	Chairman	4	4
Mr. Saurabh A. Patel	Member	2	2
Mr. Hardik B. Patel	Member	4	4
Ms. Sudha Bhushan*	Member	2	2

#No of meetings held during the tenure of the Board Member in FY 2021-22.
** Ms. Sudha Bhushan ceased to be a member w.e.f. 13th August, 2021.*

4. Asset Liability Management Committee (ALCO):

The Board of Directors of the Company has constituted the ALCO Committee in accordance with the Guidelines on Liquidity Risk Management Framework issued by RBI. As on March 31, 2022, the ALCO Committee comprised of 2 (two) members, viz., Mr. Hardik B. Patel and was chaired by Mr. Saurabh A. Patel (Managing Director and Chief Executive Officer).

During the year under review, the Asset Liability Management Committee (ALCO) met 4 (four) times i.e. on April 01, 2021, August 06, 2021, November 17, 2021, and February 10, 2022.

The constitution and the number of meetings attended by the Members of the ALCO during the year under review is given below:

Name of the Members	Position	No. of meetings held#	No. of meetings attended
Mr. Saurabh A. Patel	Chairman	4	4
Mr. Hardik B. Patel	Member	2	2
Mr. Bharat J. Patel*	Member	1	1

#No of meetings held during the tenure of the Board Member in FY 2021-22.

** Mr. Bharat J. Patel ceased to be a member w.e.f. 29th May, 2021.*

5. Risk Management Committee:

The Board of Directors of the Company has constituted the Risk Management Committee in accordance with point (b) of sub-clause (i) of clause A of Guidelines on Liquidity Risk Management Framework issued by RBI. As on March 31, 2022, the Risk Management Committee comprises of Mr. Hardik B. Patel, Mr. Saurabh A. Patel and is chaired by Mr. Dhiren S. Shah.

During the year under review Risk Management Committee met 4 (four) times i.e. on April 01, 2021, August 06, 2021, November 17, 2021, and February 10, 2022.

The constitution and the number of meetings attended by the Members of the RMC during the year under review is given below:

Name of the Members	Position	No. of meetings held#	No. of meetings attended
Mr. Dhiren S. Shah	Chairman	2	2
Mr. Saurabh A. Patel	Member	4	4
Mr. Hardik B. Patel	Member	2	2
Mr. Bharat J. Dattani*	Member	2	2
Mr. Bharat J. Patel*	Member	1	1

 # No of meetings held during the tenure of the Board Member in FY 2021-22.

**Mr. Bharat J. Patel ceased to be a member w.e.f. 29th May, 2021 and Mr. Bharat J. Dattani ceased to be the members w.e.f. 13th August, 2021.*

6. Information Technology Strategy Committee (IT Strategy Committee):

The Board of Directors of the Company has constituted the Information Technology Strategy Committee, the IT Strategy Committee comprises of Mr. Hardik B. Patel, Mr. Bhowmik Shah (Chief Technical Officer) and is chaired by Mr. Dhiren S Shah (Independent Director).

During the year under review Information Technology Strategy Committee met 2 (two) times i.e. June 01, 2021 and November 17, 2021.

The constitution and the number of meetings attended by the Members of the IT Strategy Committee during the year under review is given below:

Name of the Member	Position	No. of meetings held#	No. of meetings attended
Mr. Dhiren S. Shah	Chairman	1	1
Mr. Bhowmik Shah	Member	2	2
Mr. Hardik B. Patel	Member	2	2
Ms. Sudha Bhushan*	Member	1	1

 # No of meetings held during the tenure of the Board Member in FY 2021-22.

**Ms. Sudha Bhushan ceased to be a member w.e.f. 13th August, 2021.*

7. Information Technology Steering Committee (IT Steering Committee):

The Board of Directors of the Company has constituted the Information Technology Steering Committee, the IT Steering Committee comprises of Mr. Hardik B. Patel and Mr. Bhowmik Shah (Chief Technical Officer)

During the year under review Information Technology Steering Committee met 1 (One) time i.e. August 08, 2021.

The constitution and the number of meetings attended by the Members of the IT Steering Committee during the year under review is given below:

Name of the Member	Position	No. of meetings held	No. of meetings attended
Mr. Hardik B. Patel	Chairman	1	1
Mr. Bhowmik Shah	Member	1	1

21. COMPLIANCE OF SECRETARIAL STANDARDS:

During the financial year under review, the Company has complied with the applicable SS- 1 (Secretarial Standard on Meetings of the Board of Directors) and SS-2 (Secretarial Standard on General Meetings) issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

22. AUDITORS' REPORT

Statutory Auditors & their Report:

During the financial Year under review M/s. R.C. Jain & Associates, Chartered Accountants, (Firm Registration No.103952W/W100156), then Statutory Auditors of the Company had resigned as the Statutory Auditors of the Company.

M/s. Batliboi & Purohit, Chartered Accountants, (Firm Registration No. 101048W) were appointed as the Statutory Auditor of the Company in place of M/s. R.C. Jain & Associates, Chartered Accountants, to fill in the casual vacancy arisen due to the resignation of M/s. R.C. Jain & Associates, Chartered Accountants and M/s. Batliboi & Purohit, Chartered Accountants hold their office from the date of their appointment i.e. March 29,2022 till the conclusion of the ensuing Annual General Meeting (AGM). norms.

It is proposed to appoint M/s. Batliboi & Purohit Chartered Accountants for a tenure (period) of five years to hold the office from the conclusion of 18th Annual General Meeting until the conclusion of the 23rd Annual General Meeting of the Company to be held in 2027 subject to the fulfilment of the eligibility norms at terms with/without modification, if any, and subject to the approval of the Audit Committee and Board of the Directors of the Company from time to time.

M/s. Batliboi & Purohit are eligible for the appointment as the Statutory Auditors pursuant to the provisions of Section 139 of the Companies Act, 2013 and the applicable RBI Guidelines, and had furnished a certificate of their eligibility and consent in accordance with the provisions of the Companies Act, 2013 and relevant Rules framed thereunder.

Comments on the Auditors' Report:

The Auditors' Report on the financial statements for the year ended March 31, 2022 does not contain any qualification, reservation or adverse remarks or disclaimer and therefore no explanation or comments by the Board of Directors of the Company is required to be stated / provided in the Board's Report.

Internal Auditors:

Pursuant to the requirements of Section 138 of the Act and Rule 13 of Companies (Accounts) Rules, 2014, M/s. Vikas Jain & Associates, Chartered Accountants, were appointed as the Internal Auditors of the Company for the financial year 2021-22.

Internal Financial Control Systems and its adequacy

The Company has adequate internal control systems commensurate with the nature of business, size and complexity of its operations.

The Audit Committee monitors this system and ensures adequacy of the same. The Statutory Auditors and the Internal Auditors of the Company also provide their opinion on the internal financial control framework of the Company. The internal financial control system of the Company is supplemented with internal audits, regular reviews by the management and checks by external auditors. It provides reasonable assurance in respect of providing financial and operational information, complying with applicable statues, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with the Company's policies.

During the year, no material or serious observations have been highlighted for inefficiency or inadequacy of such controls.

23. FRAUDS REPORTED BY THE AUDITORS U/S 143 OF THE COMPANIES ACT, 2013:

The Statutory Auditors have not reported any incident of fraud to the Board during the financial year 2021-22.

24. RISK MANAGEMENT:

Being an ND-SI NBFC, risk management forms a vital element of the business of the Company. The Company has a well-defined risk management framework, approved by the Board of Directors. It provides the mechanism for identifying, assessing, and mitigating various risks associated with the business of the Company

The Company has adopted its own Risk Management Policy that represent the basic standards of risk assessment to be followed by the Company. The Board is responsible for managing risk at an overall level to do this. The Board has delegated authority for overall risk management to the Risk Management Committee (RMC) to ensure focused oversight and committed board level capacity for this task. The Risk Management Committee is chaired by an Independent Director of the Company.

The Board has also constituted the Asset Liability Management Committee (ALCO) to assess the risk arising out of liquidity gap and interest rate sensitivity.

25. NON-CONVERTIBLE DEBENTURES (NCDs):

The Company has issued Non-Convertible Debentures on a Private Placement basis which are listed on the wholesale debt segment of BSE Limited.

As on March 31, 2022, Rs. 275 Crore remained outstanding by way of issuance of NCDs through private placement basis. As per the terms of issue of NCDs as amended from time to time, the interest and principal on NCDs shall be paid at the time of maturity as stated in the term sheet as amended from time to time.

26. DEBENTURE REDEMPTION RESERVE (DRR):

In accordance with the provision of Section 71 of the Companies Act, 2013 and rules made thereunder, creation of Debenture Redemption Reserve (DRR) is exempted for a Non-Banking Finance Company. Accordingly, the Company has not created DRR for non-convertible debentures issued by it.

27. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

28. COST RECORDS:

The Company being a ND-SI NBFC, the provisions of sub-section (1) of section 148 of the Act are not applicable to the Company.

29. EXTRACT OF ANNUAL RETURN:

An extract of the Annual Return in Form MGT-9 pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed as Annexure-III to this Report.

30. PARTICULARS OF LOANS, INVESTMENTS OR GUARANTEE:

The particulars of loans, guarantees or investments under Section 186 of the Act are not furnished since the provisions of the said Section are not applicable to the Company, being an NBFC registered with the RBI.

31. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

The Board of Directors of the Company have formulated a policy on dealing with Related Party Transactions, pursuant to the applicable provisions of the Act and the RBI Master Directions.

During the financial year 2021-22, the related party transactions that were entered in to by the Company were in the ordinary course of business and on arm's length basis. All related party transactions are placed before the Audit Committee for its review and approved on a quarterly basis. An omnibus approval of the Audit Committee is obtained for the Related Party Transactions which are repetitive in nature.

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for the financial year 2020-21 and hence does not form part of this report.

32. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES (CSR):

The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee in accordance with the provisions of the Companies Act, 2013.

The Company is not required to spend any amount on the CSR Activities during the financial year 2021-22.

33. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY:

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

34. DIRECTORS RESPONSIBILITY STATEMENT:

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

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year under review;

(c) 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;

(d) the directors have prepared the annual accounts on a going concern basis; and

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

35. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & RESEARCH & DEVELOPMENT:

The Company being an ND-SI NBFC as the Company is engaged in the financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not applicable to the Company.

36. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review Foreign Exchange Earnings and Outgo are as under:

Foreign exchange earned	NIL
Foreign exchange expenditure	NIL

37. COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

During the year under review the provision of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the said Rules"), is not applicable to the Company.

38. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

A detailed policy is in place in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "POSH"). Internal Complaints Committees ("ICC") at group level has been set up to redress complaints received regarding sexual harassment and the Company has complied with provisions relating to the constitution of Internal Complaints Committee under POSH. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The provisions related to prevention of sexual harassment are also imbibed in the Code of Conduct as applicable to the employees.

During the period under review no cases/complaints in the nature of sexual harassment were reported.

39. 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 equity shares with differential rights as to dividend, voting or otherwise.

b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

c) None of the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

No application has been made or any proceedings are pending under the Insolvency and Bankruptcy Code, 2016 during the year.

The details of difference between amount of valuation done at the time of one time settlement and the valuation done while taking loan from the bank or financial institution alongwith the reasons thereof is not applicable to the Company.

40. ACKNOWLEDGEMENTS:

The directors place on records their sincere appreciation for the assistance and guidance provided by the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Registrar of Companies (ROC) and all other government and regulatory authorities for the support and co-operation extended by them from time to time.

The Directors place on record their gratitude for the guidance and support extended by BSE Limited, National Securities Depository Limited, and the Credit Rating Agencies from time to time.

The Directors also place on record their sincere appreciation for the continued support extended by the Bankers, Financial Institutions, Lenders, Clients, Registrar and Share Transfer Agent, NCD Holders and other stakeholders and the trust reposed by them in the Company.

Recognizing the challenging work environment, in general and particularly during the time of COVID-19 pandemic where employees are working from home, the Directors place on record, their appreciation for the dedication and commitment displayed by all the employees of the Company across all levels. The directors further acknowledge the all-round efforts and commitment of those employees of businesses categorized as essential services, who were reporting to work at office during the lockdown.

FOR AND BEHALF OF THE BOARD OF DIRECTORS OF
FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED

Sd/-	**Sd/-**
SAURABH A. PATEL	**HARDIK B. PATEL**
MD & CEO	**DIRECTOR**
DIN: 02148559	**DIN: 00590663**

DATE: JUNE 22, 2022
PLACE: MUMBAI

Annexure-I

Form 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

<u>Part “A”: Subsidiaries</u>

(Information in respect of each subsidiary to be presented with amounts in Rs. Lakhs)

Sl. No.	Particulars	Name of Subsidiaries	
1.	Name of the subsidiary	Krihaan Texchem Private Limited	Digjam Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	-	-
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	-	-
4.	Share capital	1.00	2,000.00
5.	Reserves & surplus	4,838.90	1,995.16
6.	Total assets	56,049.77	14,614.78
7.	Total Liabilities	51,209.87	10,619.62
8.	Investments	5.43	-
9.	Turnover	13,693.63	3,121.70
10.	Profit before taxation	-2,632.95	117.70
11.	Provision for taxation	-1,143.79	-
12.	Profit after taxation	-1,489.17	117.70
13.	Proposed Dividend	-	-
14.	% of shareholding of holding company	100%	90%

<u>Part “B”: Associates and Joint Ventures</u>

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: **Not applicable**

Annexure-II

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

1. Macro-economic developments:

The Indian economy grew by 8.9% in FY22 against a contraction of 6.6% in FY21. India's broad range of fiscal, monetary, and health responses to the crisis supported its recovery. This, along with the economic reforms, are expected to alleviate the longer-lasting adverse impact of the crisis. The RBI would be vigilant of how the inflation dynamics and economic impact of the ongoing Ukraine Russia crisis plays out in the coming FY and how currency depreciation and inflation is kept in check depending on demand recovery.

On the brighter side, India's economic recovery with calibrated opening up of the economy post lockdown is progressing well, with better-than-expected growth rates, and this trajectory is expected to continue. India has endured the pandemic pretty well over the last 2 years and has come out strong and resilient. The current pressures on the economy will settle and pass.

2. Key developments in Credit Market and NBFC sector:

There was significant growth in credit uptake in FY22, with agricultural and industrial sectors and personal loans driving the uptick. Falling GNPA ratios in the industry sector contributed to a significant rise in lending to this sector, post-pandemic. NBFCs have shown signs of healthier balance sheet and provisions compared to the levels seen pre-pandemic.

The industry seems to be in a better position to lend and will likely remain resilient to rising stress due to sanctions on Russia and inflation concerns. However, credit growth remains far below the prepandemic levels and is in need of an uptick at a sustainable pace. RBI has taken steps to strengthen the regulatory framework through supervisory tools, and asset recognition guidelines which is a positive sign for the industry in the longer run.

Well-capitalized NBFCs with low leverage and significant growth capital at disposal, like Finquest Financial Solutions Private Limited, will be in a better position to tackle the economic crisis and are expected to gain market share from weaker players.

3. Financial Services -NBFC Sector:

Over the past few years, Non-Banking Financial Companies (NBFCs) have played a prominent role in the Indian financial system. They provide financial inclusion to the underserved section of the society that does not have easy access to credit. NBFCs have revolutionized the Indian lending system and have efficiently leveraged digitization to drive efficiency and provide customers with a quick and convenient financing experience. The plethora of services include vehicle financing, MSME financing, home financing, microfinance and other retail segments The Government has consistently worked on the governance measures to strengthen the systemic importance of the NBFCs. As of March 31, 2022 there were approximately over 9,500 NBFCs registered with Reserve Bank of India (RBI), of which 49 deposit accepting NBFCs.

The pandemic impacted the NBFCs operations, leading to decline in disbursements across the sectors. However, the support of RBI has been very critical during the pandemic. RBI has generally kept system awash with excess liquidity and brought down short term rates leading to significant vibrancy in bond market. AAA corporate bond spreads are close to all time low now. Going ahead, while the economy is recovering fast, however, global recovery remains strong and should result in spill overs to India through trade, prices and flows channel. Macro-environment thus augurs well for India's business cycle as well as financial sector.

Similarly, the support and focus of the Government through various liquidity measures such as repo rate cut, targeted long-term repo operations, special liquidity scheme and partial credit guarantee scheme, kept the sector afloat. The total credit outstanding from the NBFCs for Financial Year 2020-21 stood at Rs.23.75 trillion and is expected to grow by 6-7% in the Financial Year 2021-22. This growth was mainly led by growth in the housing, auto, gold and other retail segments which stood resilient even in the previous fiscal year. While the disbursement and AUM trends improved in the second and third quarters of Financial Year 2021-22, the trend is expected to continue in Q4 of Financial Year 2021-22 due to the limited impact of the third wave of the pandemic. The disbursement growth would have to remain healthier for a sustained AUM growth. Besides, bank credit growth to the NBFC sector improved significantly to 14.6% in February 2022 from 7% a year ago.

4. Macroeconomic Situation & Indian Economy :

The Financial Service Sector in general and the NBFCs landscape is witnessing far-reaching changes in the backdrop of rapid innovation, disruption and evolution of new business models.

Presently we are living in turbulent times. The continuing war in Europe and the pandemic have rendered the global macroeconomic outlook highly uncertain. Countries are facing unexpectedly high inflation including food inflation, supply chain disruptions and demand-supply imbalances in product and labour markets. Central banks are tightening monetary policy at a rapid pace, raising fears of imminent recession. Commodity prices have eased to some extent what from their recent past but still is high but remain elevated. Higher interest rates in the US along with increased risk aversion among global investors have fueled safe haven demand and strengthening of the US Dollar. Currencies of Emerging Market Economies (EMEs) and even of some Advanced Economies (AEs) are depreciating vis-à-vis the US dollar. Consequently, inflationary pressures are building up and external funding conditions are becoming tighter, posing financial stability challenges in emerging market economies. Overall, the global situation remains grim amidst fluid geopolitical situation while the war and the pandemic add to the forces of disintegration and fragmentation of the global economy.

In such an environment, the Indian economy remains relatively better placed, drawing strength from its macroeconomic fundamentals. The financial system is well-capitalised, asset quality indicators have improved, balance sheets are stronger, and banks have returned to profitability. We are also seeing healthy pickup in credit demand. The external sector is well-buffered to withstand the ongoing terms of trade shocks and the portfolio outflows. The recently released Financial Stability Report of the RBI highlights that the Indian financial system remains resilient and supportive of the ongoing economic revival. Banks are well-positioned to withstand even severe stress scenarios without falling below the minimum capital requirement. The Reserve Bank continues to remain watchful of the headwinds and shall be proactive in taking measures as necessary to ensure financial stability.

Due to the RBI actions, including measures to encourage inflows, the movements of the rupee have been relatively smooth and orderly. By eschewing sudden and volatile shifts, we have ensured that expectations remain anchored, and the forex market functions in a stable and liquid manner. We will continue to engage with the forex market and ensure that the rupee finds its level in line with its fundamentals. I would like to reiterate that we have no particular level of the rupee in mind, but we would like to ensure its orderly evolution and we have zero tolerance for volatile and bumpy movements.

5. The hanging Landscape of NBFCs and preparing NBFCs for tomorrow:

The NBFC sector is going through a period of churning. The future of NBFC would witness a major shift in customers' choices and preferences with enhanced expectations from the NBFC sector. Each of the developments would present unique opportunities and challenges to the existing and newer players. Sometimes the disruptions can be so sudden that it is impossible to anticipate them. The future of NBFCs is expected to revolve around (i) the adoption of emerging technologies, customisation of products and services, enhanced business and process automation; and (ii) development of suitable business models with strong governance frameworks, better information management, changes in the mode of working, building of enhanced resilience capabilities and a more responsible societal and environmental role for NBFCs.

The NBFC sector has undergone significant changes in terms of market structure and competition.

6. Role of NBFC in Financial Inclusion

Financial inclusion has been pursued vigorously with steady improvements as reflected in the Financial Inclusion Index introduced by the Reserve Bank of India and NBFC is also expected to play its role in Financial Inclusion.

Going ahead, the NBFC sector is expected to be more collaborative as well as competitive, with newer players offering innovative financial products. NBFC need to prepare themselves for facing the dynamic environment, while keeping their focus on appropriate business models, sustainability, stability, and consumer centrality. More importantly, good governance remains fundamental to success and should not be compromised. Due care needs to be taken to protect the stakeholders from digital frauds, data breaches and cybercrimes. NBFC being a service sector enhanced customer protection and experience should be given the primacy it deserves.

State of Company Affairs:

1. Overview:

Finquest Financial Solutions Private Limited ("FFSPL" or "the Company") is a Systematically important, non-deposit accepting NBFC registered with RBI, operating primarily in the lending / investment by acquiring Non-Performing Assets (NPAs) [stressed Assets] of the Banks, Financial Institutions and other NBFCs.

In view of the immediate and sudden spurt of 2nd wave of COVID-19 in FY.2021-22 lockdown was declared by the Government; the Company was forced to temporarily reduce fresh / new acquisitions of NPAs disbursements in Q1 FY22 and increased focused on collection efforts. To capitalize on FFSPLs strong financial position and take advantage of strong demand revival opportunity, the Company is planning to expand its business activities and strengthen its footprint.

Our overall loan book as on FY22 stood at Rs. 318.56 Crore (Rs. 289.38 Crore as on FY21). The product mix for our business currently stands as follows:

Product	**Portfolio Mix**
Secured Business Laon	20.85%
Unsecured Business Laon	79.15%

2. Financial Performance- Key Highlights:

2.1 Loan Book:

The overall loan book grew by 29 Cr from Rs. 289.38 crores as on FY21 to Rs. 318.56 crores as on FY22. The following table summarizes the movement of loan book.

2.2 Asset Quality:

The quality of our assets remained fairly robust in an extremely challenging economic environment. Our Gross NPA moved from 41.40 % as on FY21 to 22.66 % as on FY22 whereas our net NPA moved from 33.70 % as on FY21 to 7.30 % as on FY22. GNPA and NNPA is being derived on exposure at default (EAD) of loan book.

2.3 Revenue and Profitability:

The revenue reduced by 15 % from Rs. 231.10 Cr in FY21 to Rs. 196.34 cr in FY22. The PAT reduced from Rs. 91.94 Crore to Rs 31.29 Crore.

2.4 Liquidity and Gearing profile:

The Capital Adequacy Ratio (CAR) stood at 23.80 % as on FY22 vis-à-vis 14.03 % as on FY21.

3. Human Resources:

The Company has a small employee base with 12 employees. The Nomination and Remuneration Committee periodically reviews career growth plan of senior management personnel possessing ability to build teams and nurture leaderships for future growth plans of the Company.

4. SWOT Analysis:

Strengths:

The Promoters of the Company are committed to meet and honour the requirements of the funds of the Company for the business of the Company.

Weaknesses:

Increased completion in the business of the Company and the credit risk.

Opportunities:

The Company as a NBFC by becoming more collaborative as well as competitive, with newer players offering innovative financial products the Company will be required to prepare itself to face the dynamic environment, while keeping its focus on appropriate business models, sustainability, stability, and consumer centrality. More importantly, good governance remains fundamental to success and should not be compromised. Due care needs to be taken to protect the stakeholders from digital frauds, data breaches and cybercrimes. NBFC being a service sector enhanced customer protection and experience should be given the primacy it deserves.

Threats:

Credit risk of its customers, cybersecurity and cybertheft has become a threats to the business of the Company.

Roadmap for the current Financial Year:

Through continuous improving exercise the Company intends to achieve good results of the Company through acquisition of good / remunerative Non-Performing Assets (NPAs).

Key risks and controls:

The Company is engaged in the NBFC business and is exposed to the following key risks

1. **Credit Risk:**

   This is the risk associated of recovery of capital from counterparty. The Company has a robust credit risk framework in place which includes sectoral guardrails, strong policy and compliance framework, comprehensive due-diligence and risk assessment process, prudent approval process, robust monitoring process and strong governance to mitigate the risk.

2. **Market Risk:**

   This is the risk associated with adverse market movements. The Company has robust monitoring process to track key market parameters to contain interest rate risk, concentration risk and risk associated with asset liability mismatch through internal risk models which is reviewed by the relevant committee from time to time to take appropriate actions.

3. **Operational Risk:**

   This is the risk associated with inadequate processes and internal controls. The Company has robust processes and strong compliance framework in place to mitigate the same. Our audit and compliance team periodically monitor the adequacy of processes, ensure adherence to the same and strengthen the internal controls.

4. **Liquidity Risk:**

   The Company has adopted a cautious approach towards liquidity management. We maintain adequate liquidity to meet any unforeseen event. In addition, we adhere to strict internal guidelines to appropriately manage Asset Liability Mismatch (ALM) and remain compliant with the regulatory requirements.

5. **Business/Strategic Risk:**

   These are risks that affect or are created by business strategy and strategic objectives. The Company's management of this risk is guided by diversification in its business through a balanced growth across various products and geographies in line with the board approved Risk framework.

6. **Compliance Risk:**

   This is the risk which could expose the Company to legal penalties and losses when it fails to act in accordance to the laws and regulations and best practices The Compliance Team works with Sales, Operations and Credit to ensure that compliance.

7. **Reputation Risk:**

   This risk arises from ineffective management of other risks resulting from poor governance and control failures. The company has a strict code of conduct for its employees, an approved corporate governance framework and a customer grievance mechanism in place.

   The company has also put up a Whistle Blower policy. It also a Risk Control Unit that both works on preventing and investigating frauds and periodic reports are tabled to the senior management and the board committees.

Annexure-III

Form No. MGT-9
Extract of Annual Return as on the financial year ended on 31st March 2022
[Pursuant to section 92(3) and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

III. REGISTRATION AND OTHER DETAILS

i.	**CIN**	**U74140MH2004PTC146715**
ii.	Registration Date	03/06/2004
iii.	Name of the Company	FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED
iv.	Category / Sub-Category of the Company	Private Limited Company, Limited by Shares, Indian Non-Government Company
v.	Address of the Registered office and contact details	602, Boston House, 6th Floor, Suren Road, Andheri East, Mumbai 400093
vi.	Whether listed company (Yes / No)	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	LinkinTime India Private Limited C 101, 247 Park, Lal Bahadur Shastri Rd, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai-400083 Tele: 022 4918 6000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company, on standalone basis, are as under:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Interest Income/other operating income	6492	100.00%
2	Other income	-	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	KRIHAAN TEXCHEM PRIVATE LIMITED Reg Address: 602, Boston House, Suren Road, Next to Cinemax, Andheri (East), Mumbai 400093	U74999MH2019PTC321644	Subsidiary	100%	Section 2(87)
2	DIGJAM LIMITED Reg Address: Aerodrome Road, Jamnagar 361006, Gujarat	L17123GJ2015PLC083569	Subsidiary	90%	Section 2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year (As on 01.04.2021)				No. of Shares held at the end of the year (As on 31.03.2022)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters & Promoter Group									
(1) Indian									
Individual/HUF	0	3,09,38,132	3,09,38,132	96.98	0	3,09,38,132	3,09,38,132	96.98	0.00
Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corp.	0	9,05,960	9,05,960	2.84	0	9,05,960	9,05,960	2.84	0.00
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1)	**0**	**3,18,44,092**	**3,18,44,092**	**99.82**	**0**	**3,18,44,092**	**3,18,44,092**	**99.82**	**0.00**
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**0**	**3,18,44,092**	**3,18,44,092**	**99.82**	**0**	**3,18,44,092**	**3,18,44,092**	**99.82**	**0.00**
B. Public Shareholding									
1. Institutions	0	0	0	0.00	0	0	0	0.00	0.00
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00

d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others - Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Non-Resident Individuals	0	55,908	55,908	0.18	0	55,908	55,908	0.18	0.00
Clearing Members	0	0	0	0.00	0	0	0	0.00	0.00
Trust	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Public Shareholding (B) = (B)(1)+(B)(2)	0	55,908	55,908	0.18	0	55,908	55,908	0.18	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**0**	**3,19,00,000**	**3,19,00,000**	**100.00**	**0**	**3,19,00,000**	**3,19,00,000**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2021)			Shareholding at the end of the year (As on 31.03.2022)			% change in share-holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mr. Bharat Jayantilal Patel	98,84,132	30.98%	0.00	0.00	0%	0.00	-30.98%
2	Mr. Hardik Bharat Patel	70,18,000	22.00%	0.00	1,03,12,711	32.33%	0.00	10.33%
3	Mrs. Minal Bharat Patel	70,18,000	22.00%	0.00	1,03,12,711	32.33%	0.00	10.33%
4	Mr. Ruchit Bharat Patel	70,18,000	22.00%	0.00	1,03,12,710	32.32%	0.00	10.32%
5	Finquest Securities Private Limited	9,05,960	02.84%	0.00	9,05,960	02.84%	0.00	0.00
	TOTAL	**3,18,44,092**	**100%**	**0.00**	**3,18,44,092**	**100%**	**0.00**	**0.00**

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

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2021)		Cumulative Shareholding during the year (As on 31.03.2022)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company*
1	Mr. Bharat Jayantilal Patel	98,84,132	30.98	00	0.00
2	Mr. Hardik Bharat Patel	70,18,000	22.00	1,03,12,711	32.33
3	Mrs. Minal Bharat Patel	70,18,000	22.00	1,03,12,711	32.33
4	Mr. Ruchit Bharat Patel	70,18,000	22.00	1,03,12,710	32.32
5	Finquest Securities Private Limited	9,05,960	2.84	9,05,960	2.84
	TOTAL	**3,18,44,092**	**99.82**	**3,18,44,092**	**99.82**

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Yogesh Khimchand Depala	44,608	0.14	44,608	0.14
2	Harendra Muljee Depala	11,300	0.04	11,300	0.04

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the directors and KMP	Shareholding at the beginning of the year (As on 01.04.2021)		Cumulative Shareholding during the year (As on 31.03.2022)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mr. Hardik Bharat Patel	70,18,000	22.00%	1,03,12,711	32.33%
2	Mr. Bharat Jayantilal Patel	98,84,132	30.98%	0	0.00%
3	Mr. Saurabh Ashwin Patel	-	-	-	-

4	Mr. Dhiren S. Shah	-	-	-	-
5	Mr. Parashiva Murthy B S	-	-	-	-
6	Mr. Akash Tirthraj Pandey	-	-	-	-

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits (Rs.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
Indebtedness at the beginning of the financial year				
i) Principal Amount	19,77,93,916	4,18,33,90,512	00	4,38,11,84,428
ii) Interest due but not paid	00	00	00	00
iii) Interest accrued but not due	00	00	00	00
Total (i+ii+iii)	**19,77,93,916**	**4,18,33,90,512**	**00**	**4,38,11,84,428**
Change in Indebtedness during the financial year	00	00	00	00
Addition	00	00	00	
Reduction	19,77,93,916	76,06,45,298	00	95,84,39,214
Net Change	**19,77,93,916**	**76,06,45,298**		**95,84,39,214**
Indebtedness at the end of the financial year	00	00	00	00
i) Principal Amount	00	3,42,27,45,214	00	3,42,27,45,214
ii) Interest due but not paid	00	00	00	00
iii) Interest accrued but not due	00	00	00	00
Total (i+ii+iii)	**00**	**3,42,27,45,214**	**00**	**3,42,27,45,214**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	MD / WTD / MANAGER		Total Amount
		Saurabh A. Patel		
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	00	00	00
2.	Stock Option	00	00	00
3.	Sweat Equity	00	00	00
4.	Commission - as % of profit - others, specify…	00	00	00
5.	Others, please specify (Reimbursement of Expenses)	00	00	00
	Total (A)	00	00	00

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
1.	Independent Directors	00	00	00
	Fee for attending board committee Meetings			
	Commission			
	Others, please specify			
	Total (1)			
2.	Other Non-Executive Directors	00	00	00
	Fee for attending board committee meetings	00	00	00
	Commission	00	00	00
	Others, please specify	00	00	00
	Total (2)	00	00	00
	Total (B)=(1+2)	00	00	00
	Total Managerial Remuneration	00	00	00
	Overall Ceiling as per the Act	00	00	00

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Executive Officer	**Company Secretary**	**CFO**	**Total Amount**
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	00	6,24,000	00	6,24,000
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify…	0	0	0	0
5.	Others, please specify (Reimbursement of Expenses)	0	0	0	0
	Total	**0**	**6,24,000**	**00**	**6,24,000**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B.	**DIRECTORS**				
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C.	**OTHER OFFICERS IN DEFAULT**				
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

FOR AND BEHALF OF THE BOARD OF DIRECTORS OF
FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED

Sd/-	**Sd/-**
SAURABH A. PATEL	**HARDIK B. PATEL**
MD & CEO	**DIRECTOR**
DIN: 02148559	**DIN: 00590663**

DATE: JUNE 22, 2022
PLACE: MUMBAI

Annexure IV

NOMINATION AND REMUNERATION POLICY

1. Definitions:

In this Policy unless the context otherwise requires:

1. “Act” means Companies Act, 2013 and rules thereunder

2. “Board of Directors” or “Board”, in relation to the Company, means the collective body of the directors of the Company

3. “Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board

4. “Company” means **Finquest Financial Solutions Private Limited**

5. “Directors” means Directors of the Company

6. “Independent Director” means a director referred to in Section 149 (6) of the Companies Act, 2013

7. “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act,1961;

8. “Key Managerial Personnel” means:

   i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
   ii) Chief Financial Officer;
   iii) Company Secretary; and
   iv) such other officer as may be prescribed.

9. “Ministry” means the Ministry of Corporate Affairs

10. “Regulations’ “refers to and comprise of Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, and such other rules and provisions as applicable to the matters dealt in by this Policy

11. “Senior Managerial Personnel” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

2. Objectives:

The objective of the policy is to ensure that

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
2. The Relationship of remuneration to performance is clear and meets appropriate performance bench marks; and
3. The Remuneration to directors, key managerial personnel (KMP), senior management and other employees of the Company involves balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals

3. Role Of the Committee:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration in accordance with the criteria laid down in this policy.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage
- To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on March 31, 2015.

4. Guiding Principles for Constitution of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee will consist of three or more non-executive directors out of which at least one-half shall be independent director(s), provided that chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee.

The Committee will meet at such intervals as deems fit to carry out the objectives set out in the Policy. A quorum of two members is required to be present for the proceedings to take place. The Committee members may attend the meeting physically or via permitted audio-visual mode, subject to the provisions of the applicable Regulations. The Committee shall have the authority to call such employee(s), senior official(s) and / or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

5. Appointment And Removal of Director, Key Managerial Personnel And Senior Management:

- The Committee shall identify and as certain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his/her appointment, as per Company's Policy.

- A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the position.

- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

6. Term / Tenure:

a) Managing Director/Whole-time Director:

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

b) Independent Director:
An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

7. Evaluation:

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

8. Training:

The company shall provide suitable training to independent directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.

9. Removal:

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

10. Retirement:

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

11. Policy For Remuneration to Directors/KMP/Senior Management Personnel:

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

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

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

2) Remuneration to Non- Executive / Independent Directors:

   a. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

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

c. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share-based payment schemes of the Company.

d. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
   I. The Services are rendered by such Director in his capacity as the professional; and
   II. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

e. The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Indepdent Directors).

3) Remuneration to Key Managerial Personnel and Senior Management:

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Key Managerial Personnel and Senior Management.

c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

12. Implementation

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

- The Committee may Delegate any of its powers to one or more of its members.

INDEPENDENT AUDITORS' REPORT

To the Members of Finquest Financial Solutions Pvt Ltd.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Finquest Financial Solutions Pvt. Ltd. ("the Company"), which comprise the Balance Sheet as at March 31 2022, and the statement of Profit and Loss, (Including other comprehensive income), Statement of Changes in Equity and statement of Cash Flows 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, the aforesaid standalone financial statements give the information required by 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, 2022, and its Profit and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Paragraph

We refer note no. --- to the Standalone Financial Statements of the Company, wherein company has disclosed impact of restatement of profits, assets and liabilities due to prior period errors.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

No.	Key Audit Matter	Auditors' Response
1	**Impairment of financial assets as at balance sheet date (expected credit losses)** Ind AS 109 requires the Group to provide for impairment of its financial assets designated at amortised cost and fair value through other comprehensive income (including loan receivables and investments) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Group's financial assets. In the process, a significant degree of judgment has been applied by the Management for: • staging of the financial assets (i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories); • determining macro-economic factors impacting credit quality of receivables; • estimation of losses for financial assets which are secured. • Identifying the loan wise details for risk categorization. • Security value to be considered while calculating the ECL for loans which are secured. Considering the materiality of the amounts and management estimate involved, this matter has been identified as a key audit matter for the current year audit.	**Our process includes:** • Read and assessed the Group's accounting policies for impairment of financial assets and their compliance with Ind AS 109. • Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. • Assessed the criteria for staging of financial assets based on their past-due status to check compliance with requirement of Ind AS 109. • Assessed the additional considerations applied by the Management for staging of loans or default categories. • Tested the ECL model, including assumptions and underlying computation. • Assessed the assumption for non-provisioning applied by the Group for financial assets with no dues. • Tested assumptions used by the Management for determining fair value of investments and the cash flow projections of the investee with reference to past experience.

Information other than the Financial Statements and Auditors' Report thereon

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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.

Management's Responsibility for the 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 performance, statement of changes in equity and cash flows 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 these financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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 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.

Other Matter

The comparative financial statements of the Company for the year ended 31 March 2021 included in Standalone Financial Statements, were audited by the erstwhile statutory auditors "R.C. Jain & associates LLP, Chartered Accountants" whose reports dated 17th November 2021 expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

1. 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.
2. 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.
3. The Balance Sheet, the Statement of Profit and Loss (Including other comprehensive Income), Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
4. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
5. On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
6. 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".
7. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, as this is private company so requirement of section 197(16) is not applicable.
8. With respect to the other matters to be included in the Auditors' 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:
    - The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note on contingent liabilities to the financial statements
    - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or

invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- The Management has represented, that, to the best of it’s knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under h (iv) (a) and (b) above, contain any material misstatement.
- The Company has not declared any dividend during the current financial year ended March 31, 2022.

For Batliboi & Purohit
Chartered Accountants
Firm Registration Number:101048W

Raman Hangekar
Partner
Membership No. 030615

Place: Mumbai
Date: June 22, 2022
UDIN: 22030615ALLFMA2912

<u>The Annexure A referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2022 we report that</u>:

(i)

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. The Company has maintained proper records showing full particulars of intangible assets.

b) As explained to us, the fixed assets have been physically verified by management at reasonable intervals under a phased programme of verification. In accordance with this program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of company and nature of its assets.

c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Investment properties are held in the name of the Company as at the balance sheet date.

d) The Company has not revalued its Property, Plant and Equipment and intangible assets during the year.

e) No proceedings have been initiated or are pending against the Company as at 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii)

a) The Company is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.

b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year, from bank on the basis of security of current assets. Accordingly, the provision of the said sub clause is not applicable.

(iii)

a) The Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(a) of the Order is not applicable to it

b) The Company, being a Non-Banking Financial Company ('NBFC'), is registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.

c) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 5 to the Standalone Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.

d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes to the Standalone Financial Statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.

e) Since the Company's principal business is to give loans. Accordingly, the provision of clause 3(iii)(e) of the Order is not applicable to it.

(iv) In our opinion and according to the information and explanations given to us, the Company has granted loans to party covered under Section 185 of the Act. The provision of section 185 and 186 of the Companies Act 2013 have been complied with.

(v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and Rules framed there under to extent notified.

(vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for the business activities carried out by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company

(vii) According to the information and explanations given to us and the records of the Company examined by us, in our opinion,

a) the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employee state insurance, income tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax, cess and any other material statutory dues as applicable, with the appropriate authorities.

Further no undisputed amounts payable in respect of provident fund, employee state insurance, income tax, sales tax, Goods and Service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues were in arrears as at March 31 2022 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, and the records of the company examined by us, the dues in respect of sales tax, income-tax, duty of customs, Goods and Service tax, entry tax, value added tax, central sales tax, duty of excise, which have not been deposited with the appropriate authority on account of any disputes are as under:

(Rs. In Lakhs)

Name of the Statute	Nature of the dues	Amount	Period	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	278.66	AY 2016-17, AY 2017-18 and AY 2018-19	CIT (Appeals)

(viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix)

a) According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government as at the Balance sheet date.
b) The company is not declared as a wilful defaulter by any bank or financial institution or other lenders.
c) Company has no term loans from Banks. Hence, the said sub clause is not applicable.
d) According to the records of the company examined by us and the information and explanation given to us, the funds raised on short term basis have not been utilised for long term purposes.
e) As per the records of the company examined by us and the information and explanation given to us no funds are taken from any entity to meet the obligations of the subsidiary companies. There are no associate companies in the group.
f) As per the records of the company examined by us and the information and explanation given to us, the company has raised no loans during the year on pledge of securities held in its subsidiaries.

(x)

The Company did not raise any moneys by way of initial public offer or further public offer including debt instruments) nor has obtained any term loans during the year, hence paragraph 3 (x) of the order is not applicable to the Company.

(xi)

a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instances of material fraud by the Company or on the Company by its officers or employees noticed or reported during the year nor have we been informed of any such case by the management.
b) As there are no frauds, hence sub para (b) of clause (xi) of the order is not applicable to the company.
c) Whistle blower complaints if any received during the year were considered by us.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required under Ind AS and Companies Act, 2013.

(xiv)

a) In our opinion, the Company have an adequate internal audit system commensurate with the size and the nature of its business.
b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31st March, 2022.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi)

a) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company has obtained the required registration.
b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
c) According to the information and explanations given to us, the Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.
d) As per information provided in course of our audit, the Group to which the Company belongs has no CIC's as defined in the Core Investment Companies (Reserve Bank) Directions, 2016.

(xvii) The Company has not incurred any cash loss during the current financial year as well as immediately preceding financial year.

(xviii) The previous auditor of the company has resigned w.e.f. 15th March 2022 and there are no objections, concern or issues raised by the retiring auditor.

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

(xx) According to the explanation given to us and based on our scrutiny of the books of accounts, Section 135 of the Companies Act 2013 is not applicable for the financial year 2021-22 and hence the said clause of the order is not applicable to the Company.

For Batliboi & Purohit
Chartered Accountants
Firm Registration Number:101048W

Raman Hangekar
Partner
Membership No. 030615

Place: Mumbai
Date: June 22, 2022
UDIN: 22030615ALLFMA2912

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Finquest Financial Solutions Pvt Ltd.** ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information & according to the explanations give to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Batliboi & Purohit
Chartered Accountants
Firm Registration Number:101048W

Raman Hangekar
Partner
Membership No. 030615

Place: Mumbai
Date: June 22, 2022
UDIN: 22030615ALLFMA2912

FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED
CIN: U74140MH2004PTC146715
Standalone Balance Sheet As At 31st March, 2022

(Rs. In lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021 (Restated)	As at March 31, 2020
I. ASSETS				
(1) Financial assets				
a) Cash and cash equivalents	3	6,649.87	313.73	171.93
b) Bank balance other than (a) above	4	1,717.88	1,440.35	-
c) Receivables				
(I) Trade receivables	5	60.92	-	-
(II) Other receivables		-	-	-
d) Loans	6	31,856.14	28,938.34	76,432.31
e) Investments	7	24,375.63	37,615.15	8,539.27
f) Other financial assets	8	510.00	1,000.00	13,036.81
(2) Non-financial assets				
a) Current tax assets (net)	9	-	1,140.23	764.83
b) Deferred tax assets (net)	10	-	336.77	256.80
c) Investment Property	11	525.72	561.64	123.41
d) Property, plant and equipment	12	20.07	24.54	86.53
e) Other non-financial assets	13	1,868.17	1,877.33	1,860.71
f) **TOTAL ASSETS**		**67,584.40**	**73,248.07**	**1,01,272.60**
II. LIABILITIES AND EQUITY				
Liabilities				
1. Financial liabilities				
a) Payables	14	882.47	2697.64	286.63
(I) Trade payables		634.23	2,697.64	286.63
(i) total outstanding dues of micro enterprises and small enterprises		-	1.78	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		634.23	2,695.86	286.63
(II) Other payables		248.24	-	-
(iii) total outstanding dues of micro enterprises and small enterprises		-	-	
(iv) total outstanding dues of creditors other than micro enterprises and small enterprises		248.24	-	-
b) Debt securities	15	33,859.17	31,290.70	28,917.38
c) Borrowings (other than debt securities)	16	368.28	12,521.15	55,382.19
2. Non-financial liabilities				
a) Current tax liabilities (net)	9	753.83	-	-
b) Provisions	17	5,385.32	3,718.89	2,853.94
c) Deferred tax liabilities	10	184.46	-	-
d) Other non-financial liabilities	18	-	-	0.27
Total liabilities				
3. Equity				
a) Equity share capital	19	3,190.00	3,190.00	3,190.00
b) Other equity	20	22,960.86	19,829.70	10,642.19
Total liabilities and equity		**67,584.40**	**73,248.07**	**1,01,272.60**

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

For and on behalf of Board of Directors
For Finquest Financial Solutions Private Limited

Sd/-
Raman Hangekar
Partner
M. No. 030615
Place: Mumbai
Date: 22/06/2022

Sd/-
Saurabh A. Patel
MD&CEO
DIN: 02148559

Sd/-
Hardik B. Patel
Director
DIN: 00590663

Sd/-
Akash T. Pandey
Company Secretary
Mem No. A61112

FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED
CIN: U74140MH2004PTC146715
Standalone Statement of Profit & Loss Account for the year ended 31st March, 2022

(Rs. In lakhs)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021 (Restated)	Year ended March 31, 2020
Revenue from operations				
(i) Interest income	21	1,481.75	4,812.90	10,320.25
(ii) Dividend Income	22	62.74	47.21	266.28
(iii) Net gain on fair value changes	23	-	8,418.32	-
(iv) Other operating income	24	18,090.04	9,830.99	-7,097.74
(I) Total Revenue from operations		**19,634.54**	**23,109.42**	**3,488.79**
(II) Other income	25	-	1.08	58.75
(III) Total Income (I+II)		**19,634.54**	**23,110.51**	**3,547.54**
Expenses				
(i) Finance cost	26	6,649.21	4,934.64	4,857.41
(ii) Impairment on financial instruments	27	1,667.25	912.44	996.62
(iii) Net Loss on Fair Value Changes	28	15.30	-	-
(iv) Employee benefit expenses	29	70.33	70.74	349.07
(v) Depreciation, amortisation and impairment		43.04	11.99	31.16
(vi) Other expenses	30	5,738.63	8,067.75	476.60
(IV) Total expenses		**14,183.76**	**13,997.56**	**6,710.86**
(V) Profit/(loss) before exceptional items and tax (III-IV)		5,450.77	9,112.95	-3,163.33
Exceptional Items		-	-	-
(VI) Profit before tax		5,450.77	9,112.95	-3,163.33
(VII) Tax Expense				
1. Current tax		1,800.52	-	55.20
2. Deferred tax	31	520.69	-81.81	17.58
(VIII) Total tax expense		**2,321.21**	**-81.81**	**72.77**
(IX) Profit/(loss) for the period from continuing operations (V-VI)		3,129.56	9,194.76	-3,236.10
(X) Profit/(loss) for the period from discontinued operations		-	-	-
(XI) Tax expense of discontinued operations		-	-	-
(XII)Profit/(loss) for the period from discontinued operations (After tax) (X-XI)		-	-	-
(XIII) Profit for the period (IX+XII)		**3,129.56**	**9,194.76**	**-3,236.10**
(XIV) Other Comprehensive Income				
Items that will not be reclassified to profit or loss	32			
I. Remeasurements gain/ (losses) of the defined benefit plans		2.14	-5.41	1.91
II. Income tax relating to items that will not be reclassified to profit or loss		-0.54	-1.84	-0.63
Other Comprehensive Income		**1.60**	**-7.25**	**1.29**
(XV) Total Comprehensive Income for the period (XIII+XIV)		**3,131.16**	**9,187.51**	**-3,234.82**
(XVI) Earnings for equity share (in Rs.)				
Basic		9.81	28.82	-10.14
Diluted		9.81	28.82	-10.14
Significant Accounting Policies	2			

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

For and on behalf of Board of Directors
For Finquest Financial Solutions Private Limited

Sd/-
Raman Hangekar
Partner
M. No. 030615
Place: Mumbai
Date: 22/06/2022

Sd/-	Sd/-	Sd/-
Saurabh A. Patel	**Hardik B. Patel**	**Akash T. Pandey**
MD&CEO	**Director**	**Company Secretary**
DIN: 02148559	**DIN: 00590663**	**Mem No. A61112**

FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED
CIN: U74140MH2004PTC146715
Standalone Cash Flow Statements for the year ended 31st March, 2022

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021 (Restaed)
A. Cash flow from operating activities		
Profit before tax	5,450.77	9,112.95
Adjustments for:		
Depreciation	43.04	11.99
Impairment of Financial Instrument	1,667.25	912.44
Net (gain)/loss on fair value change of Investments	15.30	(8,418.32)
Other Comprehensive Loss	2.14	(5.41)
Profit on sale of Investments	(5,513.47)	(6,821.61)
Interest on borrowings, NCDs and commercial papers	6,649.21	4,934.64
Operating profit before working capital changes	**8,314.25**	**(273.32)**
Changes in working capital:		
Increase / (decrease) in Trade Payables	(2,063.41)	2,411.02
Increase / (decrease) in Other Payables	248.24	-
Increase / (decrease) in Other Financial Liabilities	-	-
Increase / (decrease) in Other Non-Financial Liabilities	-	(0.27)
Increase / (decrease) in Provisions	(0.82)	(47.49)
Increase / (decrease) in Current Liabilities	-	-
(Increase) / decrease in Loans	(2,917.80)	47,493.97
(Increase) / decrease in Trade Receivables	(60.92)	-
(Increase) / decrease in Other Financial Assets	490.00	12,036.81
(Increase) / decrease in Other Non-Financial Assets	9.16	(16.62)
(Increase) / decrease in Current Assets	93.53	(375.40)
Cash used in Operations	**4,112.24**	**61,228.70**
Taxes paid (including tax deducted at source) (Net of refund received)	-	-
Net Cash (used in) operating activities A.	**4,112.24**	**61,228.70**
B. Cash flow from Investing Activities		
Net Purchase/sale of tangible/intangible assets	(38.57)	50.00
Net Purchase/Sales of Investment	18,773.61	(14,274.18)
(Increase) / decrease in Investments	-	-
Net cash (used in)/ generated from investing activities B.	**18,735.04**	**(14,224.18)**
C. Cash flow from Financing Activities		
Repayment of borrowings made during the year- Other than debt Securities	(12,152.86)	(42,861.05)
Interest Paid	(4,080.74)	(2,561.32)
Net cash flow from financing activity C.	**(16,233.60)**	**(45,422.37)**

Net Increases/(Decrease) in Cash and cash equivalents (A)+(B)+(C)	**6,613.68**	**1,582.15**
Cash and cash equivalents, beginning of the year	**1,754.08**	**171.93**
Cash and cash equivalents, end of the year	**8,367.75**	**1,754.08**
Notes to the statement of cash flow:		
Cash and cash equivalents comprise of:		
Cash on hand	0.32	12.90
Balances with banks:	-	-
In current accounts	6,649.55	300.83
Restricted Cash	1,717.88	1,440.35
TOTAL	**8,367.75**	**1,754.08**

Notes to the statement of cash flow (cont'd) :

1. The above statement of cash flow has been prepared under the indirect method set out in IND AS 7 on Cash Flow Statements specified under Section 133 of the Companies Act, 2013.

2. Figures in bracket indicate cash outflow.

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

For and on behalf of Board of Directors
For Finquest Financial Solutions Private Limited

Sd/-
Raman Hangekar
Partner
M. No. 030615
Place: Mumbai
Date: 22/06/2022

Sd/-
Saurabh A. Patel
MD&CEO
DIN: 02148559

Sd/-
Hardik B. Patel
Director
DIN: 00590663

Sd/-
Akash T. Pandey
Company Secretary
Mem No. A61112

Note No. 20

OTHER EQUITY

(Rs. In lakhs)

Particulars	Reserves and Surplus				
	Securities Premium (Note 2)	**Statutory Reserve (Note 1) (Other Reserves)**	**Retained Earnings (Note 3)**	**Other Comprehensive Income (Note 4)**	**Total**
Balance at the beginning April 01, 2020	**13,349.60**	**391.40**	**-3629.42**	**1.70**	**10,113.28**
Changes due to prior period errors	-	-	528.92	-	528.92
Restated Balance at the beginning of April 01, 2020	**13,349.60**	**391.40**	**-3,100.50**	**1.70**	**10,642.19**
Total Comprehensive Income for the year	-	-	16.08	-7.25	8.83
Change due to prior period errors	-	-	9,178.68	-	9,178.68
Transfer to Statutory Reserve under Section 45-IC of RBI Act	-	1,837.50	-1,837.50	-	-
Restated Closing Balance at the end of March 31, 2021	**13,349.60**	**2,228.90**	**4,256.76**	**-5.55**	**19,829.70**
Balance at the Beginning of the year April 01, 2021	**13,349.60**	**2,228.90**	**4,256.76**	**-5.55**	**19,829.70**
Total Comprehensive Income for the year	-	-	3,129.56	1.60	3,131.16
Transfer to Statutory Reserve under Section 45-IC of RBI Act	-	629.04	-629.04	-	-
Closing Balance at the end of current financial year March 31, 2022	**13,349.60**	**2,857.94**	**6,757.28**	**-3.95**	**22,960.86**

Notes:
Nature and Purpose of Reserves

1. **Statutory Reserve**
In terms of Section 45-IC of the RBI Act, NBFCs are required to create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year. The above requirement is to give intrinsic strength to the balance sheets of the companies. This reserve could be used for purposes as stipulated by the Reserve Bank of India from time to time.

2. **Securities Premium**
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013

3. **Retained Earnings**
Retained earnings are the profits that a company has earned to date, less any dividends or other distributions paid to investors.

4. **Other Comprehensive Income (OCI)**
Other Comprehensive Income refers to items of income and expenses that are not recognised as a part of the profit and loss account. However, the entity may transfer those amounts recognised in other comprehensive income within equity. The gain/loss on actuarial valuation of gratuity liability is considered in other comprehensive income.

As per our report of even date **For Batliboi & Purohit** **Chartered Accountants** **ICAI Firm Registration No. 101048W**	**For and on behalf of Board of Directors** **For Finquest Financial Solutions Private Limited**		
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Raman Hangekar **Partner** **M. No. 030615** **Place: Mumbai** **Date: 22/06/2022**	**Saurabh A. Patel** **MD&CEO** **DIN: 02148559**	**Hardik B. Patel** **Director** **DIN: 00590663**	**Akash T. Pandey** **Company Secretary** **Mem No. A61112**

Note No. 3 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021	As at March, 2020
CASH AND CASH EQUIVALENTS			
Cash on hand	0.32	12.90	10.45
Balances with banks in current accounts	6,649.55	300.83	161.47
Total	**6,649.87**	**313.73**	**171.93**

Note No. 4 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021	As at March, 2020
BANK BALANCE OTHER THAN CASH AND CASH AND CASH EQUIVALENTS			
Fixed Deposit (Against Bank Guarantee)	1,621.16	1,400.00	-
Accrued Interest on FD	71.72	40.35	-
Other Deposit	25.00	-	-
Total	**1,717.88**	**1,440.35**	**-**

Note No. 5 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021	As at March, 2020
RECEIVABLES			
Trade Receivables	-	-	-
(i) Secured, considered good	-	-	-
Less: Impairment loss allowance	-	-	-
(ii) Unsecured, considered good			
(a) Due by directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member	60.92	-	-
(b) Other than (a)	-	-	-
Less: Impairment loss allowance	-	-	-
	60.92		
(iii) Credit impaired:		-	-
Less: Impairment loss allowance		-	-
Total	**60.92**	**-**	**-**

Trade receivables ageing
As at March 31, 2022

(Rs. In lakhs)

Particulars	Less than 6 months	6 months-1 year	2-3 years
i. Undisputed Trade receivables - considered good	4.92	56.00	-
ii. Undisputed Trade Receivables - which have significant increase in credit risk	**-**	**-**	**-**
iii. Undisputed Trade Receivables - credit impaired	**-**	**-**	**-**
iv. Disputed Trade Receivables - considered good	**-**	**-**	**-**
v. Disputed Trade Receivables - which have significant increase in credit risk	**-**	**-**	**-**
vi. Disputed Trade Receivables - credit impaired			**-**
TOTAL	**4.92**	**56.00**	**-**

Note: Ageing is determined from the date of transaction till the Reporting date.

Note No. 6 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021	As at March, 2020
Loans (at amortised cost)			
(A)			
(i) Term Loans	5,360.38	13,532.91	52,985.98
(ii) Others	26,469.61	15,388.12	23,427.21
(iii) Staff Loan	26.15	17.30	19.12
Total (A) – Gross	**31,856.14**	**28,938.34**	**76,432.31**
Less: Impairment loss allowance	5,279.97	3,644.86	2,541.58
Less: Interest income under NPA	-	-	-
Total (A) – Net	**26,576.17**	**25,293.48**	**73,890.72**
(B)			
(i) Secured by tangible assets	6,642.61	11,044.62	54,025.69
(ii) Unsecured	25,213.53	17,893.72	22,406.62
Total (B) – Gross	**31,856.14**	**28,938.34**	**76,432.31**
Less: Impairment loss allowance	5,279.97	3,644.86	2,541.58
Total (B) – Net	**26,576.17**	**25,293.48**	**73,890.72**
(C)			
Loans in India			
(a) Public sector	**-**	**-**	**-**
(b) Others	31,856.14	28,938.34	76,432.31
Total (C)- Gross	**31,856.14**	**28,938.34**	**76,432.31**
Less: Impairment loss allowance	5,279.97	3,644.86	2,541.58
Total (C)-Net	**26,576.17**	**25,293.48**	**73,890.72**

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

Note No. 8 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021	As at March, 2020
OTHER FINANCIAL ASSETS			
Unsecured, considered good			
Loans to employees	-	-	-
Interest Accrued not paid on NCD	-	-	-
Other advances	510.00	1,000.00	1010.00
Total	**510.00**	**1,000.00**	**1010.00**

Note No. 9 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021	As at March, 2020
CURRENT TAX ASSET			
Income Tax Advance	66.85	-	
Less: Provision for Income Tax	-1,800.52	-	
TDS Receivable	1,386.57	1,156.01	972.07
TDS Payable	406.73	15.78	207.24
Total	**-753.83**	**1,140.23**	**764.83**

Note No. 10 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021	As at March, 2020
DEFERRED TAX ASSET/LIABILITY			
Deferred Tax Asset/liability	-	336.77	256.80
Deferred tax assets (net)	-	**336.77**	**256.80**

Note No. 13 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021	As at March, 2020
OTHER NON-FINANCIAL ASSETS			
Capital Advances	1,850.50	1,850.00	1,850.00
Deposit for rent	6.30	-	-
GST on Reverse Charge	3.34	19.32	1.44
GST Credit on Input Services	8.01	8.01	8.01
Prepaid Employee Benefit Expenses	-	-	-
Prepaid Vehicle Insurance Expenses	-	-	1.02
Professional Tax Excess Paid	0.01	0.00	0.23
Excess paid to TATA Capital	-	-	-
Total	**1,868.17**	**1,877.33**	**1,860.71**

Note No. 14 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021	As at March, 2020
PAYABLES			
(I) Trade payables	**634.23**	**1299.33**	**-**
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	634.23	1299.33	-
(II) Other payables	**248.24**	**1,398.32**	**286.63**
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	248.24	1,396.53	286.63
Total	**882.47**	**2,697.64**	**286.63**

Trade payable ageing
As at March 31, 2022

(Rs. In lakhs)

Particulars	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	248.24	634.23	-	-	**882.47**
(iii) Disputed dues – MSME	-	-	-	-	**-**
(iv)Disputed dues - Others	-	-	-	-	**-**
TOTAL	**248.24**	**634.23**	**-**	**-**	**882.47**

Trade payable ageing
As at March 31, 2021

(Rs. In lakhs)

Particulars	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	**-**
(ii) Others	1,177.32	1,520.33	-	-	**2,697.64**
(iii) Disputed dues – MSME	-	-	-	-	**-**
(iv)Disputed dues - Others	-	-	-	-	**-**
TOTAL	**1,177.32**	**1,520.33**	**-**	**-**	**2,697.64**

Note No. 7 **(Rs. In lakhs)**

INVESTMENTS	**As at March 31, 2022**				**As at March 31, 2021**			
Particulars	**Amortised Cost**	**At fair value through profit or loss**	**Others (at cost)**	**Total**	**Amortised Cost**	**At fair value through profit or loss**	**Others (at cost)**	**Total**
1. Mutual Funds	-	-	-	-	-	-	-	-
2. Government Securities	-	-	-	-	-	-	-	-
3. Others	-	-	-	-	-	-	-	-
4. Approved Securities	-	-	-	-	-	-	-	-
	-	-	-	-	-	**-**		**-**
5. **Debt Securities**	-	-	**1,849.96**	**1,849.96**	-	**4,865.70**	**8,475.00**	**13,340.83**
a) UTI Structured Debt Opportunities Fund- Vani Agencies Private Limited	-	-	-	-	-	4,865.70	-	-
b) Investment in Suraksha Asset Reconstruction Private Limited	**-**		**1,849.96**	**-**		**-**	8,475.00	**-**
6. **Equity Instrument**	-	**18,014.56**	**10.11**	**18,024.67**	-	**19,763.34**	**10.11**	**19,773.65**
a) Equity shares of Nirmal Reality Private Limited	-	-	10.11	-	-	-	10.11	-
b) Preference Shares of Suraksha Reality Limited	-	-	-	-	-		-	-
c) Trading In Equity Shares	-	18,014.56	-	-	-	19,000.60	-	-
d) Manpasand Beverages Limited	-	-	-	-	-	250.00	-	-
e) Preference Shares of Vocon Manufacturing Private Limiteds	-	-	-	-	-	58.20	-	-
f) Equity Shares of Deserve Houscorp Private Limited	**-**	**-**	-	-		454.54	-	-
7. **Subsidiaries**	-	-	**4,501.00**	**4,501.00**	-	-	**4,501.00**	**4,501.00**
a) Equity Shares of Krihaan Texchem Private Limited	-	-	1.00	-	-	-	1.00	-
b) Equity Shares of Digjam Limited	-	-	1,800.00	-	-	-	1,800.00	-
c) Preference Shares of Digjam Limited	-	-	2,700.00	-	-	-	2,700.00	-
8. **Associates**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9. Joint Ventures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
10. Others	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	-	**18,014.56**	**6,361.07**	**24,375.63**	-	**24,629.04**	**12,986.11**	**37,615.15**

Note No. 10
As at March 31, 2022

Particulars	Net balance on March 31, 2022	Recognized in profit or loss	Recognized in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
- On Depreciation	-9.45	-9.45	-	-2.38	-	-2.38
- On Provision for compensated absences	0.19	0.19	-	0.05	0.05	-
- On Provision for Gratuity	-1.01	-1.01	-	-0.25	-	-0.25
- On Remeasurements of the defined benefit plans	-2.14	-	-2.14	-0.54	-	-0.54
- On Fair value of investments	-8,417.60	-8,417.60	-	-2,118.71	-	-2,118.71
- On Fair value of staff loan	-	-	-	-	-	0
- On Debenture Redemption Premium	6,359.17	6,359.17	-	1,600.60	1600.60	0
Tax Assets/(Liabilities)	**-2,070.84**	**-2,068.70**	**-2.14**	**-521.23**	**1601.60**	**-2,121.88**
Net				**-521.23**		**-521.23**
Opening Deferred tax Assets/(liability)	**336.77**					
Deferred tax liability during the year	**-521.23**					
Closing Deferred tax Assets/(liability)	**-184.46**					

As at March 31, 2021

Particulars	Net balance on March 31, 2021	Recognized in profit or loss	Recognized in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
- On Depreciation	4.39	-	-	4.39	4.39	-
- On Provision for compensated absences	1.38	-4.14	-	-2.75	-	2.75
- On Provision for Gratuity	0.72	-0.08	-	0.64	0.64	-
- On Remeasurements of the defined benefit plans	0.48	-	-1.84	-1.36	-	1.36
- On Speculation Loss	0.05	-	-	0.05	0.05	-
- On Long term capital loss	29.57	-	-	29.57	29.57	-
- On Fair value of investments	220.19	86.04	-	306.23	306.23	-
- On Fair value of staff loan	0.01	-0.01	-	-0.00	-	-
Tax Assets/(Liabilities)	**256.80**	**81.81**	**-1.84**	**336.77**	**340.88**	**4.12**
Net					**336.77**	
Opening Deferred tax Assets/(liability)	**256.80**					
Deferred tax liability during the year	**79.97**					
Closing Deferred tax Assets/(liability)	**336.77**					

Note No. 11

As at March 31, 2022 **(Rs. In lakhs)**

INVESTMENT PROPERTY	Gross Block				Accumulated Depreciation				Net Block	
Particulars	**Balance as at April 01, 2021**	**Additions**	**Sales/ Deduction**	**Balance as at March 31, 2022**	**Balance as at April 01, 2021**	**During the year**	**Sales/Deduction**	**Balance as at March 31, 2022**	**Balance as at March 31, 2022**	**Balance as at April 01, 2021**
Land	123.41	-	-	123.41	-	-	-	-	123.41	123.41
Building	438.23	-	3.07	435.17	-	32.86	-	32.86	402.31	438.23
Total	**561.64**	**-**	**-**	**558.58**	**-**	**32.86**	**-**	**32.86**	**525.72**	**561.64**

As at March 31, 2021 **(Rs. In lakhs)**

INVESTMENT PROPERTY	Gross Block				Accumulated Depreciation				Net Block	
Particulars	**Balance as at April 01, 2020**	**Additions**	**Sales/ Deduction**	**Balance as at March 31, 2021**	**Balance as at April 01, 2020**	**During the year**	**Sales/Deduction**	**Balance as at March 31, 2021**	**Balance as at March 31, 2021**	**Balance as at April 01, 2020**
Land	123.41	-	-	123.41	-	-	-	-	123.41	123.41
Land & Building	-	438.23	-	438.23	-	-	-	-	438.23	-
Total	**123.41**	**438.23**	**-**	**561.64**	**-**	**-**	**-**	**-**	**561.64**	**123.41**

As at March 31, 2020 **(Rs. In lakhs)**

INVESTMENT PROPERTY	Gross Block				Accumulated Depreciation				Net Block	
Particulars	**Balance as at April 01, 2019**	**Additions**	**Sales/ Deduction**	**Balance as at March 31, 2020**	**Balance as at April 01, 2019**	**During the year**	**Sales/Deduction**	**Balance as at March 31, 2020**	**Balance as at March 31, 2020**	**Balance as at April 01, 2019**
Land	123.41	-	-	123.41	-	-	-	-	123.41	123.41
Total	**123.41**	**-**	**-**	**123.41**	**-**	**-**	**-**	**-**	**123.41**	**123.41**

The Fair value of Investment Property as on 31st March 2021 is Rs. 1,131.44 lakhs

The fair value of the investment properties has been determined by an external independent property valuer having appropriate professional qualification and experience in the location and category of property being valued.

Note No. 12
As at March 31, 2022 **(Rs. In lakhs)**

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	Balance as at 31st March 2021	Ind AS adjustments	Additions	Deductions	Balance as at 31St March 2022	Balance as at 31st March 2021	Ind AS adjustments	Charge for the year	Deductions	Balance as at 31st March 2022	Balance as at 31st March 2022	Balance as at 31st March 2021
Electric Equipment	0.20	-	4.14	-	4.34	0.75	-	1.33	-	2.08	3.01	0.20
Computers & Servers	-	-	1.57	-	1.57	0.81	-	0.84	-	1.65	0.73	-
Vehicles	24.34	-	-	-	24.34	85.59	-	8.01	-	93.59	16.33	24.34
Total	**24.54**	**-**	**5.71**	**-**	**30.26**	**87.14**	**-**	**10.19**	**-**	**97.33**	**20.07**	**24.54**

As at March 31, 2021 **(Rs. In lakhs)**

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	Balance as at 31st March 2020	Ind AS adjustments	Additions	Deductions	Balance as at 31St March 2021	Balance as at 31st March 2020	Ind AS adjustments	Charge for the year	Deductions	Balance as at 31st March 2021	Balance as at 31st March 2021	Balance as at 31st March 2020
Electric Equipment	0.95	-	-	-	0.95	0.70	-	0.05	-	0.75	0.20	0.25
Computers & Servers	0.81	-	-	-	0.81	0.81	-	-	-	0.81	-	-
Vehicles	109.92	-	-	-	109.92	73.64	-	11.94	-	85.59	24.34	36.28
Total	**111.68**	**-**	**-**	**-**	**111.68**	**75.15**	**-**	**11.99**	**-**	**87.14**	**24.54**	**36.53**

As at March 31, 2020 **(Rs. In lakhs)**

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	Balance as at 31st March 2019	Ind AS adjustments	Additions	Deductions	Balance as at 31St March 2020	Balance as at 31st March 2019	Ind AS adjustments	Charge for the year	Deductions	Balance as at 31st March 2020	Balance as at 31st March 2020	Balance as at 31st March 2019
Electric Equipment	0.95	-	-	-	0.95	0.67	-	0.03	-	0.70	0.25	0.29
Computers & Servers	0.81	-	-	-	0.81	0.81	-	-	-	0.81	-	-
Vehicles	109.92	-	-	-	109.92	64.75	-	8.90	-	73.64	36.28	45.18
Land & Building	-	-	50.00	-	50.00	-	-	-	-	-	50.00	-
Total	**111.68**	**-**	**50.00**	**-**	**161.68**	**66.22**	**-**	**8.93**	**-**	**75.15**	**86.53**	**45.46**

Note No. 15 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021	As at March, 2020
DEBT SECURITIES (AT AMORTISED COST)			
Non-Convertible debentures (Unsecured)	33,859.17	31,290.70	28,917.38
Total	**33,859.17**	**31,290.70**	**28,917.38**
Debt securities in India	33,859.17	31,290.70	28,917.38
Debt securities outside India	-	-	-
Total	**33,859.17**	**31,290.70**	**28,917.38**

Note No. 16 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021	As at March, 2020
BORROWINGS (OTHER THAN DEBT SECURITIES - AT AMORTISED COST)			
(a) Term loans	-	-	
Secured	-	-	
(i) from banks	-	-	
(ii) from other parties	-	1,977.94	1,158.50
Unsecured	-	-	-
(i) from banks	-	-	-
(ii) from other parties	28.25	3,471.55	22,447.86
(b) Loans from related parties (unsecured)	340.03	7,071.66	31,775.83
(c) Loans repayable on demand (Unsecured)	-	-	-
(i) from banks	-	-	-
(ii) from other parties	-	-	-
(d) Other loans (Unsecured)	-	-	-
Total	**368.28**	**12,521.15**	**55,382.19**
Borrowings in India	368.28	12,521.15	55,382.19
Borrowings outside India	-	-	-
Total	**368.28**	**12,521.15**	**55,382.19**

DETAILS OF DEBT SECURITIES			
Particulars	**Debenture Issued at (in Lakhs)**	**Redemption Value (In Lakhs)**	**Redemption Date**
Non-Convertible Debentures	17,500	31,500	24-03-2027
Non-Convertible Debentures	10,000	23,000	28-09-2029

Note No. 17 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021	As at March, 2020
PROVISIONS			
- Provision for employee benefits			
- Gratuity	5.26	6.27	23.43
- Compensated absences	1.42	1.23	31.56
Provisions for taxation	-	-	-
NPA Provisions	5,279.97	3,644.86	2,541.58
Standard Assets	98.66	66.52	257.37
Provision for TDS On Interest	-	-	-
Debenture Premium Provision	-	-	-
Total	**5,385.32**	**3,718.89**	**2,853.94**

Note No. 18 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021	As at March, 2020
OTHER NON- FINANCIAL LIABILITIES			
Statutory liabilities	-	-	0.27
Total	-	-	-

Note No. 19
EQUITY SHARE CAPITAL **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021	As at March, 2020
Authorised Equity Shares:			
32,000,000 (31 March 2021: 32,000,000) Equity Shares of Rs.10/- each	3,200	3,200	3,200
1% Redeemable Optionally Convertible Cumulative Preference Shares of Rs.1,00,000/- Each	1,000	1,000	1,000
	4,200	**4,200**	**4,200**
Issued, Subscribed and fully Paid-Up Equity Shares			
31,900,000 (31 March 2021: 31,900,000) Equity Shares of Rs.10/- each	3,190	3,190	3,190
Total Equity	**3,190**	**3,190**	**3,190**

(Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021	As at March, 2020
(A) RECONCILIATION OF NUMBER OF SHARES			
Balance at the beginning of the year			
Equity Shares	3,190	3,190	3,190
Add: Shares Issued during the year	-	-	-
Equity Shares	-	-	-
Balance at the end of the year	-	-	-
Equity Shares	3,190	3,190	3,190

(B) RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Particulars	As at March, 2022	As at March, 2021	As at March, 2020
(C) SHARES HELD BY HOLDING / ULTIMATE HOLDING COMPANY / OR THEIR SUBSIDIARIES / ASSOCIATES	1,00,000	1,00,000	1,00,000

Particulars	As at March, 2022		As at March, 2021		As at March, 2020	
(D) DETAILS OF SHARES HELD BY SHAREHOLDERS IN THE COMPANY	No. of Shares Held	% of holding	No. of Shares Held	% of holding	No. of Shares Held	% of holding
EQUITY SHARES:						
Mr. Bharat Jayantilal Patel	-	-	98,84,132	31.00	98,84,132	31.00
Mrs. Minal Bharat Patel	1,03,12,711	32.00	70,18,000	22.00	70,18,000	22.00
Mr. Hardik Bharat Patel	1,03,12,711	32.00	70,18,000	22.00	70,18,000	22.00
Mr. Ruchit Bharat Patel	1,03,12,710	32.00	70,18,000	22.00	70,18,000	22.00
M/s. Finquest Securities Private Limited	9,05,960	3.00	9,05,960	3.00	9,05,960	3.00

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

For and on behalf of Board of Directors
For Finquest Financial Solutions Private Limited

Sd/-
Raman Hangekar
Partner
M. No. 030615
Place: Mumbai
Date: 22/06/2022

Sd/-
Saurabh A. Patel
MD&CEO
DIN: 02148559

Sd/-
Hardik B. Patel
Director
DIN: 00590663

Sd/-
Akash T. Pandey
Company Secretary
Mem No. A61112

Note No. 21 **(Rs. In Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
INTEREST INCOME			
Interest on loans	1,406.30	4,749.31	10,310.46
Less : Interest Income against NPA	-	-	-
Interest on Bank Guarantee	-	-	-
Interest on FDR	75.45	63.59	9.79
Total	**1,481.75**	**4,812.90**	**10,320.25**

Note No. 22 **(Rs. In Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
DIVIDEND INCOME			
Dividend on Investment	62.74	47.21	266.28
Total	**62.74**	**47.21**	**266.28**

Note No. 23 **(Rs. In Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
NET GAIN ON FAIR VALUE CHANGES			
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss:	-	-	-
(i) On trading portfolio	-	-	-
- Investments	-	8,432.91	-
(ii)On financial instruments designated at fair value through profit or loss	-	-14.58	-
Total	**-**	**8,418.32**	**-**

Note No. 24 **(Rs. In Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
OTHER OPERATING INCOME			
Gain in part on realisation of Stressed asset	12,576.57	3,009.39	5,875.81
Profit on sale of Shares and Securities	5,513.47	6,821.61	-12,973.55
Total	**18,090.04**	**9,830.99**	**-7,097.74**

Note No. 25 **(Rs. In Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
OTHER INCOME			
Consultation & Advisory Fees	-	-	28.36
Income From Share in Jobbing-F&O	-	-	-
Interest Income (IND AS)	-	1.08	30.39
Total	**-**	**1.08**	**58.75**

Note No. 26 **(Rs. In Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
FINANCE COSTS			
Interest on (other than debt securities)	4,058.31	2,559.07	2,679.29
Interest on debt securities	-	-	737.64
Cost of goods Sold	-	-	-
Bank charges	22.43	2.26	5.11
Debenture Premium Cost	2,568.47	2,373.32	1,417.38
Total	**6,649.21**	**4,934.64**	**4,857.41**

Note No. 27 **(Rs. In Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
IMPAIRMENT ON FINANCIAL INSTRUMENTS			
Loans	1,667.25	912.44	996.62
-Provision against non-performing assets (net)	1,635.11	1,103.28	942.54
-Bad Debts	-	-	118.33
'Contingent Provision against Standard Assets	32.14	-190.84	-64.25
Investments	-	-	-
Others	-	-	-
Total	**1,667.25**	**912.44**	**996.62**

Note No. 28 **(Rs. In Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
NET LOSS ON FAIR VALUE CHANGES			
Gain on fair value (Investment) Trading portfolio	747.44	-	-
Loss on Fair value (Investments)	762.74	-	-
Total	**15.30**	**-**	**-**

Note No. 29 **(Rs. In Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
EMPLOYEE BENEFIT EXPENSES			
Salaries, bonus and commission	64.97	69.64	320.50
Contribution to Provident and other funds	-	-	-
Staff welfare expenses	5.36	1.09	28.57
Total	**70.33**	**70.74**	**349.07**

Note No. 30 **(Rs. In Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
OTHER EXPENSES			
Audit Fees	2.80	1.47	3.32
Franking/ Stamping Charges	0.05	-	1.52
Legal & Professional Fees	197.85	222.12	324.21
Loan Syndication fees	-	-	-
Printing & Stationery	0.19	0.02	0.03
Business Development Expenses	-	-	0.46
ROC Filing fees	0.35	0.26	0.31
Conveyance Expenses	16.72	4.26	10.64
Donations	285.00	160.00	32.60
Office Expenses	53.29	18.82	30.69
Rent	7.15	-	-
NCD Issuance and Listing Charges	-	0.63	1.18
Membership and Subscription fee	-	0.06	0.31
Other Expenses	0.10	18.92	4.68
Interest on Profession Tax	15.02	-	-
Provision for Doubtful Debts	-	-	-
Profession Tax	0.03	0.03	-
Stamp Duty and registration	-	-	-
Gratuity and Leave Encashmemt Provision	-0.82	-39.08	35.59
GST credit on RCM	34.16	-	31.07
Bad Debt	5,126.74	7,680.25	-
Total	**5,738.63**	**8,067.75**	**476.60**

Payment to Auditors

As auditors	2.80	1.47	-
For taxation matters	-	-	-
Reimbursement of expenses	-	-	-
Total	**2.80**	**1.47**	**-**

Note No. 31 **(Rs. In Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
DEFERRED TAXES			
Deferred tax Asset /(Liability)	521.23	81.81	-17.58
Total	**521.23**	**81.81**	**-17.58**

Note No. 32 **(Rs. In Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
STATEMENT OF OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to profit or loss	-	-	-
Remeasurements of the defined benefit plans	2.14	-5.41	1.91
Equity Instruments through Other Comprehensive Income	-	-	-
Others (Specify nature)	-	-	-
	2.14	-5.41	1.91
(ii) Income tax relating to items that will not be reclassified to profit or loss	-0.54	-1.84	-
	-0.54	**-1.84**	-
(i) Items that will be reclassified to profit or loss	**-**	**-**	**-**
Other Comprehensive Income	**1.60**	**-7.25**	**-**

Note No. 33 **(Rs. In Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021
CONTINGENT LIABILITIES		
Claim against company not acknowledged as debt	-	-
Guarantees excluding financial guarantees	-	-
In respect of Income Tax demands where company has filed appeal before various authorities	278.66	200.00
Total:	**278.66**	**200.00**

Note No. 34
Employee benefits plans

Gratuity

Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement whichever is earlier. The benefits vest after five years of continuous service.

The Company has a defined benefit plan for post-employment benefits in the form of Gratuity. Gratuity Benefits liabilities of the company are Unfunded. The Company accounts for gratuity based on an actuarial valuation which is carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method. Since the liabilities are unfunded, there is no Asset-Liability Matching strategy devised for plan.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amount recognised in the Company's financial statement as at the balance sheet date:

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Change in present value of obligations		
Liability at the beginning of the year	6.27	9.14
Adjusted through retained earnings	-	-
Transfer in/ (out) obligation	-	-
Current service cost	0.79	1.98
Interest cost	0.34	0.56
Actuarial losses / (gain)	-2.14	-5.41
Past service cost	-	-
Benefits paid	-	-
Liability at the end of the year	**5.26**	**6.27**
Expense recognized in the statement of profit and loss		
Current service cost	0.79	1.98
Interest cost	0.34	0.56
Past Service Cost	-	-
Net gratuity expense	1.14	2.54
Remeasurements recognized in the OCI	-	-
Actuarial (gain) / loss arising from	-2.14	-5.41
experience adjustments	-2.08	-5.53
actuarial assumptions	-0.06	0.12

Actuarial Assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate	6.10%	5.75%
Salary escalation rate	7.00%	7.00%
Attrition Rate - Age (Years)	0.00%	0.00%
25 & below	20.00%	20.00%
25-35	20.00%	20.00%
35-45	20.00%	20.00%
45-55	20.00%	20.00%
55 & above	20.00%	20.00%
Mortality rate	Indian Assured Life Mortality (2012-14) Ultimate	Indian Assured Life Mortality (2012-14) Ultimate
Retirement Age	60 Years	60 Years

Assumptions regarding future mortality experience are set in accordance with published statistics and mortality tables. The defined benefit plan expose the company to actuarial risks, such as longevity and Interest rate risk. The weighted average duration of the defined benefit obligation was 4.69 years (31 March 2018: 4.73 years).

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in weighted principal assumption are as below:

Gratuity

Particulars	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	-1.61%	1.68%	-1.86%	1.94%
Salary escalation rate (50 bps movement)	1.66%	-1.61%	1.86%	-1.84%

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligations by 50 basis points, keeping all the other actuarial assumptions constant. Although the analysis does not take into account of the full distribution of cash flows expected under the plan, if does provide an approximation of the sensitivity of the assumption shown.

Compensated absences

Particulars	As at March 31, 2022	As at March 31, 2021
Change in present value of obligations		
Liability at the beginning of the year	1.23	12.18
Adjusted through retained earnings	-	-
Transfer in/ (out) obligation	-	-
Current service cost	0.48	1.72
Interest cost	0.06	0.68
Actuarial losses / (gain)	-0.35	-13.35
Past service cost	-	-
Benefits paid	-0.07	-
Liability at the end of the year	**1.35**	**1.23**

Note No. 35

MATURITY ANALYSIS OF FINANCIAL ASSETS & LIABILITIES

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments

(Rs. In Lakhs)

Particulars	Note No	As at 31 March 2022			As at 31 March 2021		
		Contractual cash flows			Contractual cash flows		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
FINANCIAL LIABILITIES	14						
Trade Payables	16	634.23	-	634.23	1,177.32	1,520.33	2,697.64
Borrowings	15	93.17	275.12	368.28	11,044.03	1,477.12	12,521.15
Debt securities	14	-	33,859.17	33,859.17	-	31,290.70	31,290.70
Other Payables		248.24	-	248.24	-	-	
Financial Assets	3 & 4						-
Cash and cash equivalents	5	8,367.75	-	8,367.75	1,754.08	-	1,754.08
Trade receivables	6	60.92	-	60.92	-	-	-
Loans	7 & 11	14758.44	17097.70	31,856.14	15,383.80	13,554.54	28,938.34
Investments	8	19,864.52	5,036.83	24,901.35	24,629.04	13,547.75	38,176.79
Other financial assets	14	510.00	-	510.00	-	1,000.00	1,000.00

Note No. 36

RELATED PARTY DISCLOSURE AS PER INDIAN ACCOUNTING STANDARD 24

Director & Key Managerial Personnel (KMP)	Nature of relationship
Saurabh A. Patel	Managing Director & CEO
Hardik B. Patel	Director
Parashiva Murthy B S	Director
Dhiren S. Shah	Independent Director
Relative of Key Managerial Personnel (KMP)	**Nature of relationship**
Dipti Shah	Director's Relative
Ridhika Saurabh Patel	Director's Relative
Other Related Parties	**Nature of relationship**
Digjam Limited	Entities under common control
Krihaan Texchem Private Limited	Entities under common control
RNT Garments Private Limited	Entities under common control
Rubfila International Limited	Entities under common control
Premier Tissues (India) Limited	Entities under common control
Finquest Properties Private Limited	Entities under common control
Finquest Arc Private Limited	Entities under common control
Filmquest Entertainment Private Limited	Entities under common control
Krishi Organic Chemicals Industries Pvt. Ltd	Entities under common control
Finquest Commodities Private Limited	Entities under common control
Urvi Holdings Private Limited	Entities under common control
Finquest Wealth Advisory Services Private Limited	Entities under common control
Finquest Capital Services Private Limited	Entities under common control
PAT Holdings Private Limited	Entities under common control
PAT Financial Consultants Private Limited	Entities under common control
Finquest Securities Private Limited	Entities under common control
Sukhwant Properties Private Limited	Entities under common control
Pankh Properties Private Limited	Entities under common control
Jusal Properties Private Limited	Entities under common control
Finquest Financial Solutions Private Limited	Entities under common control

Transactions with Related Parties of Expense Nature **(Rs. In Lakhs)**

Interest on Loan	For the year ended March 31, 2022	For the year ended March 31, 2021
Pasha Finance Pvt Ltd	127.36	186.94
Superior Financial Consultancy Services Private Limited	-	23.16
Premier Tissues (India) Ltd	-	2.42
Fidelity Multitrade Private Limited	29.61	76.80
Finquest ARC Private Limited	-	-
Finquest Securities Private Limited	-	-
Sukhwant Properties Private Limited	10.50	5.19
Total	**167.48**	**294.50**
Transactions with Related Parties of Revenue Nature		
Interest on Loan	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Digjam Limited	188.51	-
Krihaan Texchem Private Limited	-	-
Nirmal Realty Private Limited	-	-
RNT Garments Private Limited	-	-
JHP Finvest Private Limited	191.01	191.63
Unideep Properties Private Limited	152.18	26.11
PAT Financial Consultants Private Limited	70.11	-
Total	**601.81**	**217.75**

(Rs. In Lakhs)

Transactions with Related Parties of Capital Nature	Nature of transactions	Outstanding as on March 31, 2022	Outstanding as on March 31, 2021
Loan From Directors			
Bharat B. Patel	Unsecured	234.84	103.70
Hardik B. Patel	Unsecured	17.19	302.35
		252.03	406.06
Loan From Other Related Parties			
Ruchit Patel	Unsecured	23.09	30.09
Minal B Patel	Unsecured	34.93	994.93
Pasha Finance Private Limited	Unsecured	-	3,370.97
Finquest Securities Private Limited	Unsecured	29.98	52.00
Fidelity Multitrade Private Limited	Unsecured	-	1,990.97
Superior Financial Consultancy Services Private Limited	Unsecured	-	1.15
Premier Tissues India Ltd	Unsecured	-	-
Sukhwant Properties Private Limited	Unsecured	-	264.80
		88.00	**6,704.90**
Loan To Other Related Parties			
Digjam Limited	Unsecured	3,467.39	729.00
Krihaan Texchem Private Limited	Unsecured	760.00	-
Nirmal Realty Private Limited	Unsecured	27.59	26.00
RNT Garments Private Limited	Unsecured	-	-
JHP Finvest Private Limited	Unsecured	-	1,884.75
Unideep Properties Private Limited	Unsecured	-	2,154.28
PAT Financial Consultants Private Limited	Unsecured	-	-
		4,254.98	**4,794.02**
Loan outstanding as on the last day of the Financial Year		**4,595.01**	**11,904.98**

Amount Provided as Loan to Related Party **(Rs. In Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2022
Digjam Limited	2,568.00	729.00
JHP Finvest Private Limited	-	85.60
Krihaan Texchem Private Limited	4,350.00	8,015.00
Unideep Properties Private Limited	2,995.00	2,130.12
Nirmal Realty Private Limited	102.00	26.00
PAT Financial Consultants Private Limited	7,670.00	-
		-
TOTAL	**17,685.00**	**10,985.72**

Amount Received as loan from Related Party **(Rs. In Lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2022
Finquest ARC Private Limited	-	15.00
Finquest Securities Private Limited	118.92	11.81
Sukhwant Properties Private Limited	1.14	260.00
Fidelity Multitrade Private Limited	2.96	-
Pasha Finance Private Limited	12.74	-
Superior Financial Consultancy Services Private Limited	1.15	-
TOTAL	**136.90**	**286.81**

Note No. 37

FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT

Accounting classification and fair values

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy

Financial instruments measured at amortised cost for which fair values are disclosed

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities not presented at fair value compared to carrying amounts shown in the financial statement.

As at 31 March 2022 **(Rs. In Lakhs)**

Particulars	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Assets					
Cash and cash equivalents	-	-	8,367.75	8,367.75	8,367.75
Loans and advances	-	-	-	-	31,856.14
Investments	-	-	-	-	24,375.63
Trade receivables	-	-	-	-	60.92
Other financial assets	-	-	-	-	510.00
Liabilities					
Payables	-	-	-	-	882.47
Borrowings (other than debt securities)	-	-	-	-	368.28
Debt securities	-	-	-	-	-
- Non-Convertible Debentures	-	-	-	-	33,859.17
Other financial liabilities	-	-	-	-	-

As at 31 March 2021 **(Rs. In Lakhs)**

Particulars	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Assets					
Cash and cash equivalents	-	-	313.73	313.73	313.73
Loans and advances	-	-	-	-	28,938.34
Investments	-	-	-	-	37,615.15
Trade receivables	-	-	-	-	-
Other financial assets	-	-	-	-	1.000.00
Liabilities					
Payables	-	-	-	-	2,679.64
Borrowings (other than debt securities)	-	-	-	-	12,521.15
Debt securities	-	-	-	-	-
- Non-Convertible Debentures	-	-	-	-	31,290.70
Other financial liabilities	-	-	-	-	-

Short-term financial assets and liabilities

Short-term financial assets and liabilities For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the fair value are a reasonable approximation of their carrying cost. Such instruments include: cash & bank balances, short term borrowings and trade receivables & trade payables without a specific maturity. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances

The fair values of loans and advances are estimated by discounted cash flow models. For fixed rate loans, the fair value represents the discounted value of the expected future cashflow. For floating rate interest loans, the discounted value of the expected cash flows represents the carrying amount of the loans.

Borrowing & Debt Securities

Non-convertible debentures have been valued on amortized cost.

Note No. 38

FINANCIAL RISK MANAGEMENT:

The Company has exposure to the following risks from financial instruments:
- Credit risk
- Liquidity risk
- Market risk (currency risk)

This note presents information about the Company's objectives, policies and processes for measuring and managing risk.

Risk management framework:
The Board has the overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities

A. CREDIT RISK:
Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables from customers. The carrying amounts of financial assets represent the maximum credit risk exposure.

I) Credit risk management approach
The Company performs necessary due diligence on dealers viz. financial analysis, background checks, CIBIL, grading etc to arrive at sanctioning of limit. The Company follows the grading tool used by the group globally where certain qualitative and quantitative factors are considered to arrive at grading which helps in ascertaining the probability of default 'PD' of a particular client. This is used for decision making on limit sanction and precautions to be undertaken for a said client.

II) Expected credit loss:
Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The Company measures ECL based out of a probability-based outcome using a multiple scenario approach such as Best Case, Base Case & Worst Case and assigning weightages to each of the scenario.

Definition of Default
The Company's definition of default is aligned with regulatory guidelines issued by RBI and internal credit risk management practices.
The Company considers a financial asset to be in default when:
-the borrower is unlikely to pay its credit obligations to the company in full, without recourse to actions such as realising security (if any is held); or
-the financial asset is 90 days or more past due
-identified by the management as such

The Company's internal rating and PD estimation process
Probability of default (PD) is a key risk parameter in the ECL calculations. It is defined as the likelihood that a counterparty will not be able to meet its debt obligations in the future. A 12 months marginal PD is applied for all Stage 1 assets and a lifetime PD is applied for all Stage 2 and Stage 3 assets.

The company uses historical data to arrive at PDs which is based on rating Internal Rating Transition matrix and Roll Rate Estimation basis for its loans portfolios.

For arriving at PDs the company also takes into account relevant macro-economic factors both current and forecasted and use statistical model to arrive at the forecasted PDs.

The Company combines exposures that exhibit similar behaviour into pools based on identified risk drivers so that counterparties are behaviourally homogenous within pools and heterogeneous across pools. To do so, the Company relies on industry practices and expert judgement.

Exposure at Default
Exposure at default (EAD) is estimation of the extent that the Company is exposed to borrower in the event of default. EAD is arrived at take into account any expected changes in the exposure after the assessment date.

EAD in the case of facilities with no limits will be the outstanding exposure which will be calculated as principal + Due interest + Interest accrued but not due (as on reporting date). To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The Company determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The Ind AS 109 PDs are then assigned to each economic scenario based on the outcome of Company's models.

Loss Given Default (LGD)
Loss given default (LGD) is defined as the forecasted economic loss in case of default. LGD computation is based on the Company's losses on defaulted accounts after consideration of recovery percentages. LGD computation is independent of the assessment of credit quality and thus applied uniformly across all stages.

The company computes LGD taking into account the value of collaterals and experience of past recovery from the defaulted cases. The recoveries are adjusted with time period delay and direct cost involved. Under Ind AS 109, LGD rates are estimated for the Stage 1, Stage 2 and Stage 3 segment of each asset class. These are repeated for each economic scenario as appropriate.

When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key inputs involve changes in, collateral values including property prices for mortgages, payment status or other factors that are indicative of losses.

Significant in Credit Risk (SICR)
The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. At each reporting date, the company assesses whether the credit risk on a financial instrument has increased significantly since its initial recognition. To make the assessment, Company considers available quantitative and qualitative information and also considers the company's historical experience and expert credit assessment.

Besides, the company also recognized SICR based on factors such as internal rating of borrowers, sector or segment collectively assessed to have SICR, high risk events/attributes of client (bankruptcy etc.)

Write off
Financial assets are written off when there is no realistic prospect of recovery. This is generally the case when the company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Company's procedures for recovery of amounts due.

B. LIQUIDITY RISK:
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises from mismatches in the timing of amounts of cash flows, which is inherent to the nature of Company's operations. Liquidity risk could lead to situations where the Company needs to raise funds and/or assets need to be liquidated under unfavourable market conditions. Measuring and managing liquidity needs are vital for effective operation of the Company by assuring the ability to meet its liabilities as they become due.

The liquidity risk can be either (I) institution specific or (ii) market specific.

i. Liquidity risk management
Liquidity has to be tracked through maturity or cash flow mismatches. For measuring and managing net funding requirements, the use of a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates is adopted as a standard tool commonly referred to as Structural Liquidity. The Maturity Profile are used for measuring the future cash flows of the company in different time buckets. The time buckets distributed considered are as per RBI guidelines and monitored by Asset Liability management Committee (ALCO).

The Statement of Structural Liquidity is prepared by placing all cash inflows and outflows in the maturity ladder according to the expected timing of cash flows. A maturing liability will be a cash outflow while a maturing asset will be a cash inflow.

The Company strives to manage the negative gap (i.e. where outflows exceed inflows) in the particular time-bucket and cumulative gap up to selected maturity period should not exceed the prudential limits approved by the Board. The prudential limits for individual time buckets are based on a percentage of outflows of each time-bucket and the limit for the cumulative gaps are based on the percentage of cumulative gap to cumulative cash outflows up to the period.

To manage the liquidity, risk the company also has lines of credit from various banks including backstop facilities in the form of committed lines measured in the form of "no of day these back stop lines will fund the unforeseen liquidity event" of potential and unexpected business disruption due to unforeseen liquidity distress and cover debt capital market exposure. This is monitored as "Days until alternative funding" by the company.

In order to enable the company to monitor its short-term liquidity on a dynamic basis over a time horizon spanning from 1 day to 6 months, short-term liquidity profiles is estimated on the basis of business projections and other commitments for planning purposes which is effectively used as a predictive tool for its future ALM requirements.

ii. Maturity Analysis of financial Assets & liabilities

Please refer note no. 35 for maturity analysis.

C. FOREIGN CURRENCY RISK:

Currency risk is the risk that the value of an receivable/ payable will fluctuate due to changes in foreign exchange rates. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

I. Currency risk management

The company does not have any material foreign currency transactions that would significantly impact the profitability of the company.

II. Exposure to currency risk

There is no exposure to currency risk

D. INTEREST RATE RISK:

Interest rate risk is defined as the adverse impact of the interest rates movements on the financial condition of the company. The immediate impact of changes in interest rates is on the company earnings by changing its Net Interest Income (NII). A long-term impact of changing interest rates is on company's Market Value of Equity (MVE) or Net Worth as the economic value of the assets, liabilities and off-balance sheet positions get affected due to variation in market interest rates. The interest rate risk when viewed from these two perspectives is known as 'earnings perspective' and 'economic value perspective', respectively.

Sources of Risk

a) **Repricing risk:** The Company encounters interest rate risk in several ways, the primary form of interest rate risk arises from timing differences in the maturity (for fixed rate) and repricing (for floating rate) of the company's assets, liabilities positions.

b) Y**ield curve risk:** Yield curve risk: Repricing mismatches can also expose the company to changes in the slope and shape of the yield curve. Yield curve risk arises when unanticipated shifts of the yield curve have adverse effects on the company's income or underlying economic value.

c) **Basic risk:** Basis risk arises from imperfect correlation in the adjustment of the rates earned and paid on different instruments with otherwise similar repricing characteristics.

i. Interest rate risk management

"The GAP Analysis approach is be followed to measure the interest rate risk:

The GAP or mismatch risk is measured by calculating gaps over different time intervals as at a given date. Gap analysis measures mismatches between rate sensitive liabilities and rate sensitive assets. An asset or liability is normally classified as rate sensitive if:

– within the time interval under consideration, there is a cash flow;
– the interest rate resets/reprices contractually during the interval;
– it is contractually pre-payable or withdrawable before the stated maturities;
– It is dependent on the changes in the Bank Rate by RBI or market products.

The Gap report is be generated by grouping rate sensitive liabilities, assets and off-balance sheet positions into time buckets according to residual maturity or next re-pricing period, whichever is earlier. All investments, advances, deposits, borrowings, purchased funds, etc. that mature/re-price within a specified time-frame are interest rate sensitive. Similarly, any principal repayment of loan is also rate sensitive if the company expects to receive it within the time horizon. This includes final principal repayment and interim instalments. Certain assets and liabilities carry floating rates of interest that vary with a reference rate and hence, these items get re-priced at pre-determined intervals. Such assets and liabilities are rate sensitive at the time of re-pricing.

The Company measures its interest rate exposure to reduce the risk of loss due to interest rate exposure through the following:

1. Set and monitor the threshold levels of KRI on monthly basis
2. Monitor Interest rate sensitivity as prescribed by RBI under IRS return
3. Analyze earnings at risk caused by an upward shift in the yield curve (100 bps parallel shift)
4. Computes and monitors Square hedge rate

Management draws comfort from the fact that most of the assets and liabilities of the company create natural interest rate hedge for the company to an extent.

ii. Exposure to interest rate risk

The exposure of the Company to interest rate risk as at 31 March 2022, 31 March 2021 and 1 April 2020 are as below:

(Rs. In lakhs)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at March 31, 2020**
Interest bearing assets			
Loans (A)	**31,856.14**	**28,938.34**	**76,432.31**
Interest bearing liabilities			
Borrowings (B)	368.28	12,521.15	55,382.19
Variable rate borrowings	-	-	-
Fixed rate borrowings	368.28	12,521.15	55,382.19
Net exposure (A-B)	**31,487.85**	**16,417.19**	**21,050.11**

Sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. In Lakhs)

Particulars	**Impact on profit after tax**		**Impact on other components of equity**	
	As at March 31, 2022	**As at March 31, 2021**	**As at March 31, 2022**	**As at March 31, 2021**
100bps upward shift in yield curve	314.88	164.17	314.88	164.17

Note No 39.

DISCLOSURE UNDER THE MSME ACT 2006

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(Rs. In Lakhs)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
The principal amount remaining unpaid to supplier as at the end of the year	-	1.78
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment	-	-
(Which have been paid but beyond the appointed day during the year) but without	-	-
adding the interest specified under this Act	-	-

Note No. 42

ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF THE ACT:

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

The title deeds of all the immovable properties as disclosed in notes to the financial statements, are held in the name of the Company.

(b) Valuation of PP&E and Intangible Assets:
The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

(c) Loans or Advances in the nautre of Loans granted to Promoters, Directors, Key Managerial Personnel and Related Parties

(Rs. In Lakhs)

Type of Borrowers	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	4,254.98	**755.00**

(Rs. In Lakhs)

Type of Borrowers	As at March 31, 2022		As at March 31, 2021	
	Amount Outstanding	% of Total	Amount Outstanding	% of Total
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	4,254.98	13.36	755.00	2.61
Total	**4,254.98**	**13.36**	**755.00**	**2.61**

(d) Details of benami property held:

No benami property is held by the Company accordingly no proceedings are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(e) Borrowing secured against current assets:

The Company does not have borrowings from banks or financial institutions on the basis of security of current assets.

(f) Wilful defaulter:

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(g) Relationship with struck off companies:

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

(h) Registration of charges or satisfaction with Registrar of Companies:

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

(i) Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under the Act.

(j) Analytical Ratios:

	Particulars	March 31, 2022 (Audited)	March 31, 2021 (Audited) (Restated)	% Variance	Reason for variance
a)	Debt equity ratio (no. of times) (refer note i)	1.31	1.90	**-31.23%**	Reduction in Borrowing and increase in Owned fund
b)	Debt service coverage ratio	N/A	N/A	-	
c)	Interest service coverage ratio	N/A	N/A	-	
d)	Outstanding redeemable preference shares (quantity and value)	-	-	-	
e)	Capital redemption reserve	-	-	-	
f)	Debenture redemption reserve	-	-	-	
g)	Net worth (refer note ii)	26,150.86	23,019.70	13.60%	
h)	Net profit (loss) after tax	3,129.56	9,194.76	-65.96%	Decrease in Profit of Security Trading
i)	Earnings per share (face value of Rs.10/- each) (not annualized for the interim period)	-	-	-	
	-Basic	9.81	28.82	-65.96%	Decrease in Profit of Security Trading
	-Diluted	9.81	28.82	-65.96%	Decrease in Profit of Security Trading
j)	Current ratio	13.86	7.53	84.05%	Short-Term Borrowing for Bank Account closed
k)	Long term debt to working capital (refer note iii)	1.46	2.49	-41.22%	Reduction in Borrowing
l)	Bad Debts to Accounts Receivables Ratio	0.16	0.27	-39.36%	Reduction in Baddebts
m)	Current Liability Ratio (refer note iv)	0.03	0.04	-26.85%	Reduction in Borrowing
n)	Total Debts to Total Assets (refer note v)	0.51	0.61	-17.04	
o)	Debtors Turnover Ratio	N/A	N/A		
p)	Inventory Turnover Ratio	N/A	N/A		
q)	Operating Margin (%) (refer note vi)	27.76%	39.43%	-29.60%	Decrease in Profit of Security Trading
r)	Net Profit Margin (%) (refer note vii)	15.94%	39.79%	-59.94%	Decrease in Profit of Security Trading

	Sector specific ratio	As at March 31, 2022	As at March 31, 2021
a)	Capital adequacy Ratio (Tier I)	22.87%	13.95%
b)	Capital adequacy Ratio (Tier II)	0.21%	0.09%
c)	CRAR	23.08%	14.03%
d)	Gross Non-Performing Assets% ("GNPA") (refer note viii)	22.66%	41.40%
e)	Net Non-Performing Assets% ("NNPA") (refer note ix)	7.30%	33.70%
f)	Provision Coverage Ratio% ("PCR") (refer note x)	73.14%	28.05%

Notes:

i) Debt equity ratio: (Debts + Borrowings other than debts)/ (Equity + Other equity)

ii) Net Worth: Equity + Other Equity

iii) Long term debt to working capital: Short Term Debt + Long term debt/ Working Capital

iv) Current Liability Ratio: Current Liability/ Total Liabilities

v) Total Debts to Total Assets: (Debts + Borrowings)/ Total Assets

vi) Operating Margin: Profit before tax/ Total Revenue from operations

vii) Net Profit Margin: Profit after tax/ Total Revenue from operations

viii)Gross Non-performing Assets: Gross Stage III loans/ Gross loans

ix) Net Non-performing Assets: (Gross Stage III loans - impairment allowance on stage III loans)/ (Gross loans - impairment loss allowance on stage III loans)

x) Provision Coverage Ratio% ("PCR"): Impairment loss allowance on stage III loans/ Gross stage III loans

Notes:

(k) Compliance with approved scheme(s) of arrangements:
The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(l) Utilisation of borrowed funds and share premium:

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

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

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

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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

ii. provides any guarantee, security or the like on behalf of the ultimate beneficiaries.

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

(n) Details of crypto currency or virtual currency:
The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Note No 43.

RESTATEMENT ADJUSTMENT IN BALANCE SHEET AS AT 31ST MARCH 2020

(Rs. In Lakhs)

Sr No	Particulars	Audited 2019-20	Restated Audited 2019-20	Difference	Reason
1.	Debt Securities	27,500.00	28,917.38	1,417.38	Debt securities are shown at amortized cost in accordance with Ind AS 109
2.	Provisions	4,800.24	2,853.94	-1,946.29	Debt securities are shown at amortized cost in accordance with Ind AS 109
3.	Retained Earnings	10,113.28	10,642.19	528.92	Net impact in Finance cost due to amortization of Debt Securities in accordance with Ind AS 109

Restatement adjustment in Profit & Loss Account as at March 31, 2020

(Rs. In Lakhs)

Sr No	Particulars	Audited 2019-20	Restated Audited 2019-20	Difference	Reason
1.	Finance Cost	5,386.33	4,857.41	-528.92	Net impact in Finance cost due to amortization of Debt Securities in accordance with Ind AS 109

Restatement adjustment in Balance Sheet as at March 31, 2021

Liabilities **(Rs. In Lakhs)**

Sr No	Particulars	Audited 2020-21	Restated Audited 2020-21	Difference	Reason
1.	Debt Securities	27,500.00	31,290.70	3,790.70	Debt securities are shown at amortized cost in accordance with Ind AS 109
2.	Provisions	8,784.27	3,718.89	-5,065.38	Debt securities are shown at amortized cost in accordance with Ind AS 109
3.	Retained Earnings	10,122.11	19,829.70	9,707.59	Net impact due to change in opening reserve as per table above and impact of fair valuation of investments and change in finance cost due to amortization of Debt Securities in current financial year also.

Assets

(Rs. In Lakhs)

Sr No	Particulars	Audited 2020-21	Restated Audited 2020-21	Difference	Reason
1.	Investments	29,182.24	37,615.15	8,432.91	Impact on Investments due to Fair valuation of Investment in Equity Instruments routed through Profit and Loss account in accordance with Ind AS 109

Restatement adjustment in Profit & Loss Account as at March 31, 2021

(Rs. In Lakhs)

Sr No	Particulars	Audited 2020-21	Restated Audited 2020-21	Difference	Reason
1.	Finance Cost	5,680.41	4,934.64	-745.77	Net impact in Finance cost due to amortization of Debt Securities in accordance with Ind AS 109
2.	Provisions	-14.58	8,418.32	8,432.91	Impact on Investments due to Fair valuation of Investment in Equity Instruments routed through Profit and Loss account in accordance with Ind AS 109

Note No 45 **(Rs. In Lakhs)**

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	For the year ended March 31, 2022				
		Gross carrying amount as per Ind AS	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRAC P norms	Difference between Ind AS 109 provisions and IRAC P norms
Performing Assets		-	-	-	-	-
Standard Asset	Stage 1	24,665.96	6.00	24,659.96	98.66	-92.66
	Stage 2	-	-	-	-	-
Sub-Total						
Non-Performing Assets (NPA's)						
Substandard	Stage 3	701.72	701.72	-	70.17	631.54
Doubtful - Upto 1 year	Stage 3	-	-	-	-	-
1 to 3 year	Stage 3	6,517.11	4,572.26	1,944.85	4,572.56	-
More than 3 years	Stage 3	-	-	-	-	-
Sub-total for Doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Sub-total for NPA						
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total		**31,884.78**	**5,279.97**	**26,604.81**	**4,741.09**	**538.88**

Provision as per Ind AS 109 is more than as required under IRAC norms

Note: ECL was not calculated in Previous Financial Year hence Data is Not Available.

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

For and on behalf of Board of Directors
For Finquest Financial Solutions Private Limited

Sd/-
Raman Hangekar
Partner
M. No. 030615
Place: Mumbai
Date: 22/06/2022

Sd/-
Saurabh A. Patel
MD&CEO
DIN: 02148559

Sd/-
Hardik B. Patel
Director
DIN: 00590663

Sd/-
Akash T. Pandey
Company Secretary
Mem No. A61112

Note No. 44
Additional disclosures as per RBI Guidelines

3.2 Investments

					(Amount in Rs. Crore)
	Particulars			**Current Year**	**Previous Year**
1	**Value of Investments**				
	(i)	Gross Value of Investments			
		(a)	In India	249.34	381.76
		(b)	Outside India,	0	0
	(ii)	Provisions for Depreciation			
		(a)	In India	0.33	0
		(b)	Outside India,	0	0
	(iii)	Net Value of Investments			
		(a)	In India	249.01	381.76
		(b)	Outside India.	0	0
2	**Movement of provisions held towards depreciation on investments**				
	(i)	Opening balance		0	0
	(ii)	Add: Provisions made during the year		0.33	0
	(iii)	Less: Write-off / write-back of excess provisions during the year		0	0
	(iv)	Closing balance		0.33	0

3.3 Derivatives

3.3.1 Forward Rate Agreement / Interest Rate Swap

				(Amount in Rs crore)
	Particulars		**Current Year**	**Previous Year**
	(i)	The notional principal of swap agreements	NOT APPLICABLE	
	(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
	(iii)	Collateral required by the NBFC upon entering into swaps		
	(iv)	Concentration of credit risk arising from the swaps $		
	(v)	The fair value of the swap book @		

Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.

$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.

@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the NBFC would receive or pay to terminate the swap agreements as on the balance sheet date.

3.3.2 Exchange Traded Interest Rate (IR) Derivatives

(Amount in Rs crore)

Sr. No	Particulars		Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)		
	a)	−NA−	−NA−
	b)		
	c)		
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2022 (instrument-wise)		
	a)	−NA−	−NA−
	b)		
	c)		
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		
	a)	−NA−	−NA−
	b)		
	c)		
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		
	a)	−NA−	−NA−
	b)		
	c)		

3.3.3 Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

NBFCs shall describe their risk management policies pertaining to derivatives with particular reference to the extent to which derivatives are used, the associated risks and business purposes served. The discussion shall also include:

a) the structure and organization for management of risk in derivatives trading,
b) the scope and nature of risk measurement, risk reporting and risk monitoring systems,
c) policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants, and
d) accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation.

Quantitative Disclosures

(Amount in Rs crore)

Sl. No.	Particular		Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)			
	For hedging		-	-
(ii)	Marked to Market Positions [1]			
	a)	Asset (+)	-	-
	b)	Liability (-)	-	-
(iii)	Credit Exposure [2]		-	-
(iv)	Unhedged Exposures		-	-

3.4 Disclosures relating to Securitisation

3.4.1 The NTA of the originating NBFCs should indicate the outstanding amount of securitised assets as per books of the SPVs sponsored by the NBFC and total amount of exposures retained by the NBFC as on the date of balance sheet to comply with the Minimum Retention Requirements (MRR). These figures should be based on the information duly certified by the SPV's auditors obtained by the originating NBFC from the SPV. These disclosures should be made in the format given below.

Sr. No	Particulars			No. / Amount in INR crore
1	No. of SPVs sponsored by the NBFC for securitisation transactions*			−NA−
2	Total amount of securitised assets as per books of the SPVs sponsored			
3	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet			
4	a)	Off-balance sheet exposures		
		First loss		
		Others		
	b)	On-balance sheet exposures		
		First loss		
		Others		
	Amount of exposures to securitisation transactions other than MRR			
	a)	Off-balance sheet exposures		
		i)	Exposure to own securitizations	
			First loss	
			Loss	
		ii)	Exposure to third party securitisations	
			First loss	
			Others	
	b)	On-balance sheet exposures		
		i)	Exposure to own securitisations	
			First loss	
			Others	
		ii)	Exposure to third party securitisations	
			First loss	
			Others	

*Only the SPVs relating to outstanding securitisation transactions may be reported here

3.4.2 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(Amount in Rs crore)

Sr. No	Particulars	Current Year	Previous Year
(i)	No. of accounts	−NA−	
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC		
(iii)	Aggregate consideration		
(iv)	Additional consideration realized in respect of accounts transferred in earlier years		
(v)	Aggregate gain / loss over net book value		

3.4.3 Details of Assignment transactions undertaken by NBFCs

(Amount in Rs crore)

Sr. No	Particulars	Current Year	Previous Year
(i)	No. of accounts	−NA−	
(ii)	Aggregate value (net of provisions) of accounts sold		
(iii)	Aggregate consideration		
(iv)	Additional consideration realized in respect of accounts transferred in earlier years		
(v)	Aggregate gain / loss over net book value		

3.4.4 Details of non-performing financial assets purchased / sold:

NBFCs which purchase non-performing financial assets from other NBFCs shall be required to make the following disclosures in the NTA to their Balance sheets:

A. Details of non-performing financial assets purchased:

(Amount in Rs crore)

Particulars			Current year	Previous Year
1	(a)	No. of accounts purchased during the year	-	-
	(b)	Aggregate outstanding	-	-
2	(a)	Of these, number of accounts restructured during the year	-	-
	(b)	Aggregate outstanding	-	-

B. Details of Non-performing Financial Assets sold:

(Amount in Rs crore)

Sr. No	Particulars	Current Year	Previous Year
1.	No. of accounts sold	-	-
2.	Aggregate outstanding	-	-
3.	Aggregate consideration received	-	-

3.5 Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 Month & upto 6 months	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 Years	Total
Deposits				-	-	-	-	-	-	-	-
Advances			91.24	0.3	0.3	2.03	53.71	66.15	34.67	69.89	318.29
Investments				-	-	-	198.64	-	-	50.36	249
Borrowings				-	0.28	-	0.7	2.7	215.33	123.26	342.27
Foreign Currency assets				-	-	-	-	-	-	-	-
Foreign Currency liabilities				-	-	-	-	-	-	-	-

3.6 Exposures
3.6.1 Exposure to Real Estate Sector

(Amount in Rs. crore)

Category			Current Year	Previous Year
a)	**Direct Exposure**			
	(i)	**Residential Mortgages -**		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
	(ii)	**Commercial Real Estate -**		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	42.98	56.76
	(iii)	**Investments in Mortgage-Backed Securities**	-	-
		(MBS) and other securitized exposures -	-	-
		a. Residential	-	-
		b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector			**42.98**	**56.76**

3.6.2 Exposure to Capital Market

(Amount in Rs. crore)

	Particulars	Current Year	Previous Year
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	180.15	190.01
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	25.04	9.86
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	29.17	31.09
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		**234.36**	**230.96**

3.6.3 Details of financing of parent company products- NA

3.6.4 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the NBFC

Single Borrower and Group Borrower exposure limits breached during the FY 2021-22

(i) Single Borrower Limit Breach

Name of the Borrower	Exposure (Amount in Rs. Crore)
Deserve Exim Private Limited	45.48
Lakshdeep Investments and Finance Private Limited	32.00
Barter Capital Private Limited	31.08
Suraksha Assets Reconstruction limited	84.75
Vani Agencies Private Limited	48.65

(ii) Group Borrower Limit Breach

Name of the Borrower Group	Exposure (Amount in Rs. Crore)
Deserve Group	45.48
Fortune Group	84.75
Avantha Group	48.65

3.6.5 Unsecured Advances

The total amount of Unsecured advances is Rs. 25,213.52 lakhs for the FY 2021-22.

4. Miscellaneous

4.1 Registration obtained from other financial sector regulators – No

4.2 Disclosure of Penalties imposed by RBI and other regulators

SEBI vide Adjudication Order dated June 29, 2021 has imposed a penalty of Rs. 1,00,000/- under Regulation 29(2) read with 29(3) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The said order pertains to the investigation period between January 01, 2014 to June 30, 2014 in the script of Jyoti Limited.

The Company has duly paid the penalty amount under protest.

4.4 Ratings assigned by credit rating agencies and migration of ratings during the year

Year	Name of the Credit Rating Agency	Rating	Product
Current Year	Brickwork Rating Agency Pvt Ltd	BWR BB-	NCD
Previous Year	Brickwork Rating Agency Pvt Ltd	BWR BB-	NCD

5. Additional Disclosures

5.1 Provisions and Contingencies

(Amount in Rs. Crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
Provisions for depreciation on Investment	0.33	0.00
Provision towards NPA	52.79	36.45
Provision made towards Income tax	18.00	0.00
Other Provision and Contingencies with details (for details refer note no.33)	2.78	2.00
Provision for Standard Assets	0.99	0.67

5.3 Concentration of Deposits, Advances, Exposures and NPAs

5.3.2 Concentration of Advances

(Amount in Rs. Crore)

Total Advances to twenty largest borrowers	302.55
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	94.97

5.3.3 Concentration of Exposures

(Amount in Rs. Crore)

Total Advances to twenty largest borrowers /Customers	302.55
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	94.97

5.3.4 Concentration of NPAs

(Amount in Rs. Crore)

Total Exposure to top four NPA accounts	19.38

5.3.5 Sector-wise NPAs

Sl. No	Sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-
2	MSME	100%
3	Corporate borrowers	23.19%
4	Services	-
2	Unsecured personal loans	-
3	Auto loans	-
4	Other personal loans	19.64%

5.4 Movement of NPAs

Particulars			Current Year	Previous Year
(i)	Net NPAs to Net Advances (%)		6.09	29.79
(ii)	Movement of NPAs (Gross)			
	(a)	Opening balance	122.66	121.1
	(b)	Additions during the year	17.49	45.48
	(c)	Reductions during the year	67.96	43.92
	(d)	Closing balance	72.19	122.66
(iii)	Movement of Net NPAs			
	(a)	Opening balance	86.21	95.68
	(b)	Additions during the year	0.00	30.77
	(c)	Reductions during the year	32.75	40.24
	(d)	Closing balance	19.39	86.21
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	(a)	Opening balance	36.45	25.42
	(b)	Provisions made during the year	34.52	14.71
	(c)	Write-off / write-back of excess provisions	18.17	3.68
	(d)	Closing balance	52.8	36.45

6. Disclosure of Complaints

6.1 Customer Complaints

(a)	**No. of complaints pending at the beginning of the year**	**-**
(b)	No. of complaints received during the year	-
(c)	No. of complaints redressed during the year	-
(d)	No. of complaints pending at the end of the year	-

1. CORPORATE INFORMATION

Finquest Financial Solutions Private Limited (‘the Company’) incorporated under the provisions of Companies Act, 1956. Its debt securities are listed on BSE Limited. The Company’s main business is financing by way of loans for retail and corporate borrowers in India.

The company is Non-Deposit taking Systematically-Important Non-Banking Financial Company (‘NBFC’) holding a Certificate of Registration from the Reserve Bank of India (“RBI”) under Reserve Bank of India Act, 1934. The registration details are as follows:

RBI	N-13.01935
Corporate Identification Number	U74140MH2004PTC146715

2. SIGNIFICANT ACCOUNTING POLICIES

I. Statement of compliance

These standalone or separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act. The Company has consistently applied accounting policies to all the periods.

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015. The Company has adopted Ind AS from April 1, 2019 with effective transition date as April 1, 2018. These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the “Act”). The transition was carried out from Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

II. Presentation of financial statements

The Balance Sheet, Statement of Profit and Loss and Statement of changes in Equity are prepared and presented as per the requirements of Division III of Schedule III to the Companies Act, 2013 applicable to Non-Banking Financial Companies as notified by the MCA. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind-AS 7 Statement of Cash Flow. The company classifies its assets and liabilities as financial and non-financial and presents them in the order of liquidity. Amounts in the financial statements are presented in Indian Rupees.

III. Basis of preparation and presentation

The financial statements of the company have been prepared on the historical cost basis, as modified by the application of fair value measurements required or allowed by relevant accounting standards and other relevant provisions of the Companies Act 2013, guidelines issued by the RBI as applicable to a NBFCs and other accounting principles generally accepted in India. Any application guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable. The regulatory disclosures as required by Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the RBI are prepared as per the Ind AS financial statements, pursuant to the RBI notification on Implementation of Indian Accounting Standards, dated March 13, 2020.

IV. Measurement of fair values:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Fair value for measurement and/or disclosure purposes for certain items in these financial statements is determined considering following methods:

Items	Measurement basis
Certain financial assets and liabilities (including derivatives instruments)	Fair value
Net defined benefit (asset)/liability	Fair value of planned assets less present value of defined benefit obligations
Property plant and equipment	Value in use under Ind AS 36

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

a) **Level 1:** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
b) **Level 2:** inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
c) **Level 3:** inputs are unobservable inputs for the valuation of assets or liabilities that the Company can access at measurement date.

V. Use of estimates and judgements

The preparation of financial statements requires the management of the Company to make judgements, assumptions and estimates that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses for the reporting period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed as applicable in the respective notes to accounts. Accounting estimates could change from period to period. Future results could differ from these estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

VI. Judgements:

Information about judgements made in applying accounting policies that have a most significant effect on the amount recognised in the Standalone financial statements is included as follows:

Note 8: Classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Point x: Determination of the fair value of financial instruments with significant unobservable inputs.

Point xiii: Measurement of defined benefit obligations: key actuarial assumptions.

Point xv: Recognition of deferred tax assets: availability of future taxable profit against which carry forward deferred tax asset can be set off.

Point xviii: recognition and measurement of provision and contingencies (Other than Impairment of Loan Portfolio and Employee Benefit Plan): Key assumptions about the likelihood and magnitude of an outflow of resources.

Point xxi(e) - useful life of property, plant, equipment and intangibles.

VII. Interest:

Interest income and expense are recognised using the effective interest method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial asset or amortised cost of the financial liability.

The calculation of the EIR includes all fees paid or received that are incremental and directly attributable to the acquisition or issue of a financial asset or liability.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets {i.e. at the amortised cost of the financial asset after adjusting for any expected credit loss allowance (ECLs)}. The Company assesses the collectability of the interest on credit impaired assets at each reporting date. Based on the outcome of such assessment, the Interest income accrued on credit impaired financial assets are either accounted for as income or written off as per the write off policy of the Company.

The interest cost is calculated by applying the EIR to the amortised cost of the financial liability. Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

The ‘amortised cost’ of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The ‘gross carrying amount of a financial asset’ is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

VIII. Income from services and distribution of financial products

Revenue from brokerage is recognised when the service is performed. Trail brokerage is recognised at the end of the measurement period when the pre-defined thresholds are met. Revenue is net of applicable indirect taxes and sub-brokerage.

IX. Dividend income

Income from dividend on investment in equity shares of corporate bodies and units of mutual funds is accounted when the Company’s right to receive dividend is established.

X. Financial Instruments

Financial assets and financial liabilities are recognised in the Company’s balance sheet on settlement date when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value.

Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit or Loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

a) if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);

b) in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

a) Financial assets Classification

On initial recognition, depending on the Company's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

1) amortised cost;
2) fair value through other comprehensive income (FVTOCI); or
3) fair value through profit and loss (FVTPL).

Initial recognition and measurement

Financial asset is recognised on trade date initially at cost of acquisition net of transaction cost and income that is attributable to the acquisition of the financial asset. Cost equates the fair value on acquisition. Financial asset measured at amortised cost and Financial measured at fair value through other comprehensive income is presented at gross carrying value in the Financial statements. Unamortised transaction cost and incomes and impairment allowance on Financial asset is shown separately under the heading "Other non-financial asset", Other non-financial liability" and "Provisions" respectively.

Assessment of Business model

An assessment of the applicable business model for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company could have more than one business model for managing its financial instruments which reflect how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company considers all relevant information available when making the business model assessment. The Company takes into account all relevant evidence available such as:

1. how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel and board of directors;

2. the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and

3. how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

4. At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business model/(s) have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business model.

   Based on the assessment of the business models, the Company has identified the three following choices of classification of financial assets:

   a) Financial assets that are held within a business model whose objective is to collect the contractual cash flows ("Asset held to collect contractual cash-flows"), and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are measured at amortised cost;
   b) Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ("Contractual cash flows of Asset collected through hold and sell model") and that have contractual cash flows that are SPPI, are measured at FVTOCI.
   c) All other financial assets (e.g. managed on a fair value basis, or held for sale) and equity investments are measured at FVTPL.

Financial asset at amortised cost

Amortised cost of financial asset is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal).

Contractual cash flows that do not introduce exposure to risks or volatility in the contractual cash flows on account of changes such as equity prices or commodity prices and are related to a basic lending arrangement, do give rise to SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

The EIR amortisation is included in finance income in the profit and loss statement. The losses arising from impairment are recognised in the profit and loss statement.

Financial asset at fair value through Other Comprehensive Income (FVTOCI)

After initial measurement, basis assessment of the business model as "Contractual cash flows of Asset collected through hold and sell model and SPPI", such financial assets are classified to be measured at FVOCI. Contractual cash flows that do introduce exposure to risks or volatility in the contractual cash flows due to changes such as equity prices or commodity prices and are unrelated to a basic lending arrangement, do not give rise to SPPI.

The EIR amortisation is included in finance income in the profit and loss statement. The losses arising from impairment are recognised in the profit and loss statement. The carrying value of the financial asset is fair valued by discounting the contractual cash flows over contractual tenure basis the internal rate of return of a new similar asset originated in the month of reporting and such unrealised gain/loss is recorded in other comprehensive income (OCI). Where such a similar product is not originated in the month of reporting, the closest product origination is used as a proxy. Upon sale of the financial asset, actual the gain/loss realised is recorded in the profit and loss statement and the unrealised/gain losses recorded in OCI are recycled to the statement of profit and loss.

Financial asset at fair value through profit and loss (FVTPL)

Financial asset, which does not meet the criteria for categorization at amortized cost or FVOCI, is classified as at FVTPL. In addition, the Company may elect to classify a financial asset, which otherwise meets amortized cost or FVOCI criteria, as FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Investment in equity, security receipt, mutual fund, non-cumulative redeemable preference shares and cumulative compulsorily convertible preference shares:

Investment in equity, security receipt, mutual fund, non-cumulative redeemable preference shares and cumulative compulsorily convertible preference shares are classified as FVTPL and measured at fair value with all changes recognised in the statement of profit and loss. Upon initial recognition, the Company, on an instrument-by-instrument basis, may elect to classify equity instruments other than held for trading either as FVTOCI or FVTPL. Such selection is subsequently irrevocable. If FVTOCI is elected, all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the gains or losses from OCI to the statement of profit and loss, even upon sale of investment. However, the Company may transfer the cumulative gain or loss within other equity upon realisation.

Investment in associates: The Company has elected to measure Investment in associates at cost.

Reclassifications within classes of financial assets

A change in the business model would lead to a prospective re-classification of the financial asset and accordingly the measurement principles applicable to the new classification will be applied. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Impairment of Financial Asset Impairment approach

The Company is required to recognise expected credit losses (ECLs) based on forward-looking information for all financial assets at amortised cost, lease receivables, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. No impairment loss is applicable on equity investments.

At the reporting date, an allowance (or provision for loan commitments and financial guarantees) is required for the 12 month ECLs. If the credit risk has significantly increased since initial recognition (Stage 1), an allowance (or provision) should be recognised for the lifetime ECLs for financial instruments for which the credit risk has increased significantly since initial recognition (Stage 2) or which are credit impaired (Stage 3). The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD). The 12 Month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Company applies a three-stage approach to measure ECL on financial assets accounted for at amortised cost and FVOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

1. Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Exposures with days past due (DPD) less than or equal to 29 days are classified as stage 1. The Company has identified zero bucket and bucket with DPD less than or equal to 29 days as two separate buckets.

2. Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Exposures with DPD equal to 30 days but less than or equal to 89 days are classified as stage 2. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company has identified cases with DPD equal to or more than 30 days and less than or equal to 59 days and cases with DPD equal to or more than 60 days and less than or equal to 89 days as two separate buckets.

3. Stage 3: Lifetime ECL – credit impaired

Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial asset that have become credit impaired, a lifetime ECL is recognised on principal outstanding as at period end. Exposures with DPD equal to or more than 90 days are classified as stage 3.

A loan that has been renegotiated due to a deterioration in the borrower’s condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. ECL is recognised on EAD as at period end. If the terms of a financial asset are renegotiated or modified due to financial difficulties of the borrower, then such asset is moved to stage 3, lifetime ECL under stage 3 on the outstanding amount is applied.

The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

1. Quantitative test: Accounts that are 30 calendar days or more past due move to Stage 2 automatically. Accounts that are 90 calendar days or more past due move to Stage 3 automatically.

2. Qualitative test: Accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring. High risk customers may not be in arrears but either through an event or an observed behaviour exhibit credit distress.

3. Reversal in Stages: Exposures will move back to Stage 2 or Stage 1 respectively, once they no longer meet the quantitative criteria set out above. For exposures classified using the qualitative test, when they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met.

The definition of default for the purpose of determining ECLs has been aligned to the Reserve Bank of India definition of default, which considers indicators that the debtor is unlikely to pay and is no later than when the exposure is more than 90 days past due. The company
continues to incrementally provide for the asset post initial recognition in Stage 3, based on its estimate of the recovery.

Whereas the Management has provided for/ written off the entire receivables in the current financial year following RBI norms for non-performing assets instead of ECL method:

Product	Overdue criteria
Loan against property	15 months and above
Construction equipment, auto, commercial vehicles, two wheeler and personal loan	10 months and above
Consumer durables	5 months and above

The measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives, and estimation of EAD and assessing significant increases in credit risk.

Impairment of Trade receivable and Operating lease receivable

Impairment allowance on trade receivables is made on the basis of lifetime credit loss method, in addition to specific provision considering the uncertainty of recoverability of certain receivables.

Modification and De-recognition of financial assets Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness). Such accounts are classified as stage 3 immediately upon such modification in the terms of the contract. Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

1) the rights to receive cash flows from the asset have expired, or
2) the Company has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Write-off

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case by case basis. A write-off constitutes a de-recognition event. The Company has right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the income statement.

Presentation of ECL allowance for financial asset:

Type of Financial asset	Disclosure
Financial asset measured at amortised cost	shown separately under the head "provisions" and not as a deduction from the gross carrying amount of the assets
Financial assets measured at FVTOCI	
Loan commitments and financial guarantee contracts	shown separately under the head "provisions"

Where a financial instrument includes both a drawn and an undrawn component and the Company cannot identify the ECL on the loan commitment separately from those on the drawn component, the Company presents a combined loss allowance for both components under "provisions".

Financial liability, Equity and Compound Financial Instruments Financial liabilities and equity:

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

Classification
The Company classifies its financial liability as "Financial liability at amortised cost" except for financial liability at fair value through profit and loss (FVTPL).

Initial recognition and measurement
Financial liability is recognised initially at cost of acquisition net of transaction costs and incomes that is attributable to the acquisition of the financial liability. Cost equates the fair value on acquisition. Company may irrevocably designate a financial liability that meet the amortised cost as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

De-recognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound instruments

The component parts of compound instruments (e.g. cumulative compulsorily convertible preference shares CCCPs) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital and share premium. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain/loss is recognised in profit or loss upon conversion or expiration of the conversion option.

A Cumulative Compulsorily Convertible Preference Shares (CCCPs), with an option to holder to convert the instrument in to variable number of equity shares of the entity upon redemption is classified as a financial liability and dividend including dividend distribution tax is accrued on such instruments and recorded as finance cost.

b) Cash, Cash equivalents and bank balances

Cash, Cash equivalents and bank balances include fixed deposits, margin money deposits, and earmarked balances with banks are carried at amortised cost. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

XI. Property, plant and equipment

a. Tangible:

Tangible property, plant and equipment (PPE) acquired by the Company are reported at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. The acquisition cost includes any cost attributable for bringing asset to its working condition net of tax/duty credits availed, which comprises of purchase consideration, other directly attributable costs of bringing the assets to their working condition for their intended use. PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

b. Capital work-in-progress

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as “capital work-in-progress” and carried at cost, comprising direct cost, related incidental expenses and attributable interest.

c. Intangible

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Expenses on software support and maintenance are charged to the Statement of Profit and Loss during the year in which such costs are incurred.

d. Intangible assets under development

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”.

e. Depreciation and Amortisation

Depreciable amount for tangible property, plant and equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value. The residual value of each asset given on Operating lease is determined at the time of recording of the lease asset. If the residual value of the Operating lease asset is higher than 5%, the Company has a justification in place for considering the same.

Depreciation on tangible property, plant and equipment deployed for own use has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Buildings, Computer Equipment networking assets, electrical installation and equipment and Vehicles, in whose case the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc. Depreciation on tangible property, plant and equipment deployed on operating lease has been provided on the straight-line method over the primary lease period of the asset. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation for additions to/deductions from, owned assets is calculated pro rata to the remaining period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life. All capital assets with individual value less than Rs. 5,000 are depreciated fully in the year in which they are purchased.

Purchased software / licenses are amortised over the estimated useful life during which the benefits are expected to accrue, while Goodwill if any is tested for impairment at each Balance Sheet date. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis. Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset’s revised carrying amount over its remaining useful life.

Estimated useful life considered by the Company are:

Asset	Estimated Useful Life
Computer Equipment	3 to 4 years
Vehicles	8 years
Buildings	25 years
General Furniture and Fittings	10 Years

f. Reclassification to Investment property

Properties held to earn rentals and/or capital appreciation are classified as Investment properties and measured and reported at cost, including transaction costs. When the use of an existing property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognised in the Statement of Profit and Loss in the same period.

g. Impairment of assets

Upon an observed trigger or at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment property and intangible asset to determine whether there is any indication that the asset have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss if any. Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

h. De-recognition of property, plant and equipment and intangible asset

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the 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 profit or loss. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

XII. Non-Current Assets held for sale:

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

The Company has a policy to make impairment provision at one third of the value of the Asset for each year upon completion of three years upto the end of five years.

XIII. Employee Benefits

Defined Employee benefits include provident fund, superannuation fund, employee state insurance scheme, Defined contribution benefits includes gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss in the year in which they occur. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company. The Company is generally liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the employee provident scheme, 1952 is recognised as an expense in the year in which it is determined.

The Company's contribution to superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.
The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long term service awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

Share based payment transaction

The stock options of the Parent Company is granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The amount recognised as expense is based on the estimate of the number of options for which exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

XIV. Operating Segments

The Company's main business is financing by way of loans for retail and corporate borrowers in India. The Company's operating segments consist of "Financing Activity", "Investment Activity" and "Others". All other activities of the Company revolve around the main businesses. This in the context of Ind AS 108 – operating segments reporting are considered to constitute reportable segment. The Chief Operating Decision Maker (CODM) of the Company is the Board of Directors. Operating segment disclosures are consistent with the information reviewed by the CODM.

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available. Accordingly all operating segment's operating results of the Company are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The "Financing Activity" segment consists of asset financing, term loans (corporate and retail), channel financing, credit substitutes, investments linked to/arising out of lending business and bill discounting. The "Investment Activity" segment includes corporate investments and "Others" segment primarily includes advisory services, wealth management, distribution of financial products and leasing.

Revenue and expense directly attributable to segments are reported under each operating segment. Expenses not directly identifiable to each of the segments have been allocated to each segment on the basis of associated revenues of each segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax law) enacted or substantively enacted by the reporting date. Current tax asset and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

XV. Deferred Tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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.

XVI. Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

XVII. Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

(i) an entity has a present obligation (legal or constructive) as a result of a past event; and
(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
(iii) a reliable estimate can be made of the amount of the obligation
Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

(i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) a present obligation arising from past events, when no reliable estimate is possible. Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision. Contingent assets are not recognised in the financial statements.

XVIII. Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) estimated amount of contracts remaining to be executed on capital account and not provided for;

b) uncalled liability on shares and other investments partly paid;

c) c) funding related commitment to associate; and

d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

e) Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

f) Commitments under Loan agreement to disburse Loans

g) Lease agreements entered but not executed

XIX. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in operating receivables and payables transactions of a non-cash nature;

ii. Non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. all other items for which the cash effects are investing or financing cash flows. Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

XX. Dividend payable (including dividend distribution tax)

Interim dividend declared to equity shareholders, if any, is recognised as liability in the period in which the said dividend has been declared by the Directors. Final dividend declared, if any, is recognised in the period in which the said dividend has been approved by the Shareholders.

XXI. Recent pronouncement to Ind AS to mentioned in accounting policies.

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16, Property Plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

As per our report of even date	**For and on behalf of Board of Directors**		
For Batliboi & Purohit	**For Finquest Financial Solutions Private Limited**		
Chartered Accountants			
ICAI Firm Registration No. 101048W			
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Raman Hangekar	**Saurabh A. Patel**	**Hardik B. Patel**	**Akash T. Pandey**
Partner	**MD&CEO**	**Director**	**Company Secretary**
M. No. 030615	**DIN: 02148559**	**DIN: 00590663**	**Mem No. A61112**
Place: Mumbai			
Date: 22/06/2022			

INDEPENDENT AUDITORS’ REPORT

To the Members of Finquest Financial Solutions Pvt Ltd.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of Finquest Financial Solutions Pvt. Ltd, (“the parent”) and its subsidiaries (the parent and its subsidiaries together referred to as “the Group”) which comprise the Consolidated Balance Sheet as at March 31 2022, and the Consolidated Statement of Profit and Loss, (Including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows 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, the aforesaid Consolidated Financial Statements give the information required by 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 group as at March 31, 2022, and its Consolidated Profit and Other Comprehensive Income, Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors’ Responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in the “Other Matters” paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Emphasis of Matter Paragraph

We refer note no. --- to the Consolidated Financial Statements of the Company, wherein company has disclosed impact of restatement of profits, assets and liabilities due to prior period errors.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

No.	Key Audit Matters	Auditors' Response
1	**Impairment of financial assets as at balance sheet date (expected credit losses)** **(As per Standalone financial statement of the Parent company)** Ind AS 109 requires the Group to provide for impairment of its financial assets designated at amortised cost and fair value through other comprehensive income (including loan receivables and investments) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Group's financial assets. In the process, a significant degree of judgment has been applied by the Management for: • staging of the financial assets (i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories); • determining macro-economic factors impacting credit quality of receivables; • estimation of losses for financial assets which are secured. • Identifying the loan wise details for risk categorization. • Security value to be considered while calculating the ECL for loans which are secured. Considering the materiality of the amounts and management estimates involved, these matters have been identified as a key audit matters for the current year audit.	**Our process includes:** • Read and assessed the Group's accounting policies for impairment of financial assets and their compliance with Ind AS 109. • Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. • Assessed the criteria for staging of financial assets based on their past-due status to check compliance with requirement of Ind AS 109. • Assessed the additional considerations applied by the Management for staging of loans or default categories. • Tested the ECL model, including assumptions and underlying computation. • Assessed the assumption for non-provisioning applied by the Group for financial assets with no dues. • Tested assumptions used by the Management for determining fair value of investments and the cash flow projections of the investee with reference to past experience.

Information other than the Financial Statements and Auditors' Report thereon

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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.

Management's Responsibility for the Consolidated Financial Statements

The Parent 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 consolidated financial position, consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

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

In preparing these consolidated financial statements, respective board of directors are responsible for assessing the group 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 parent or to cease operations, or has no realistic alternative but to do so. Those respective Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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 parent 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

Other Matters

1. The consolidated financial statements include the audited financial statements of subsidiaries Krihaan Texchem Pvt. Ltd. (100%) and Digjam Ltd. (90%), whose financial statements reflect Group's share of total assets of Rs. 72,579.68 lakhs as at 31st March 2022, Group's share of total revenue of Rs. 17,569.97 lakhs and Group's share of total net loss after tax of Rs. (2,284.35) lakhs for the year ended 31st March 2022, as considered in the consolidated financial statements, which have been audited by their respective Independent Auditors. The Independent Auditors' reports on financial statements of these entities have been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

2. The comparative consolidated financial statements of the Company for the year ended 31 March 2021 included in Consolidated Financial Statements, were audited by the erstwhile statutory auditors "R.C. Jain & associates LLP, Chartered Accountants" whose reports dated 17th November 2021 expressed an unmodified opinion on those consolidated financial statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Companies Act, 2013, based on our audit and on consideration of audit report of other auditors as stated in para above, we report, to the extent applicable.

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

1. 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.
2. In our opinion, proper books of account as required by law have been kept by the parent and its subsidiaries so far as it appears from our examination of those books and on the basis of other auditors' report.
3. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (Including other comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
5. On the basis of the written representations received from the parent company directors as on 31st March, 2022 taken on record by the parent company Board of Directors and on the basis of audit report of subsidiaries, none of the directors are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
6. 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**"
7. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, is not applicable to parent. On the basis of audit report of one of the subsidiaries to whom the requirement of section 197(16) applies, the said subsidiary have complied with the requirement.
8. With respect to the other matters to be included in the Auditors' 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:
    - The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements – Refer Note on contingent liabilities to the consolidated financial statements
    - The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the group.
    - The respective board of directors have represented that, to the best of their knowledge and belief, as disclosed in the consolidated notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the parent and its subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent and its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - The respective board of directors have represented, that, to the best of their knowledge and belief, as disclosed in the consolidated notes to accounts, no funds have been received by the parent and its subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the parent or its subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice and on the basis of other auditor report that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under h (iv) (a) and (b) above, contain any material misstatement.
- The Company has not declared any dividend during the current financial year ended March 31, 2022.

For Batliboi & Purohit
Chartered Accountants
Firm Registration Number:101048W

Raman Hangekar
Partner
Membership No. 030615

Place: Mumbai
Date: June 22, 2022
UDIN: 22030615ALLFNS9944

Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Finquest Financial Solutions Pvt Ltd.** ("the parent") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group") as of 31 March 2022 in conjunction with our audit of the consolidated financial statements of the parent company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and on the basis of audit report of other auditors are sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information & according to the explanations give to us and based on the consideration of other auditor as referred in “Other Matter” para below, the group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters.

For Batliboi & Purohit
Chartered Accountants
Firm Registration Number:101048W

Raman Hangekar
Partner
Membership No. 030615

Place: Mumbai
Date: June 22, 2022
UDIN: 22030615ALLFNS9944

FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED
CIN: U74140MH2004PTC146715
Consolidated Balance Sheet As At 31st March, 2022

(Rs. In lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021 (Restated)
I. ASSETS			
(1) Financial assets			
a) Cash and cash equivalents	2	6,882.15	628.47
b) Bank balance other than (a) above	3	1,719.10	1,440.35
c) Receivables			
(I) Trade receivables	4	5,754.51	160.56
(II) Other receivables		-	-
d) Loans	5	27,799.14	28,209.34
e) Investments	6	19,874.63	33,114.15
f) Other financial assets	7	1,126.28	1,179.89
(2) Non-financial assets			
a) Inventories	8	10,605.26	1,488.17
b) Current tax assets (net)	9	68.76	1,181.89
c) Deferred tax assets (net)	10	884.01	73.08
d) Investment Property	11	525.72	561.64
e) Property, plant and equipment	12	51,499.45	28,650.45
f) Goodwill	13	5.51	-
g) Other intangible asset	14	2.23	3.17
h) Capital Work in Progress	15	1,896.50	28.94
i) Other non-financial assets	16	2,962.83	2,215.02
TOTAL ASSETS		**1,31,606.07**	**98,935.13**
II. LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
a) Payables	17		
(I)Trade payables		6,390.70	2,943.25
(i) total outstanding dues of micro enterprises and small enterprises		24.33	1.78
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		6,366.37	2,941.47
(II) Other payables		**934.85**	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		934.85	-
b) Debt securities	18	33,859.17	31,290.70
c) Borrowings (other than debt securities)	19	46,793.20	35,912.24
d) Other financial liabilities	20	2,880.04	842.60
(2) Non-financial liabilities			
a) Current tax liabilities (net)	21	753.83	-
b) Provisions	22	6,547.22	4,260.55
c) Deferred tax liabilities	23	184.46	-
d) Other non-financial liabilities	24	78.10	107.98
Total non-financial liabilities			
(3) Equity			
a) Equity share capital	25	3,190.00	3,190.00
b) Other equity	26	29,576.86	20,003.25
Equity attributable to owners of Parent		-	-
Non-Controlling Interest	26	417.64	384.57
TOTAL LIABILITIES AND EQUITY		**1,31,606.07**	**98,935.13**

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

For and on behalf of Board of Directors
For Finquest Financial Solutions Private Limited

Sd/-
Raman Hangekar
Partner
M. No. 030615
Place: Mumbai
Date: 22/06/2022

Sd/-
Saurabh A. Patel
MD&CEO
DIN: 02148559

Sd/-
Hardik B. Patel
Director
DIN: 00590663

Sd/-
Akash T. Pandey
Company Secretary
Mem No. A61112

FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED
CIN: U74140MH2004PTC146715
Consolidated Statement of Profit & Loss Account for the year ended 31st March, 2022

(Rs. In lakhs)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021 (Restated)
Revenue from operations			
(i) Interest income	27	1,316.07	4,815.05
(ii) Dividend Income	28	62.74	47.21
(iii) Net gain on fair value changes	29	-	8,418.32
(iv) Sale of Goods	30	15,977.10	-
(v) Other operating income	31	18,928.27	11,332.36
(I) Total Revenue from operations		**36,284.18**	**24,612.95**
(II) Other income	32	739.07	1.08
(III) Total Income (I+II)		**37,023.25**	**24,614.03**
Expenses			
(i) Cost of Material consumed		15,745.53	-
(ii) Purchases of Stock-in trade	33	894.18	717.20
(iii) Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(9,222.42)	(575.37)
(iv) Finance cost	35	6,665.74	4,934.64
(v) Impairment on financial instruments	36	1,667.25	912.44
(vi) Net Loss on Fair Value Changes	37	15.30	-
(vii) Employee benefit expenses	38	4,663.45	861.02
(viii) Depreciation, amortisation and impairment	39	2,857.28	1,088.26
(ix) Other expenses	40	10,801.87	8,775.79
(IV) Total expenses (IV)		**34,088.20**	**16,713.98**
(V) Profit/(loss) before exceptional items and tax (III-IV)		2,935.05	7,900.05
(VI) Exceptional Items		-	-
(VII) Profit before tax (V-VI)		2,935.05	7,900.05
(VIII) Tax Expense			
1. Current tax		1,800.52	-
2. Deferred tax	41	(623.14)	181.88
(IX) Total tax expense		**1,177.39**	**181.88**
(X) Profit/(loss) for the period from continuing operations (VII-VIII)		1,757.67	7,718.17
(XI) Profit/(loss) for the period from discontinued operations		-	-
(XII)Tax expense of discontinued operations		-	-
(XIII) Profit/(loss) for the period from discontinued operations (After tax) (X-XI)		-	-
(XIV) Profit for the period (IX+XII)		**1,757.67**	**7,718.17**
Attributable to:			
(a) Shareholders of the Company		1,727.77	7,718.17
(b) Non-controlling interest		29.90	-
(XV) Other Comprehensive Income			
Items that will not be reclassified to profit or loss	42		
I. Remeasurements gain/ (losses) of the defined benefit plans		20.50	(5.41)
II. Income tax relating to items that will not be reclassified to profit or loss		2.83	(1.84)
Other Comprehensive Income		**23.33**	**(7.25)**
Attributable to:			
(a) Shareholders of the Company		20.15	7,710.92
(b) Non-controlling interest		3.17	-
(XVI) Total Comprehensive Income for the period (XIII+XIV)		**1,780.99**	**7,710.92**
Attributable to:			
(a) Shareholders of the Company		1,747.92	7,710.92
(b) Non-controlling interest		33.07	-
(XVII) Earnings for equity share (in Rs.)			
Basic		5.51	24.19
Diluted		5.51	24.19
Significant Accounting Policies	1		

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

For and on behalf of Board of Directors
For Finquest Financial Solutions Private Limited

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Raman Hangekar	**Saurabh A. Patel**	**Hardik B. Patel**	**Akash T. Pandey**
Partner	**MD&CEO**	**Director**	**Company Secretary**
M. No. 030615	**DIN: 02148559**	**DIN: 00590663**	**Mem No. A61112**
Place: Mumbai			
Date: 22/06/2022			

FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED
CIN: U74140MH2004PTC146715
Consolidated Cash Flow Statement for the year ended 31st March, 2022

(Rs. In lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021 (Restated)
A. Cash flow from operating activities		
Profit before tax and OCI	2,935.05	(392.01)
Adjustments for:		
Depreciation	2,857.28	1,330.73
Provision for Gratuity & Leave encashment	20.50	27.89
Interest income	-	(3.79)
Credit balances written back	-	(8,340.87)
(Profit)/Loss on Impairment of Property, Plant & Equipment (Net)	-	7.29
Debit balances written off	-	5,934.46
Net Unrealised foreign exchange loss/(gain)	(2.46)	(1.71)
Excess liability written back	58.53	-
Debenture premium Cost	2,568.47	-
Interest on borrowings, NCDs and commercial papers	4,097.27	2,582.73
Loss on Fair Value Change	15.30	-
Impairment of Financial Instrument	1,667.25	-
Operating profit before working capital changes	**14,217.20**	**1,144.71**
Changes in working capital:		
Increase / (decrease) in Trade Payables	4,382.30	2,522.99
Increase / (decrease) in Other Financial Liabilities	2,037.45	273.65
Increase / (decrease) in Other Non-Financial Liabilities	(29.88)	(0.27)
Increase / (decrease) in Provisions	2,307.17	934.53
Increase / (decrease) in Current Liabilities	(66.44)	(95.36)
(Increase) / decrease in Loans	(1,257.05)	46,764.97
(Increase) / decrease in Trade Receivables	(5,538.13)	(62.42)
(Increase) / decrease in Other Financial Assets	53.61	12,032.81
(Increase) / decrease in Other Non-Financial Assets	(747.80)	(16.62)
(Increase) / decrease in Other Assets		(506.36)
(Increase) / decrease Inventories	(9,117.08)	728.26
(Increase) / decrease CWIP	-	-
(Increase) / decrease Tangible/Intangible Assets	-	-
(Increase) / decrease Tangible/Intangible Assets-PPE	-	-
(Increase)/ Decrease in Current Tax Assets	-	(22.68)
Increase / (decrease) in NCI		
Cash used in Operations	**6,241.33**	**63,698.22**
Adjusted exceptional items on Inventory, Trade Receivables and Liabilities	-	4,029.92
Taxes paid (including tax deducted at source) (Net of refund received)	-	6.09
Net Cash (used in) operating activities (A)	-	**67,734.22**
B. Cash flow from Investing Activities		
Net (Purchase)/sale of tangible/intangible assets	(27,542.49)	(18,137.22)
Sale of tangible/intangible assets	-	-
Interest received	-	3.79
Capital Expenditure on property, plant and equipment and intangible assets	-	(15.85)
Capital Expenditure on CWIP	-	(10.54)
Proceeds from Earnest Money Deposit	-	(2,270.00)
Increase/(Decrease) in other balances with banks	-	30.00
(Increase) / decrease in Investments	13,224.21	(18,842.97)
(Increase) / decrease in Investment Property	-	-
Capital reserve on acquisition	7,825.68	-
Intangible	-	-
Net cash (used in)/ generated from investing activities (B)	**(6,492.60)**	**(39,242.79)**
C. Cash flow from Financing Activities		
Proceeds from issue of equity share capital (Inclusive of share premium)	-	-
Borrowings made during the year - Debentures/Deep Discount Bonds	-	-
Repayment of borrowings made during the year- Debentures	-	(40,161.05)
Borrowings made during the year - Commercial papers	-	-
Borrowings during the year - Other than debt Securities	-	18,597.01
Changes in borrowings	-	(2,241.10)
Repayment of Long Term Borrowings	6,783.69	(2,509.97)
Adjusted exceptional items on Finance Cost	-	2,987.77
Interest Paid	-	(3,288.88)
Net cash flow from financing activity (C)	**6,783.69**	**(26,616.21)**

FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED
CIN: U74140MH2004PTC146715
Consolidated Cash Flow Statement for the year ended 31st March, 2022

Net Increases/(Decrease) in Cash and cash equivalents (A)+(B)+(C)	**6,532.43**	**1,875.22**
Cash and cash equivalents, beginning of the year	**2,068.82**	**193.60**
Cash and cash equivalents, end of the year	**8,601.25**	**2,068.82**
Notes to the statement of cash flow:		
Cash and cash equivalents comprise of:		
Cash on hand	6,882.15	628.47
Balances with banks	1,719.10	1,440.35
TOTAL	**8,601.25**	**2,068.82**

Notes to the statement of cash flow (cont'd):

1. Cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2. The above statement of cash flow has been prepared under the indirect method set out in IND AS 7 on Cash Flow Statements specified under Section 133 of the Companies Act, 2013.

3. Figures in bracket indicate cash outflow.

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

For and on behalf of Board of Directors
For Finquest Financial Solutions Private Limited

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Raman Hangekar	**Saurabh A. Patel**	**Hardik B. Patel**	**Akash T. Pandey**
Partner	**MD&CEO**	**Director**	**Company Secretary**
M. No. 030615	**DIN: 02148559**	**DIN: 00590663**	**Mem No. A61112**
Place: Mumbai			
Date: 22/06/2022			

Note No. 26 **(Rs. In lakhs)**

Particulars	Other Equity						Non-controlling Interest			
	Statutory Reserve (Note 1) (Other Reserves)	Securities Premium (Note 2)	Retained Earnings (Note 3)	Capital Reserve	Other Comprehensive Income (Note 4)	Total	Equity Share Capital	Retained Earnings (Note 3)	Other Comprehensive Income (Note 4)	Total
Restated balance at the beginning of current reporting Period (as at March 31, 2020)	**391.40**	**13,349.60**	**(3,640.43)**	**-**	**1.70**	**10,102.27**	**-**	**-**	**-**	**-**
Changes in prior period errors	-	-	528.92	-	-	528.92	-	-	-	-
Restated balance at the beginning of current reporting Period (as at April 01, 2020)	**391.40**	**13,349.60**	**(3,111.51)**	**-**	**1.70**	**10,631.18**	**-**	**-**	**-**	**-**
Total Comprehensive Income for the year	-	-	7,718.17	-	(7.25)	7,710.92	-	-	-	-
Change due to prior period errors	1,837.50	-	1,837.50)	-	-	-	200.00	184.57		384.57
Transfer to Statutory Reserve under Section 45-IC of RBI Act		-			-	-	-	-	-	-
Gain on bargain purchase				1,661.15	-	1,661.15	-	-	-	-
Restated Closing Balance at the end of current reporting Period (as at March, 31 2021)	**2,228.90**	**13,349.60**	**2,769.16**	**1,661.15**	**(5.55)**	**20,003.25**	**200.00**	**184.57**	**-**	**384.57**
Balance at the Beginning of the current reporting Period (as at April 01, 2021)	**2,228.90**	**13,349.60**	**2,769.16**	**1,661.15**	**(5.55)**	**20,003.25**	**200.00**	**184.57**	**-**	**384.57**

FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED
CIN: U74140MH2004PTC146715
Consolidated Statement of Changes in Equity for the year ended 31st March, 2022

(Rs. In lakhs)

Total Comprehensive Income for the year	-	-	1,727.77	-	20.15	9,573.60		29.90	3.17	33.07
Transfer to Statutory Reserve under Section 45-IC of RBI Act	629.04	-	(629.04)	-	-	-	-	-	-	-
Gain on bargain purchase	-	-	-	7,825.68	-	-	-	-	-	-
						-				
Closing balance at the end of current reporting year as at March 31, 2022	**2,857.94**	**13,349.60**	**3,867.89**	**9,486.83**	**14.60**	**29,576.86**	**200.00**	**214.47**	**3.17**	**417.64**

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

For and on behalf of Board of Directors
For Finquest Financial Solutions Private Limited

Sd/-
Raman Hangekar
Partner
M. No. 030615
Place: Mumbai
Date: 22/06/2022

Sd/-
Saurabh A. Patel
MD&CEO
DIN: 02148559

Sd/-
Hardik B. Patel
Director
DIN: 00590663

Sd/-
Akash T. Pandey
Company Secretary
Mem No. A61112

Note No. 2 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
CASH AND CASH EQUIVALENTS		
Cash on hand	27.11	14.01
Balances with banks in current accounts	6,853.00	614.46
Short-term bank deposits	2.04	-
Total	**6,882.15**	**628.47**

Note No. 3 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
BANK BALANCE OTHER THAN CASH AND CASH AND CASH EQUIVALENTS		
Fixed Deposit (Against Bank Guarantee)	1,692.88	1,440.35
Margin Money with the bank	1.22	
Other Deposit	25.00	
Total	**1,719.10**	**1,440.35**

Note No. 4 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
RECEIVABLES		
Trade Receivables		
(i) Secured, considered good	-	-
Less: Impairment loss allowance	-	-
(ii) Unsecured, considered good		
(a) Due by directors or other officers of the Company or any firm or private company in which any director is a partner, a director or a member	60.92	-
(b) Other than (a)	5,693.59	160.56
Less: Impairment loss allowance	-	-
(iii) Credit impaired:	395.29	395.29
Less: Impairment loss allowance	(395.29)	(395.29)
Total	**5,754.51**	**160.56**

Trade receivables ageing
As at March 31, 2022

(Rs. In lakhs)

Particulars	Not for due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables-considered good	747.65	4,923.61	59.85	1.28	5.15	16.98	**5,754.51**
Disputed Trade Receivables-credit impaired	-	-	-	-	-	395.29	**395.29**
TOTAL	**747.65**	**4,923.61**	**59.85**	**1.28**	**5.15**	**412.27**	**6,149.80**

Trade receivables ageing
As at March 31, 2021

(Rs. In lakhs)

Particulars	Not for due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables-considered good	130.59	7.57	-	5.19	14.93	2.28	**160.56**
Disputed Trade Receivables-credit impaired	-	-	-	-	-	395.29	**395.29**
TOTAL	**130.59**	**7.57**	**-**	**5.19**	**14.93**	**397.57**	**555.85**

Note: Ageing is determined from the date of transaction till the Reporting date.

Note No. 5 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
LOANS (AT AMORTISED COST)		
(A)		
(i) Term Loans	5,360.38	4,675.27
(ii) Others	22,412.61	23,534.07
(iii) Staff Loan	26.15	-
Total (A) - Gross	**27,799.14**	**28,209.34**
Less: Impairment loss allowance	5,279.97	3,644.86
Less: Interest income under NPA		
Total (A) - Net	**22,519.17**	**24,564.48**
(B)		
(i) Secured by tangible assets	6,642.61	11,044.62
(ii) Unsecured	21,156.53	17,164.72
Total (B) - Gross	**27,799.14**	**28,209.34**
Less: Impairment loss allowance	5,279.97	3,644.86
Total (B) - Net	**22,519.17**	**24,564.48**
(C)		
Loans in India		
(a) Public sector	-	-
(b) Others	27,799.14	28,209.34
Total (C)- Gross	**27,799.14**	**28,209.34**
Less: Impairment loss allowance	5,279.97	3,644.86
Total (C) - Net	**22,519.17**	**24,564.48**

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

Note No. 7 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
OTHER FINANCIAL ASSETS		
Unsecured, considered good		
Deposits	474.79	1,000.00
Loans to employees	2.52	37.54
Interest Accrued not paid on NCD	-	91.64
Asset acquired in partial satisfaction of debt claim	-	34.14
Other advances	512.88	16.57
Security Deposit	7.91	-
Balance with Government Authorities	23.27	-
Advance to Vendors	99.95	-
Interest Receivables	4.96	-
Total	**1,126.28**	**1,179.89**

Note No. 8 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
INVENTORIES		
Raw Materials	545.32	169.23
Work in progress	3,561.26	91.94
Finished Goods	5,807.46	592.17
Stock-in-trade (trading goods)	-	-
Stores and Spares	652.82	59.45
Polyester Tow Purchases	-	70.13
Wool Tops Purchases	-	306.16
General Store Consumables	-	174.20
Packing Materials	-	24.88
Waste/Scrap (Valued at Net realisable value)	38.39	-
Total	**10,605.26**	**1,488.17**

Note No. 9 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
CURRENT TAX ASSET		
Income Tax Advance	68.76	1,181.89
Less: Provision for Income Tax	-	-
TDS Receivable	-	-
TDS Payable	-	-
Total	**68.76**	**1,181.89**

Note No. 10 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
DEFERRED TAX ASSET/LIABILITY		
Deferred Tax Asset/liability	884.01	73.08
Deferred tax assets (net)	**884.01**	**73.08**

Note No. 13 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
GOODWILL		
Goodwill*	5.51	-
Total	**5.51**	**-**

***Note: Goodwill has arisen out of Consolidation of Krihaan Texchem Private Limited and RNT Garments Private Limited**

Note No. 14 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
OTHER INTANGIBLE ASSETS		
Intangible Assets - Software	0.32	3.17
Other Intangible Asset	1.91	-
Total	**2.23**	**3.17**

Note No. 15 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
CAPITAL WORK IN PROGRESS		
Capital Work In Progress (Including Pre-operative Expenditure Pending allocation / Capitalisation	-	18.40
Capital Work In Progress	1,896.50	10.54
Total	**1,896.50**	**28.94**

(Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
Balance at the beginning and end of the year	28.94	28.94
Additions	1946.07	-
Deletions	78.51	-
Closing Balance	**1,896.50**	**28.94**

(A) Ageing Schedule for Capital-work-in progress
As at March 31, 2022

(Rs. In lakhs)

Capital-work-in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	202.17	256.37	152.91	1,285.04	**1,896.50**
Projects temporarily suspended	-	-	-	-	-
TOTAL	**202.17**	**256.37**	**152.91**	**1,285.04**	**1,896.50**

(B) Ageing Schedule for Capital-work-in progress
As at March 31, 2021

(Rs. In lakhs)

Capital-work-in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	28.94	-	-	-	**28.94**
Projects temporarily suspended	-	-	-	-	-
TOTAL	**28.94**	**-**	**-**	**-**	**28.94**

Note No. 16 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021
OTHER NON-FINANCIAL ASSETS		
Prepaid Expenses	48.62	24.62
Capital Advances	1,850.50	1,850.00
Deposit for rent	6.30	-
GST on Reverse Charge	3.34	19.32
GST Credit on Input Services	773.05	8.01
Prepaid Employee Benefit Expenses	-	-
Prepaid Vehicle Insurance Expenses	-	-
Professional Tax Excess Paid	0.01	0.00
Accrued Interest on FD	-	-
Input Tax Receivable - GST	-	122.04
Other receivable	86.97	-
Advances to suppliers	178.40	-
TDS on purchases	-	0.04
Deposit with Government Authority	-	190.99
Other Loans and advances	15.64	-
Total	**2,962.83**	**2,215.02**

Note No. 17 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021
PAYABLES		
(I) Trade payables	**6,390.70**	**2,943.25**
(i) total outstanding dues of micro enterprises and small enterprises	24.33	1.78
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,366.37	2,941.47
(II) Other payables	**934.85**	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	934.85	-
Total	**7,325.54**	**2,943.25**

Trade payable ageing
As at March 31, 2022

(Rs. In lakhs)

Particulars	Not for due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	24.33	-	-	-	**24.33**
(ii) Others	371.78	6,923.51	1.84	-	4.09	**7,301.22**
(iii) Disputed dues – MSME	-	-	-	-	-	**-**
(iv)Disputed dues - Others	-	-	-	-	-	**-**
TOTAL	**371.78**	**6,947.84**	**1.84**	**-**	**4.09**	**7,325.54**

Trade payable ageing
As at March 31, 2021

(Rs. In lakhs)

Particulars	Not for due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	**-**
(ii) Others	-	1,422.93	1,520.33	-	-	**2,943.25**
(iii) Disputed dues – MSME	-	-	-	-	-	**-**
(iv)Disputed dues - Others	-	-	-	-	-	**-**
TOTAL	-	**1,422.93**	**1,520.33**	**-**	**-**	**2,943.25**

Note No. 6 **(Rs. In lakhs)**

INVESTMENTS	**As at March 31, 2022**				**As at March 31, 2021**			
Particulars	**Amortised Cost**	**At fair value through profit or loss**	**Others (at cost)**	**Total**	**Amortised Cost**	**At fair value through profit or loss**	**Others (at cost)**	**Total**
1. Mutual Funds	-	-	-	-	-	-	-	-
2. Government Securities	-	-	-	-	-	-	-	-
3. Others	-	-	-	-	-	-	-	-
4. Approved Securities	-	-	-	-	-	-	-	-
	-	-	-	-	-			
5. **Debt Securities**	-	-	-	-	-	**4,865.70**	**8,475.00**	**13,340.70**
a) UTI Structured Debt Opportunities Fund- Vani Agencies Private Limited	-	-	-	-	-	4,865.70	-	-
b) Investment in Suraksha Asset Reconstruction Private Limited	-	-	-	-	-	-	8,475.00	-
6. **Equity Instrument**	**1,849.96**	**18,014.56**	**10.11**	**19,874.63**	-	**19,763.34**	**10.11**	**19,773.45**
a) Equity shares of Nirmal Reality Private Limited		-	10.11	-	-	-	10.11	-
b) Preference Shares of Suraksha Reality Limited	1,849.96	-	-	-	-	-	-	-
c) Trading In Equity Shares	-	18,014.56	-	-	-	19,000.60	-	-
d) Manpasand Beverages Limited	-	-	-	-	-	250.00	-	-
e) Preference Shares of Vocon Manufacturing Private Limited	-	-	-	-	-	58.20	-	-
f) Equity Shares of Deserve Houscorp Private Limited.			-	-		454.54	-	-
7. **Subsidiaries**	-	-	-	-	-	-	-	-
a) Equity Shares of Krihaan Texchem Private Limited	-	-	1.00	-	-	-	1.00	-
Less: Elimination (on Consolidation)	-	-	(1.00)	-	-	-	(1.00)	-
b) Equity Shares of Digjam Limited	-	-	1,800.00	-	-	-	1,800.00	-
Less: Elimination (on Consolidation)	-	-	(1,800.00)	-	-	-	(1,800.00)	-
c) Preference Shares of Digjam Limited	-	-	2,700.00	-	-	-	2,700.00	-
Less: Elimination (on Consolidation)	-	-	(2,700.00)	-	-	-	(2,700.00)	-
8. Associates	-	-	-	-	-	-	-	-
9. Joint Ventures	-	-	-	-	-	-	-	-
10. Others	-	-	-	-	-	-	-	-
Total	**1,849.96**	**18,014.56**	**10.11**	**19,874.63**	-	**24,629.04**	**8,485.11**	**33,114.15**
In India	-	-	-	19,875	-	-	-	33,114
Outside India	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**19,875**	**-**	**-**	**-**	**33,114**

Note No. 11
As at March 31, 2022 **(Rs. In lakhs)**

INVESTMENT PROPERTY	Gross Block				Accumulated Depreciation				Net Block	
Particulars	**Balance as at April 01, 2021**	**Additions**	**Sales/ Deduction**	**Balance as at March 31, 2022**	**Balance as at April 01, 2021**	**During the year**	**Sales/Deduction**	**Balance as at March 31, 2022**	**Balance as at March 31, 2022**	**Balance as at April 01, 2021**
Land	123.41	-	-	123.41	-	-	-	-	123.41	123.41
Building	438.23	-	3.07	435.17	-	32.86	-	32.86	402.31	438.23
Total	**561.64**	**-**	**3.07**	**558.58**	**-**	**32.86**	**-**	**32.86**	**525.72**	**561.64**

As at March 31, 2021 **(Rs. In lakhs)**

INVESTMENT PROPERTY	Gross Block				Accumulated Depreciation				Net Block	
Particulars	**Balance as at April 01, 2020**	**Additions**	**Sales/ Deduction**	**Balance as at March 31, 2021**	**Balance as at April 01, 2020**	**During the year**	**Sales/Deduction**	**Balance as at March 31, 2021**	**Balance as at March 31, 2021**	**Balance as at April 01, 2020**
Land	123.41	-	-	123.41	-	-	-	-	123.41	123.41
Building	-	438.23	-	438.23	-	-	-	-	438.23	-
Total	**123.41**	**438.23**	**-**	**561.64**	**-**	**-**	**-**	**-**	**561.64**	**123.41**

The Fair value of Investment Property as on 31st March 2021 is Rs. 1,131.44 lakhs

The fair value of the investment properties has been determined by an external independent property valuer having appropriate professional qualification and experience in the location and category of property being valued.

Note No. 12
As at March 31, 2022

PROPERTY, PLANT AND EQUIPMENT	Gross Block							Accumulated Depreciation						Net Block	
Particulars	**Balance as at April 01, 2021**	**Ind AS adjust ments**	**Acquis tion Digjam Ltd**	**Additions**	**Additions on Account of Business Combination**	**Deductio ns**	**Balance as at 31st March 2022**	**Balance as at 1st April 2021**	**Ind AS adjust ments**	**Acquisti on Digjam Ltd**	**Charge for the year**	**Deduct ions**	**Balance as at 31st March 2022**	**Balance as at 31st March 2022**	**Balance as at 31st March 2021**
Electric Equipment	84.05	-	-	21.34	33.00	-	138.39	12.08	-	-	21.68	-	33.75	104.63	71.97
Computers & Servers	27.02	-	-	20.63	3.00	-	50.66	11.28	-	-	12.39	-	23.67	26.99	15.75
Vehicles	182.70	-	-	-	-	1.74	180.96	117.69	-	-	29.86	0.84	146.71	34.25	65.01
Land (incl. Revaluation)	12,973.97	-	-	684.90	2,283.00	-	15,941.88	-	-	-	-	-	-	15,941.88	12,973.97
Buildings (incl. Revaluation)	3,514.76	-	-	15.67	5,659.12	-	9,189.55	309.39	-	-	275.58	-	584.97	8,604.58	3,205.36
Plant and Equipment	14,405.71	-	-	948.72	16,035.00	263.39	31,126.04	2,160.60	-	-	2,466.91	219.49	4,408.02	26,718.01	12,245.11
Furniture and Fixtures	73.57	-	-	0.72	-	-	74.29	20.47	-	-	5.75	-	26.22	48.07	53.10
Office Equipment	44.56	-	-	10.14	-	-	54.69	24.38	-	-	9.27	-	33.64	21.05	20.18
TOTAL	**31,306.33**	-	-	**1,702.12**	**24,013.12**	**265.13**	**56,756.45**	**2,655.88**	-	-	**2,821.44**	**220.33**	**5,256.99**	**51,499.45**	**28,650.45**

As at March 31, 2021

PROPERTY, PLANT AND EQUIPMENT	Gross Block							Accumulated Depreciation						Net Block	
Particulars	**Balance as at April 01, 2020**	**Ind AS adjustments**	**Acquistion Digjam Ltd**	**Additions**	**Additions on Account of Business Combination**	**Deductions**	**Balance as at 31st March 2021**	**Balance as at 1st April 2020**	**Ind AS adjustments**	**Acquistion Digjam Ltd**	**Charge for the year**	**Deductions**	**Balance as at 31st March 2021**	**Balance as at 31st March 2021**	**Balance as at 31st March 2020**
Electric Equipment	0.95	-	-	83.09	-	-	84.05	0.70	-	-	11.33	-	12.08	71.97	-
Computers & Servers	0.81	-	-	26.22	-	-	27.02	0.81	-	-	10.47	-	11.28	15.75	36.28
Vehicles	109.92	-	19.18	53.60	-	-	182.70	73.64	-	14.46	17.64	-	117.69	65.01	50.00
Land (incl. Revaluation)	-	-	14,986.18	2,599.06	-	4,611.27	12,973.97	-	-	-	-	-	-	12,973.97	-
Buildings (incl. Revaluation)	-	-	1,345.84	2,168.92	-	-	3,514.76	-	-	198.99	110.40	-	309.39	3,205.36	-
Plant and Equipment	-	-	1,674.58	12,731.12	-	-	14,405.71	-	-	1,009.35	1,151.25	-	2,160.60	12,245.11	-
Furniture and Fixtures	-	-	15.10	58.48	-	-	73.57	-	13.26	7.67	6.37	6.83	20.47	53.10	-
Office Equipment	-	-	19.03	25.53	-	-	44.56	-	3.40	12.44	11.09	2.55	24.38	20.18	-
TOTAL	**111.68**	**-**	**18,059.91**	**17,746.01**	**-**	**4,611.27**	**31,306.33**	**75.15**	**16.66**	**1,242.91**	**1,318.54**	**9.38**	**2,655.88**	**28,650.45**	**86.28**

Note No. 13 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
OTHER INTANGIBLE ASSETS		
Software		
Gross carrying amount	19.54	19.12
Balance at the beginning and end of the year	-	0.42
Additions	2.04	-
Deletions	-	-
Closing Balance	**21.58**	**19.54**

(Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
DEPRECIATION		
Balance at the beginning and end of the year	16.37	16.17
Additions	2.98	0.20
Deletions	-	-
Closing Balance	**19.36**	**16.37**
Net carrying amount	**2.23**	**3.17**

Note No. 18 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
DEBT SECURITIES (AT AMORTISED COST)		
Non-Convertible debentures (Unsecured)	33,859.17	31,290.70
Total	**33,859.17**	**31,290.70**
Debt securities in India	33,859.17	31,290.70
Debt securities outside India	-	-
Total	**33,859.17**	**31,290.70**

Note No. 19 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
BORROWINGS (OTHER THAN DEBT SECURITIES - AT AMORTISED COST)		
(a) Term loans	-	-
Secured	-	-
(i) from banks	243.01	3,467.62
(ii) from other parties	-	1,977.94
Unsecured	-	-
(i) from banks	-	-
(ii) from other parties	2,734.47	3,844.49
(b) Loans from related parties (unsecured)	36,046.88	25,295.72
(c) Loans repayable on demand (Unsecured)	-	-
(i) from banks	-	-
(ii) from other parties	-	-
(d) Other loans (Unsecured)	7,768.85	6.21
(e) Working Capital Loans	-	1,320.25
Total	**46,793.20**	**35,912.24**
Borrowings in India	46,793.20	37,767.88
Borrowings outside India		
Total	**46,793.20**	**37,767.88**

Note No. 20 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
OTHER FINANCIAL LIABILITY		
Deposit Received from suppliers	1.25	-
Deposit Received from customers	80.0	-
Liability towards employee cost	194.24	-
Liability for expenses	-	273.65
Advance from Customers	-	108.09
Other Payable	1.42	460.86
Interest Accrued on Borrowing	873.66	-
Customer Advances	1,209.09	-
Employees P F	17.49	-
E S I C	2.82	-
Professional Tax on Salary	0.92	-
Statutory Liability	11.96	-
Short term liability of Employee benefit payable	64.55	-
Long term liability of Employee benefit payable	422.63	-
Total	**2,880.04**	**842.60**

Note No. 21 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
CURRENT TAX LIABILITY		
Income Tax Advance	(66.85)	-
Less: Provision for Income Tax	1800.52	-
TDS Receivable	(1,386.57)	-
TDS Payable	406.73	-
Total	**753.83**	-

DETAILS OF DEBT SECURITIES			
Particulars	**Debenture Issued at (in Lakhs)**	**Redemption Value (In Lakhs)**	**Redemption Date**
Non-Convertible Debentures	17,500	31,500	24/03/2027
Non-Convertible Debentures	10,000	23,000	28/09/2029

Note No. 22 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
PROVISIONS		
- Provision for employee benefits	-	-
- Gratuity	72.20	18.66
- Compensated absences	42.60	16.73
Provisions for taxation	-	-
NPA Provisions	5,279.97	3,644.86
Standard Assets	98.66	66.52
Provisioin for TDS On Interest	-	-
Provision for expenses	1,010.91	-
Long Term Provisions	36.41	440.50
Short Term Provisions for Employees Benefits	6.46	73.26
Total	**6,547.22**	**4,260.55**

Note No. 23 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
DEFERRED TAX LIABILITY		
Deferred Tax Liability	184.46	-
Total	**184.46**	**-**

Note No. 24 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
OTHER NON- FINANCIAL LIABILITIES		
Statutory liabilities	78.10	107.98
Total	**78.10**	**107.98**

Note No. 25 (Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
EQUITY SHARE CAPITAL		
Authorised Equity Shares:		
32,000,000 (31 March 2021: 32,000,000) Equity Shares of Rs.10/- each	3,200	3,200
1% Redeemable Optionally Convertible Cumulative Preference Shares of Rs.1,00,000/- Each	1,000	1,000
	4,200	**4,200**
Issued, Subscribed and fully Paid-Up Equity Shares		
31,900,000 (31 March 2021: 31,900,000) Equity Shares of Rs.10/- each	3,190	3,190
Total Equity	**3,190**	**3,190**

(Rs. In lakhs)

Particulars	As at March, 2022	As at March, 2021
(A) RECONCILIATION OF NUMBER OF SHARES		
Balance at the beginning of the year		
Equity Shares	3,19,00,000	3,190
Add: Shares Issued during the year	-	-
Equity Shares	-	-
Balance at the end of the year	-	-
Equity Shares	3,19,00,000	3,190

(B) RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Particulars	As at March, 2022	As at March, 2021
(C) SHARES HELD BY HOLDING COMPANY AND ITS NOMINEES		
Shares Held by Holding / Ultimate Holding Company / Or Their Subsidiaries / Associates	1,00,000	1,00,000

Particulars	As at March, 2022	% of holding	As at March, 2021	% of holding
(D) DETAILS OF SHARES HELD BY SHAREHOLDERS IN THE COMPANY				
EQUITY SHARES:				
Mr. Bharat Jayantilal Patel	-	-	98,84,132	31.00
Mrs. Minal Bharat Patel	1,03,12,711	32.00	70,18,000	22.00
Mr. Hardik Bharat Patel	1,03,12,711	32.00	70,18,000	22.00
Mr. Ruchit Bharat Patel	1,03,12,710	32.00	70,18,000	22.00
M/s. Finquest Securities Private Limited	9,05,960	3.00	9,05,960	3.00

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

For and on behalf of Board of Directors
For Finquest Financial Solutions Private Limited

Sd/-
Raman Hangekar
Partner
M. No. 030615
Place: Mumbai
Date: 22/06/2022

Sd/-
Saurabh A. Patel
MD&CEO
DIN: 02148559

Sd/-
Hardik B. Patel
Director
DIN: 00590663

Sd/-
Akash T. Pandey
Company Secretary
Mem No. A61112

Note No. 27 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021
INTEREST INCOME		
Interest on loans	1,225.05	4,749.31
Less: Interest Income against NPA	-	-
Interest on Bank Guarantee	-	-
Interest on FDR	77.24	65.74
Interest Income	13.79	-
Total	**1,316.07**	**4,815.05**

Note No. 28 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021
DIVIDEND INCOME		
Dividend on Investment	62.74	47.21
Total	**62.74**	**47.21**

Note No. 29 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021
NET GAIN ON FAIR VALUE CHANGES		
Net gain/ (loss) on financial instruments at fair value through profit or loss:	-	-
(i) On trading portfolio	-	-
Investments	-	8,432.91
(ii) On financial instruments designated at fair value through profit or loss	-	(14.58)
Total	**-**	**8,418.32**

Note No. 30 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021
OTHER OPERATING INCOME		
Gain in part on realisation of Stressed asset	12,576.57	
Profit on sale of Shares and Securities	5,513.47	6,821.61
Processing Charges	577.47	1,501.37
Other	260.76	3,009.39
Total	**18,928.27**	**11,332.36**

Note No. 31 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021
SALE OF GOODS		
Sale of Goods	15,977.10	-
Total	**15,977.10**	**-**

Note No. 32 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021
OTHER INCOME		
Consultation & Advisory Fees	-	
Income From Share in Jobbing-F&O	-	
Gain in part on realisation of Stressed asset	-	-
Interest Income (IND AS)	-	1.08
Miscellaneous Income	-	-
Exchange Gain	2.62	-
Profit/(sale) on Amortisation of Fixed Assets	422.81	-
Excess Liabilities/Provisions Written Back (Net)	58.53	-
Marketing Services Charges	225.00	-
Others	30.11	-
Total	**739.07**	**1.08**

Note No. 33 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021
COST OF MATERIAL CONSUMED		
Cost of materials consumed	14,985.61	-
Opening Stock	185.51	-
Less : Purchase shown as Goods in Transit	(70.86)	-
Add: Purchases	754.08	-
Less: Closing Stock	(108.81)	-
Total	**15,745.53**	**-**

Note No. 34 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021
PURCHASE		
Polyester Tow Purchases	-	70.13
Wool Tops Purchases	-	306.16
Viscose Yarn Purchase	-	5.63
Yarn P/V Purchase	-	0.08
Dyes & Chemicals	-	39.70
General Store Consumables	-	259.90
Packing Materials	-	35.60
Cloth	894.18	-
Fabrics	-	-
Yarn	-	-
Polyester Tops	-	-
Packing Materials	-	-
Other purchases	-	
Total	**894.18**	**717.20**

Note No. 35 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021
CHANGES IN INVENTORIES		
Raw material	42.73	(70.13)
Polyester Tow Purchases	-	(306.16)
Wool Tops Purchases	-	-
Viscose Yarn Purchase	-	-
Yarn P/V Purchase	-	-
Dyes & Chemicals	-	(174.20)
General Store Consumables	-	(24.88)
Packing Materials	(94.35)	-
Finished Goods	(5,215.29)	-
Work-in-progress	(3,295.11)	-
Stores and Spares	(622.00)	-
Waste/Scrap (Net Realisable Value)	(38.39)	-
Total	**(9,222.42)**	**(575.37)**

Note No. 36 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021
FINANCE COSTS		
Interest on (other than debt securities)	4,074.32	2,559.07
Interest on debt securities	-	-
Cost of goods Sold	-	-
Bank charges	22.96	2.26
Debenture Premium Cost	2,568.47	2,373.32
Total	**6,665.74**	**4,934.64**

Note No. 37 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021
IMPAIRMENT ON FINANCIAL INSTRUMENTS		
Loans	1,667.25	-
Provision against non-performing assets (net)	1,635.11	-
Bad Debts	-	-
Contingent Provision against Standard Assets	32.14	-
Investments	-	-
Others	-	-
Total	**1,667.25**	-

Note No. 38 **(Rs. In lakhs)**

Particulars	As at March, 2022	As at March, 2021
NET LOSS ON FAIR VALUE CHANGES		
Gain on fair value (Investment) Trading portfolio	747.44	-
Loss on Fair value (Investments)	762.74	-
Total	**15.30**	-

Note No. 39 **(Rs. In lakhs)**

Particulars	**As at March, 2022**	**As at March, 2021**
Employee benefit expenses		
Salaries, bonus and commission	3,924.91	746.50
Contribution to Provident and other funds	370.04	65.89
Staff welfare expenses	174.46	3.08
Gratuity Expense	42.07	12.39
Leave Encashment expenses	42.03	15.50
Exgratia	109.95	17.65
Total	**4,663.45**	**861.02**

Note No. 40 **(Rs. In lakhs)**

Particulars	**As at March, 2022**	**As at March, 2021**
OTHER EXPENSES		
Audit Fees	22.82	5.22
Manufacturing Expenses	3,142.51	
Franking/ Stamping Charges	0.05	-
Legal & Professional Fees	278.42	230.70
Loan Syndication fees	-	-
Printing & Stationery	28.37	2.22
Business Development Expenses	-	-
ROC Filing fees	0.35	7.78
Conveyance Expenses	54.68	5.99
Donations	285.00	160.00
Office Expenses	53.29	22.50
Rent	58.04	0.63
NCD Issuance and Listing Charges	-	0.06
Membership and Subscription fee	-	19.36
Other Expenses	88.59	-
Interest on Profession Tax	15.02	-
Provision for Doubtful Debts	-	0.03
Profession Tax	0.03	-
Stamp Duty and registration	-	(39.08)
Gratuity and Leave Encashmemt Provision	(0.82)	-
GST credit on RCM	34.16	7,680.25
Security Charges	-	36.55
Fuel Reimbursement expenses	-	9.14
Power & Fuel	250.13	476.96
Weaving Charges	-	48.32
Packing charges	12.73	5.16
Repairs and maintenance expenses	131.22	30.89
Water Charges	-	5.01
Canteen expenses	-	13.46
Freight Charges	47.11	2.47
Rent	22.59	1.87
Guest House maintenance	10.16	6.00
House Keeping expenses	5.31	2.30
Insurance Expenses	63.52	14.32
Transportation for employees	148.24	26.41
Communication expenses	2.62	0.70
Recruitment expenses	-	0.43
Advertisement and publicity expenses	52.47	0.17
Loss on disposal of Fixed Assets	-	-
Freight & other Selling Expenses	-	-
Miscellaneous Expenses	39.29	-
Stores and Spares consumed	229.14	-
Processing Expenses	149.83	-
Directors Fees	4.10	-
Rates & Taxes	96.08	-
Brokerage, Rebate, Discount & Commission	85.28	-
Exchange Loss	0.16	-
Bank Charges	2.34	-
Courier Charges	0.78	-
Gst Expenses	14.87	-
Internet & Website Expenses	1.11	-
Agency Commission - Domestic	174.46	-
Lodging & Boarding Expenses	37.09	-
Sales Promotion, Designing & Books	7.34	-
Watch & Ward Expenses	26.66	-
Bad Debt	5,126.74	-
Total	**10,801.87**	**8,775.79**

Payment to Auditors:		
As auditors	20.67	4.47
For taxation matters	1.50	0.75
Reimbursement of expenses	0.64	
Total	**22.81**	**5.22**

Note No. 41 **(Rs. In lakhs)**

Particulars	**As at March, 2022**	**As at March, 2021**
DEFERRED TAXES		
Deferred tax Asset /(Liability)	(623.14)	-
Total	**(623.14)**	**-**

Note No. 42 **(Rs. In lakhs)**

Particulars	**As at March, 2022**	**As at March, 2021**
STATEMENT OF OTHER COMPREHENSIVE INCOME		
(i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	20.50	(5.41)
Equity Instruments through Other Comprehensive Income	-	-
Others (Specify nature)	-	-
Total	**20.50**	**(5.41)**
(ii) Income tax relating to items that will not be reclassified to profit or loss	2.83	(1.84)
Total	**2.83**	**(1.84)**
(iii) Items that will be reclassified to profit or loss	-	-
Total	**-**	**-**
Other Comprehensive Income	**23.33**	**(7.25)**

Note No. 43
Restatement adjustment in Balance Sheet as at March 31, 2020

Sr. No.	Particulars	Audited 2019-20 (In Rs)	Restated Audited 2019-20 (In Rs)	Difference (In Rs)	Reason
1	Debt Securities	2,75,00,00,000	2,89,17,37,892	14,17,37,892	Debt securities are shown at amortized cost in accordance with Ind AS 109
2	Provisions	48,00,23,507	28,53,94,096	-19,46,29,411	Debt securities are shown at amortized cost in accordance with Ind AS 109
3	Retained Earnings	1,01,13,27,773	1,06,42,19,292	5,28,91,519	Net impact in Finance cost due to amortization of Debt Securities in accordance with Ind AS 109

Restatement adjustment in Profit & Loss Account as at March 31, 2020

Sr. No.	Particular	Audited 2019-20 (In Rs)	Restated Audited 2019-20 (In Rs)	Difference (In Rs)	Reason
1	Finance Cost	53,86,32,863	48,57,41,344	-5,28,91,519	Net impact in Finance cost due to amortization of Debt Securities in accordance with Ind AS 109

Restatement adjustment in Balance Sheet as at March 31, 2021

Liability

Sr. No.	Particular	Audited 2020-21 (In Rs)	Restated Audited 2020-21 (In Rs)	Difference (In Rs)	Reason
1	Debt Securities	2,75,00,00,000	3,12,90,69,816	37,90,69,816	Debt securities are shown at amortized cost in accordance with Ind AS 109
2	Provisions	87,84,27,140	37,18,88,866	-50,65,38,274	Debt securities are shown at amortized cost in accordance with Ind AS 109
4	Retained Earnings	1,01,22,10,865	1,98,29,69,922	97,07,59,057	Net impact due to change in opening reserve as per table above and impact of fair valuation of investments and change in finance cost due to amortization of Debt Securities in current financial year also.

Assets

3	Investments	2,91,82,24,042	3,76,15,14,642	84,32,90,600	Impact on Investments due to Fair valuation of Investment in Equity Instruments routed through Profit and Loss account in accordance with Ind AS 109

Restatement adjustment in Profit & Loss Account as at March 31, 2021

Sr. No.	Particular	Audited 2020-21 (In Rs)	Restated Audited 2020-21 (In Rs)	Difference (In Rs)	Reason
1	Finance Cost	56,80,41,227	49,34,64,288	-7,45,76,939	Net impact in Finance cost due to amortization of Debt Securities in accordance with Ind AS 109
2	Investment-Fair Value	-14,58,480.00	84,18,32,120	84,32,90,600	Impact on Investments due to Fair valuation of Investment in Equity Instruments routed through Profit and Loss account in accordance with Ind AS 109

Note No. 44

Employee benefits plans:
Defined Contribution Plans:

(Rs. In lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Digjam Limited	Krihaan Texchem Pvt Ltd	Digjam Limited	Krihaan Texchem Pvt Ltd
Employer's Contribution to Provident Fund	96.16	103.58	69.85	21.90
Employer's Contribution to ESIC	23.52	28.85	17.15	11.94

Gratuity:

Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement whichever is earlier. The benefits vest after five years of continuous service.

The Company has a defined benefit plan for post-employment benefits in the form of Gratuity. Gratuity Benefits liabilities of the company are Unfunded. The Company accounts for gratuity based on an actuarial valuation which is carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method. Since the liabilities are unfunded, there is no Asset-Liability Matching strategy devised for plan.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amount recognised in the Company's financial statement as at the balance sheet date.

(Rs. In lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Digjam Limited	Krihaan Texchem Pvt Ltd	Digjam Limited	Krihaan Texchem Pvt Ltd
Change in present value of obligations				
Liability at the beginning of the year	879.26	12.39	867.99	-
Adjusted through retained earnings	-	-	-	-
Transfer in/ (out) obligation	-	-	-	-
Current service cost	34.74	40.32	34.97	12.39
Interest cost	55.66	0.85	52.43	-
Actuarial losses / (gain)	(35.26)	13.38	28.64	-
Past service cost	-	-	-	-
Benefits paid	(114.49)	-	(104.77)	-
Liability at the end of the year	**819.90**	**66.94**	**879.26**	**12.39**
Expense recognized in the statement of profit and loss				
Current service cost	34.74	40.32	34.97	12.39
Interest cost	55.66	0.85	52.43	-
Past Service Cost	-		-	-
Net gratuity expense	**90.40**	**41.17**	**87.40**	**12.39**
Remeasurements recognized in the OCI				
Actuarial (gain) / loss arising from	(35.26)	13.38	28.64	-
- experience adjustments	(15.59)	14.53	43.94	-
- financial assumptions	(19.67)	(1.15)	(15.30)	-
Actuarial Assumptions				
Discount Rate	6.84%	7.00%	6.33%	6.85%
Salary escalation rate	6.00%	6.00%	6.00%	6.00%
Attrition Rate - Age (Years)				
25 & below	3.00%	10.00%	1.00%	10.00%
25-35	3.00%	8.00%	1.00%	8.00%
35-45	3.00%	6.00%	1.00%	6.00%
45-55	3.00%	4.00%	1.00%	4.00%
55 & above	3.00%	2.00%	1.00%	2.00%
Mortality rate	Indian Assured Life Mortality (2012-14) Ultimate	Indian Assured Life Mortality (2006-08) Ultimate	Indian Assured Life Mortality (2006-08) Ultimate	Indian Assured Life Mortality (2006-08) Ultimate
Retirement Age	60 Years	60 Years	60 Years	60 Years

The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in weighted principal assumption are as below:

(Rs. In lakhs)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Digjam Limited		Krihaan Pvt Ltd	Texchem	Digjam Limited		Krihaan Pvt Ltd	Texchem
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (100 bps movement)	(38.36)	42.30	63.29	70.88	(49.22)	54.92	11.68	13.16
Employee Turnover (100 bps movement)	1.71	(1.86)	65.71	68.18	0.96	(1.05)	12.10	12.69
Salary escalation rate (100 bps movement)	42.23	(39.00)	70.88	63.25	54.55	(49.81)	13.16	11.67

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligations by 100 basis points, keeping all the other actuarial assumptions constant. Although the analysis does not take into account of the full distribution of cash flows expected under the plan, if does provide an approximation of the sensitivity of the assumption shown.

Note No.45
Maturity Analysis of financial liabilities

"The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments."

(Rs. In lakhs)

	As at March 31, 2022			As at March 31, 2021		
	Contractual cash flows			Contractual cash flows		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financial liabilities						
Trade Payables	6,390.70	-	6,390.70	1750.41	1,520.33	3,270.74
Borrowings	45,376.74	1,416.47	46,793.20	32,034.98	442.06	32,477.03
Debt securities	-	33,859.17	33,859.17	-	31,290.70	31,290.70
Other financial liabilities	2,705.65	422.63	3,128.28	403.12	-	403.12

Note No. 46
Related Party disclosures as per IND AS 24:

A. With respect to Company:

Director & Key Managerial Personnel (KMP)	Nature of relationship
Saurabh A. Patel	Managing Director
Hardik B. Patel	Director
Parashiva Murthy B S	Director
Dhiren S. Shah	Independent Director

Relative of Key Managerial Personnel (KMP)	Nature of relationship
Dipti Shah	Relative of Director
Ridhika Saurabh Patel	Relative of Director

Other Related Parties	Nature of relationship
Rubfila International Ltd	Entities under common control
Digjam Limited	Entities under common control
Premier Tissues (India) Limited	Entities under common control
Finquest Properties Private Limited	Entities under common control
Krihaan Texchem Private Limited	Entities under common control
Finquest ARC Private Limited	Entities under common control
Filmquest Entertainment Private Limited	Entities under common control
Krishi Organic Chemicals Industries Pvt. Ltd	Entities under common control
Finquest Commodities Private Limited	Entities under common control
Urvi Holdings Private Limited	Entities under common control
Finquest Wealth Advisory Services Private Limited	Entities under common control
Finquest Capital Services Private Limited	Entities under common control
PAT Holdings Private Limited	Entities under common control
PAT Financial Consultants Pvt Ltd	Entities under common control
Finquest Securities Private Limited	Entities under common control
Sukhwant Properties Private Limited	Entities under common control
Pankh Properties Private Limited	Entities under common control
Jusal Properties Private Limited	Entities under common control
RNT Garments Private Limited	Entities under common control

Transactions with Related Parties of Expense Nature

(Rs. In lakhs)

Interest on Loan	Year ended March 31, 2022	Year ended March 31, 2021
Pasha Finance Pvt Ltd	127.36	186.94
Superior Financial Consultancy Service Private Limited	-	23.16
Premier Tissues India Ltd	-	2.42
Fidelity Multitrade Pvt Ltd	29.61	76.80
Finquest ARC Pvt Ltd	-	-
Finquest Securities Private Limited	-	-
Sukhwant Properties Private Limited	10.50	5.19
Total	**167.48**	**294.50**

Transactions with Related Parties of Revenue Nature

(Rs. In lakhs)

Interest on Loan	Year ended March 31, 2022	Year ended March 31, 2021
Digjam Limited	188.51	-
Krihaan Texchem Private Limited	-	-
Nirmal Realty Private Limited	-	-
RNT Garments Private Limited	-	-
JHP Finvest Private Limited	191.01	191.63
Unideep Properties Private Limited	152.18	26.11
PAT Financial Consultants Pvt Ltd	70.11	-
Total	**601.81**	**217.75**

(Rs. In lakhs)

Transactions with Related Parties of Capital Nature	Nature of transactions	Outstanding as on March 31, 2022	Outstanding as on March 31, 2021
Loan From Directors			
Bharat B. Patel	Unsecured	234.84	103.70
Hardik B. Patel	Unsecured	17.19	302.35
Total		**252.03**	**406.06**
Loan From Other Related Parties			
Ruchit Patel	Unsecured	23.09	30.09
Minal B Patel	Unsecured	34.93	994.93
Pasha Finance Pvt Ltd	Unsecured	-	3,370.97
Finquest Securities Private Limited	Unsecured	29.98	52.00
Fidelity Multitrade Pvt Ltd	Unsecured	-	1,990.97
Superior Financial Consultancy Service Private Limited	Unsecured	-	1.15
Premier Tissues (India) Limited	Unsecured	-	-
Sukhwant Properties Private Limited	Unsecured	-	264.80
Total		**88.00**	**6,704.90**
Loan To Other Related Parties			
Digjam Limited	Unsecured	3,467.39	729.00
Krihaan Texchem Private Limited	Unsecured	760.00	-
Nirmal Realty Private Limited	Unsecured	27.59	26.00
RNT Garments Private Limited	Unsecured	-	-
JHP Finvest Private Limited	Unsecured	-	1,884.75
Unideep Properties Private Limited	Unsecured	-	2,154.28
PAT Financial Consultants Pvt Ltd	Unsecured	-	-
Total		**4,254.98**	**4,794.02**
Loan outstanding as on the last day of the Financial Year		**4,595.01**	**11,904.98**

Amount Provided as Loan to Related Party (Rs. In lakhs)

Interest on Loan	Year ended March 31, 2022	Year ended March 31, 2021
Digjam Limited	2,568.00	729.00
JHP Finvest Private Limited	-	85.60
Krihaan Texchem Private Limited	4,350.00	8,015.00
Unideep Properties Private Limited	2,995.00	2,130.12
Nirmal Realty Private Limited	102.00	26.00
PAT Financial Consultants Pvt Ltd	7,670.00	-
Total	**17,685.00**	**10,985.72**

Amount Received as loan from Related Party **(Rs. In lakhs)**

Interest on Loan	Year ended March 31, 2022	Year ended March 31, 2021
Finquest ARC Pvt Ltd	-	15.00
Finquest Securities Private Limited	118.92	11.81
Sukhwant Properties Private Limited	1.14	260.00
Fidelity Multitrade Pvt Ltd	2.96	-
Pasha Finance Pvt Ltd	12.74	-
Superior Financial Consultancy Service Private Limited	1.15	-
Total	**136.90**	**286.81**

B. With Respect to Subsidiary Digjam Limited

Non-executive Directors are disclosed as Key Managerial Personnel as per the requirement of Ind AS 24. However, they are not KMPs as per the Companies Act, 2013.

List of Related Parties	
Holding & Promoter Company	Finquest Financial Solutions Private Limited

List of Related Parties Entities under common control
Diggers Properties Private Limited
Empire Lubricants Private Limited
Equitable Financial Consultancy Services Pvt Ltd
Fidelity Multitrade Private Limited
Filmquest Entertainment Private Limited
Finquest ARC Private Limited
Finquest Commodities Private Limited
Finquest Securities Private Limited
Finquest Wealth Advisory Services Private Limited
Gracious Properties Private Limited
JHP Finvest Private Limited
JHP Securities Private Limited
Jusal Properties Private Limited
Krihaan Texchem Private Limited
Krishi Organic Chemical Industries Pvt Ltd
Lifestyle Supermarkets Private Limited
Pankaj Cotton Company Private Limited
Pankh Properties Private Limited
Pasha Finance Private Limited
PAT Financial Consultants Private Limited
PAT Holdings Private Limited
Pranav Holdings Private Limited
Premier Tissues (India) Limited
Rubfila International Ltd
Securities Publication (I) Private Limited
Shoprite Mall Private Limited
Shoprite Marketing Private Limited
Sukhwant Properties Private Limited
Unideep Properties Private Limited
Urvi Holdings Private Limited
Superior Financial Consultancy Services Private Limited

Key Managerial Personnel/Directors	Non-Executive Independent Directors
1.	Sri Duraiswamy Gunaseela Rajan
2.	Ms. Sudha Bhushan
3.	Sri Panchapakesan Swaminathan (from June 24, 2021)

Key Managerial Personnel/Directors	Non-Executive Non-Independent Directors
1.	Sri Bharat Jayantilal Patel (Demise on May 29, 2021)
2.	Sri Hardik Bharat Patel
3.	Sri Ajay Kumar Agarwal

Key Managerial Personnel/Directors	Whole Time Director
1.	Sri Ajay Agarwal

Key Managerial Personnel/Directors	Key Managerial Personnel
1.	Sri Ajay Kumar Agarwal, COO (upto May 21, 2020)
2.	Sri Satish Shah, CFO (upto April 10, 2020)
3.	Sri Jatin Jain, Company Secretary (upto November 30, 2020)
4.	Sri Ajay Agarwal, CFO (from June 24, 2021)
5.	Sri Punit A. Bajaj, Company Secretary (from June 24, 2021)

Relative of Directors
Ruchit B Patel
Minal B Patel
Pankaj J Patel
Saurabh A. Patel
Prashant J. Patel
Vishal A. Patel
Shweta H. Patel
Tanvi R. Patel

Post-employment benefit funds	Shree Digvijaya Woollen Mills Limited Employees Gratuity Fund

Transactions with Related Parties:

(Rs. In lakhs)

Related Parties	Nature of Transactions	As at March 31, 2022	As at March 31, 2021
Finquest Financial Solutions Private Limited	Inter-Corporate Borrowing	2,568.00	-
	Non-convertible Redeemable Preference Shares	-	2,700.00
	Maximum outstanding balance (credit) during the year	3,297.00	5,229.00
Krihaan Texchem Private Limited	Purchase of Raw Material	206.66	-
	Income of Processing Charges for Job Charges	59.89	-
Shree Digvijaya Woollen Mills Limited Employees Gratuity Fund	**Contribution to post employment benefit fund (with LIC)**	**5.00**	**130.74**
Sri D. G. Rajan	Sitting Fees	1.55	0.55
Sri P Swaminathan	Sitting Fees	0.80	-
Ms. Sudha Bhushan	Sitting Fees	1.75	0.85
Sri Hardik B. Patel	Travelling Expenses	0.08	-
Sri Ajay Kumar Agarwal	Travelling Expenses	1.87	1.02
Sri Ajay Agarwal	Travelling Expenses	0.09	-
Sri Ajay Kumar Agarwal	Remuneration	-	3.23
Sri Satish Shah	Remuneration	-	1.97
Sri Jatin Jain	Remuneration	-	5.00
Sri Punit A. Bajaj	Remuneration	6.00	-

a) The remuneration exclude gratuity funded through LIC and leave obligation for which contribution/provision are not separately identified. There was no other transaction with them during the aforesaid period.

Balance outstanding at the end of the year:

(Rs. In lakhs)

Related Parties	Nature of Transactions	As at March 31, 2022	As at March 31, 2021
Finquest Financial Solutions Private Limited	Outstanding balance of Loan taken	3,297.00	729.00
Finquest Financial Solutions Private Limited	Non-convertible Redeemable Preference Shares	2,706.21	2,706.21
Krihaan Texchem Pvt. Ltd.	Outstanding balance (credit)	146.77	-
Shree Digvijaya Woollen Mills Limited Employees Gratuity Fund	Contributions outstanding	487.18	459.76
Sri Ajay Kumar Agarwal	Payable	0.09	0.25

C. With respect to subsidiary Krihaan Texchem Private Limited

Names of related parties and related party relationship	
Under control	Finquest Financial Solutions Private Limited

Under the significant control \ influence of Directors \ Shareholders with whom Company has entered into transactions
Fidelity Multitrade Private Limited
Minal B. Patel
PAT Financial Consultants Private Limited

Sr. No.	Key Managerial Personnel/Directors
1.	Aakash Pankaj Patel
2.	Hardik Bharat Patel
3.	Ruchit Bharat Patel
4.	Ajay Agarwal

Relative of Directors
Bharat Jayantilal Patel

Transactions with Related Parties:

(Rs. In lakhs)

Related Parties	Nature of Transactions	As at March 31, 2022	As at March 31, 2021
Finquest Financial Solutions Private Limited	Loan Taken	7,468.50	8,023.50
Fidelity Multitrade Private Limited	Loan Taken	1,685.00	2,000.00
Hardik Bharat Patel	Loan Taken	22,639.50	9,966.01
Ruchit Bharat Patel	Loan Taken	2,400.00	3,000.00
Bharat Patel	Loan Taken	2,031.00	5,702.00
Minal Patel	Loan Taken	5,100.00	-
PAT Financial Consultants Private Limited	Loan Taken	1,875.00	-

(Rs. In lakhs)

Related Parties	Nature of Transactions	As at March 31, 2022	As at March 31, 2021
Finquest Financial Solutions Private Limited	Loan repaid	7,468.50	8,023.50
Fidelity Multitrade Private Limited	Loan repaid	1,685.00	2,000.00
Hardik Bharat Patel	Loan repaid	22,639.50	9,966.01
Ruchit Bharat Patel	Loan repaid	2,400.00	3,000.00
Bharat Patel	Loan repaid	2,031.00	5,702.00
Minal Patel	Loan repaid	5,100.00	-
PAT Financial Consultants Private Limited	Loan repaid	1,875.00	-

(Rs. In lakhs)

Related Parties	Nature of Transactions	As at March 31, 2022	As at March 31, 2021
Finquest Financial Solutions Private Limited	Unsecured Loan	760.00	2,023.50
Fidelity Multitrade Private Limited	Unsecured Loan	1,685.00	2,000.00
Hardik Bharat Patel	Unsecured Loan	24,747.35	8,717.85
Ruchit Bharat Patel	Unsecured Loan	5,400.00	3,000.00
Bharat Patel	Unsecured Loan	1,474.50	4,602.00
Minal Patel	Unsecured Loan	5,100.00	-

Disclosure pursuant to Schedule V of Clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rs. In lakhs)

Disclosures relating Loans and Advances /Investments		
Type of Borrowers	**Amount of loan or advance in the nature of loan outstanding**	**Percentage to the total Loans and Advances in the nature of loans**
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	4,254.98	13.36

(Rs. In lakhs)

Type of Borrowers	As on March 31, 2022		As on March 31, 2021	
	Amount Outstanding	% of Total	Amount Outstanding	% of Total
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	4,254.98	13.36	755.00	2.61
Total	**4,254.98**	**13.36**	**755.00**	**2.61**

Note No. 47

Financial instruments-fair value and risk management
Accounting classification and fair values

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy

Financial instruments measured at amortised cost for which fair values are disclosed.

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities not presented at fair value compared to carrying amounts shown in the financial statement.

As at March 31, 2022

(Rs. In lakhs)

ASSETS	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Cash and cash equivalents	-	-	8,601.25	8,601.25	8,601.25
Loans and advances	-	-	-	-	27,799.14
Investments	18,014.56		1,860.07	19,874.63	19,874.63
Trade receivables	-	-	5,754.51	5,754.51	5,754.51
Other financial assets	-	-	-	-	1,126.28

(Rs. In lakhs)

LIABILITIES	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Payables	-	-	6,391	6,391	6,391
Borrowings (other than debt securities)	-	-	46,793	46,793	46,793
Debt securities -Non-Convertible Debentures	-	-	33,859	33,859	33,859
Other financial liabilities	-	-	-	-	-

As at March 31, 2021

(Rs. In lakhs)

ASSETS	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Cash and cash equivalents	-	-	2,068.82	2,068.82	2,068.82
Loans and advances			28,209.34	28,209.34	28,209.34
Investments	19,000.60		14,113.55	33,114.15	33,114.15
Trade receivables	-	-	160.56	160.56	160.56
Other financial assets	-	-	1,179.89	1,179.89	1,179.89

(Rs. In lakhs)

LIABILITIES	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Payables	-	-	2,943.25	2,943.25	2,943.25
Borrowings (other than debt securities)	-	-	35,912.24	35,912.24	35,912.24
Debt securities -Non-Convertible Debentures	-	-	33,859.17	33,859.17	33,859.17
Other financial liabilities	-	-	842.60	842.60	842.60

Short-term financial assets and liabilities

Short-term financial assets and liabilities for financial assets and financial liabilities that have a short-term maturity (less than twelve months), the fair value are reasonable approximation of their carrying cost. Such instruments include cash & bank balances, short term borrowings and trade receivables & trade payables without a specific maturity. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances

The fair values of loans and advances are estimated by discounted cash flow models. For fixed rate loans, the fair value represents the discounted value of the expected future cashflow. For floating rate interest loans, the discounted value of the expected cash flows represents the carrying amount of the loans.

Borrowing & Debt Securities

Non-convertible debentures have been valued based on amortized cost.

Note No. 48

FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from financial instruments:
- Credit risk
- Liquidity risk
- Market risk (currency risk)

This note presents information about the Company's objectives, policies and processes for measuring and managing risk.

Risk management framework:

The Board has the overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities

A. CREDIT RISK:

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

I. **Credit risk management approach**
The Company performs necessary due diligence on dealers viz. financial analysis, background checks, CIBIL, grading etc to arrive at sanctioning of limit. The Company follows the grading tool used by the group globally where certain qualitative and quantitative factors are considered to arrive at grading which helps in ascertaining the probability of default ‘PD’ of a particular client. This is used for decision making on limit sanction and precautions to be undertaken for a said client.

II. **Expected credit loss**
Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The Company measures ECL based out of a probability based outcome using a multiple scenario approach such as Best Case, Base Case & Worst Case and assigning weightages to each of the scenario.

Definition of Default

The Company’s definition of default is aligned with regulatory guidelines issued by RBI and internal credit risk management practices.

The Company considers a financial asset to be in default when:

"-the borrower is unlikely to pay its credit obligations to the company in full, without recourse to actions such as realising security (if any is held); or
-the financial asset is 90 days or more past due
-identified by the management as such "

The Company's internal rating and PD estimation process

Probability of default (PD) is a key risk parameter in the ECL calculations. It is defined as the likelihood that a counterparty will not be able to meet its debt obligations in the future. A 12 months marginal PD is applied for all Stage 1 assets and a lifetime PD is applied for all Stage 2 and Stage 3 assets.

The company uses historical data to arrive at PDs which is based on rating Internal Rating Transition matrix and Roll Rate Estimation basis for its loans portfolios.

For arriving at PDs the company also takes into account relevant macro-economic factors both current and forecasted and use statistical model to arrive at the forecasted PDs.
The Company combines exposures that exhibit similar behaviour into pools based on identified risk drivers so that counterparties are behaviourally homogenous within pools and heterogeneous across pools. To do so, the Company relies on industry practices and expert judgement.

Exposure at Default
Exposure at default (EAD) is estimation of the extent that the Company is exposed to borrower in the event of default. EAD is arrived at take into account any expected changes in the exposure after the assessment date.

EAD in the case of facilities with no limits will be the outstanding exposure which will be calculated as principal + Due interest + Interest accrued but not due (as on reporting date). To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

The Company determines EADs by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios. The Ind AS 109 PDs are then assigned to each economic scenario based on the outcome of Company's models.

Loss Given Default (LGD)
Loss given default (LGD) is defined as the forecasted economic loss in case of default. LGD computation is based on the Company's losses on defaulted accounts after consideration of recovery percentages. LGD computation is independent of the assessment of credit quality and thus applied uniformly across all stages.

The company computes LGD taking into account the value of collaterals and experience of past recovery from the defaulted cases. The recoveries are adjusted with time period delay and direct cost involved. Under Ind AS 109, LGD rates are estimated for the Stage 1, Stage 2 and Stage 3 segment of each asset class. These are repeated for each economic scenario as appropriate.
When assessing forward-looking information, the expectation is based on multiple scenarios. Examples of key inputs involve changes in, collateral values including property prices for mortgages, payment status or other factors that are indicative of losses.

Significant in Credit Risk (SICR)
The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. At each reporting date, the company assesses whether the credit risk on a financial instrument has increased significantly since its initial recognition. To make the assessment, Company considers available quantitative and qualitative information and also considers the company's historical experience and expert credit assessment.

Besides, the company also recognized SICR based on factors such as internal rating of borrowers, sector or segment collectively assessed to have SICR, high risk events/attributes of client (bankruptcy etc.)

Write off
Financial assets are written off when there is no realistic prospect of recovery. This is generally the case when the company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Company's procedures for recovery of amounts due.

B. LIQUIDITY RISK:

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises from mismatches in the timing of amounts of cash flows, which is inherent to the nature of Company's operations. Liquidity risk could lead to situations where the Company needs to raise funds and/or assets need to be liquidated under unfavorable market conditions. Measuring and managing liquidity needs are vital for effective operation of the Company by assuring the ability to meet its liabilities as they become due.

The liquidity risk can be either (i) institution specific or (ii) market specific.

i. Liquidity risk management

"Liquidity has to be tracked through maturity or cash flow mismatches. For measuring and managing net funding requirements, the use of a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates is adopted as a standard tool commonly referred to as Structural Liquidity. The Maturity Profile are used for measuring the future cash flows of the company in different time buckets. The time buckets distributed considered are as per RBI guidelines and monitored by Asset Liability management Committee (ALCO).

The Statement of Structural Liquidity is prepared by placing all cash inflows and outflows in the maturity ladder according to the expected timing of cash flows. A maturing liability will be a cash outflow while a maturing asset will be a cash inflow.

The Company strives to manage the negative gap (i.e., where outflows exceed inflows) in the particular time-bucket and cumulative gap up to selected maturity period should not exceed the prudential limits approved by the Board. The prudential limits for individual time buckets are based on a percentage of outflows of each time-bucket and the limit for the cumulative gaps are based on the percentage of cumulative gap to cumulative cash outflows up to the period.

To manage the liquidity risk the company also has lines of credit from various banks including backstop facilities in the form of committed lines measured in the form of “no of day these back stop lines will fund the unforeseen liquidity event” of potential and unexpected business disruption due to unforeseen liquidity distress and cover debt capital market exposure. This is monitored as “Days until alternative funding” by the company.

In order to enable the company to monitor its short-term liquidity on a dynamic basis over a time horizon spanning from 1 day to 6 months, short-term liquidity profiles is estimated on the basis of business projections and other commitments for planning purposes which is effectively used as a predictive tool for its future ALM requirements."

ii. Maturity Analysis of financial Assets & liabilities

Please refer note no. 35 for maturity analysis.

C. FOREIGN CURRENCY RISK:

Currency risk is the risk that the value of an receivable/ payable will fluctuate due to changes in foreign exchange rates. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency (INR).

I. Currency risk management

The company does not have any material foreign currency transactions that would significantly impact the profitability of the company.

II. Exposure to currency risk

There is no exposure to currency risk

D. INTEREST RATE RISK:

Interest rate risk is defined as the adverse impact of the interest rates movements on the financial condition of the company. The immediate impact of changes in interest rates is on the company earnings by changing its Net Interest Income (NII). A long-term impact of changing interest rates is on company’s Market Value of Equity (MVE) or Net Worth as the economic value of the assets, liabilities and off-balance sheet positions get affected due to variation in market interest rates. The interest rate risk when viewed from these two perspectives is known as 'earnings perspective' and 'economic value perspective', respectively.

Sources of Risk

a) **Repricing risk:** The Company encounters interest rate risk in several ways, the primary form of interest rate risk arises from timing differences in the maturity (for fixed rate) and repricing (for floating rate) of the company’s assets, liabilities positions.

b) **Yield curve risk:** Repricing mismatches can also expose the company to changes in the slope and shape of the yield curve. Yield curve risk arises when unanticipated shifts of the yield curve have adverse effects on the company’s income or underlying economic value.

c) **Basis risk:** Basis risk arises from imperfect correlation in the adjustment of the rates earned and paid on different instruments with otherwise similar repricing characteristics.

i. Interest rate risk management

"The GAP Analysis approach is be followed to measure the interest rate risk:

The GAP or mismatch risk is measured by calculating gaps over different time intervals as at a given date. Gap analysis measures mismatches between rate sensitive liabilities and rate sensitive assets. An asset or liability is normally classified as rate sensitive if:

– within the time interval under consideration, there is a cash flow;
– the interest rate resets/reprices contractually during the interval;
– it is contractually pre-payable or withdrawable before the stated maturities;
– It is dependent on the changes in the Bank Rate by RBI or market products."

The Gap report is be generated by grouping rate sensitive liabilities, assets and off-balance sheet positions into time buckets according to residual maturity or next re-pricing period, whichever is earlier. All investments, advances, deposits, borrowings, purchased funds, etc. that mature/re-price within a specified time-frame are interest rate sensitive. Similarly, any principal repayment of loan is also rate sensitive if the company expects to receive it within the time horizon. This includes final principal repayment and interim instalments. Certain assets and liabilities carry floating rates of interest that vary with a reference rate and hence, these items get re-priced at pre-determined intervals. Such assets and liabilities are rate sensitive at the time of re-pricing.

The Company measures its interest rate exposure to reduce the risk of loss due to interest rate exposure through the following:

1. Set and monitor the threshold levels of KRI on monthly basis
2. Monitor Interest rate sensitivity as prescribed by RBI under IRS return
3. Analyze earnings at risk caused by an upward shift in the yield curve (100 bps parallel shift)
4. Computes and monitors square hedge rate

Management draws comfort from the fact that most of the assets and liabilities of the company create natural interest rate hedge for the company to an extent.

ii. Exposure to interest rate risk

The exposure of the Company to interest rate risk as at March 31, 2022 and March 31, 2021 are as below:

(Rs. In lakhs)

Particulars	**March 31, 2022**	**March 31, 2021**
Interest bearing assets	31,856.14	28,938.34
Loans (A)	-	-
Interest bearing liabilities	-	-
Borrowings (B)	0.00	0.13
Variable rate borrowings	-	-
Fixed rate borrowings	368.28	12,521.15
Net exposure (A-B)	**31,856**	**28,938**

Sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. In lakhs)

Particulars	**Impact on profit after tax**		**Impact on other components of equity**	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
100bps upward shift in yield curve	318.56	289.38	314.88	164.17

Note No. 49

DISCLOSURE UNDER THE MSME ACT 2006

Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

(Rs. In lakhs)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
The principal amount remaining unpaid to supplier as at the end of the year	24.33	1.78
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
"The amount of interest due and payable for the year of delay in making payment	-	-
(which have been paid but beyond the appointed day during the year) but without	-	-
adding the interest specified under this Act"	-	-

Note No. 50

ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III OF THE ACT:

a) Title deeds of immovable properties not held in name of the company:

The title deeds of all the immovable properties as disclosed in notes to the financial statements, are held in the name of the Company.

b) Valuation of PP&E and Intangible Assets:

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

c) Details of benami property held:

No benami property is held by the Company accordingly no proceedings are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

d) Borrowing secured against current assets:

The Company does not have borrowings from banks or financial institutions on the basis of security of current assets.

e) Wilful defaulter:

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

f) Relationship with struck off companies:

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

g) Registration of charges or satisfaction with Registrar of Companies:

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

h) Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under the Act.

i) Compliance with approved scheme(s) of arrangements:

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

j) Utilisation of borrowed funds and share premium:

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

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries."

B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries."

k) Undisclosed income:

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

l) Details of crypto currency or virtual currency:

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

Note No. 51

MOVEMENT IN PROVISION

(Rs. In lakhs)

Particulars	As at March 31, 2022	Additional Provision made during the year	Utilisation/reversal during the year	As at March 31, 2021
Provision for employee benefits	-	-		-
Gratuity	18.66	53.54	-	72.20
Compensated absences	16.73	25.87	-	42.60
Provisions for taxation	-	-	-	-
NPA Provisions	3,644.86	1,635.11	-	5,279.97
Standard Assets	66.52	32.14	-	98.66
Provision for TDS On Interest	-	-	-	-
Provision for expenses	-	1,010.91	-	1,010.91
Long Term Provisions	440.50		(404.10)	36.41
Short Term Provisions for Employees Benefits	73.26		(66.81)	6.46
TOTAL	**4,260.55**	**2,757.58**	**(470.90)**	**6,547.22**

(Rs. In lakhs)

Particulars	As at March 31, 2020	Additional Provision made during the year	Utilisation/reversal during the year	As at March 31, 2021
Provision for employee benefits	-	-		-
Gratuity	23.43		(4.77)	18.66
Compensated absences	31.56		(14.83)	16.73
Provisions for taxation	-	-		-
NPA Provisions	2,541.58	1,103.28		3,644.86
Standard Assets	257.37		(190.84)	66.52
Provision for TDS On Interest	-	-		-
Provision for expenses	-	-		-
Long Term Provisions	-	440.50		440.50
Short Term Provisions for Employees Benefits	-	73.26		73.26
TOTAL	**2,853.94**	**1,617.05**	**(210.44)**	**4,260.55**

Note No. 52

ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

Name of the Entity	Share in Net Assets				Share in Profit & Loss			
	March 31, 2022		March 31, 2021		March 31, 2022		March 31, 2021	
Parent	**As a % of consolidated net assets**	**Amt (in Lakhs)**	**As a % of consolidated net assets**	**Amt (in Lakhs)**	**As a % of consolidated net assets**	**Amt (in Lakhs)**	**As a % of consolidated net assets**	**Amt (in Lakhs)**
Finquest Financial Solution Private Limited	53.02%	17,592.86	75.45%	17,789.70	178.05%	3,129.56	119.13%	9,194.76
Subsidiaries:								
Krihaan Texchem Private Limited (100%)	16.87%	5,599.48	-6.31%	(1,486.60)	-84.75%	(1,489.59)	-19.13%	(1,476.59)
Digjam Ltd. (90%)	30.11%	9,992.16	30.85%	7274.72	6.70%	117.70	-	-

Name of the Entity	Share in other comprehensive income				Share in total comprehensive income			
	March 31, 2022		March 31, 2021		March 31, 2022		March 31, 2021	
Parent	**As a % of consolidated net assets**	**Amt (in Lakhs)**	**As a % of consolidated net assets**	**Amt (in Lakhs)**	**As a % of consolidated net assets**	**Amt**	**As a % of consolidated net assets**	**Amt (in Lakhs)**
Finquest Financial Solution Private Limited	6.87%	1.60	100%	(7.25)	175.81%	3,131.16	119.15%	9,187.51
Subsidiaries:								
Krihaan Texchem Private Limited (100%)	-42.94%	(10.02)	-	-	8.39%	149.44	-	-
Digjam Ltd. (90%)	136.07%	31.74	-	-	-84.20%	(1,499.60)	-19.15%	(1,476.59)

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
ICAI Firm Registration No. 101048W

For and on behalf of Board of Directors
For Finquest Financial Solutions Private Limited

Sd/-
Raman Hangekar
Partner
M. No. 030615

Sd/-
Saurabh A. Patel
MD&CEO
DIN: 02148559

Sd/-
Hardik B. Patel
Director
DIN: 00590663

Sd/-
Akash T. Pandey
Company Secretary
Mem No. A61112

Place: Mumbai
Date: 22/06/2022

1. SIGNIFICANT ACCOUNTING POLICIES

I. Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. The Company has adopted Ind AS from April 1, 2019, with effective transition date as April 1, 2018. These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the Act). The Company has consistently applied accounting policies to all the periods. The transition was carried out from Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note no 32.

II. Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (Non-Current) is presented in notes to the financial statements.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances

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

III. Basis of preparation and presentation

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time of entering into the transaction.

Measurement of fair values:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value for measurement and/or disclosure purposes for certain items in these financial statements is determined considering following methods:

Items	Measurement basis
Certain financial assets and liabilities (including derivatives instruments)	Fair value
Net defined benefit (asset)/liability	Fair value of planned assets less present value of defined benefit obligations
Property plant and equipment	Value in use under Ind AS 36

IV. Principles of Consolidation

The consolidated financial statements relate to Finquest Financial Solutions Pvt Ltd (the Company) and the Company's share of profit / loss in its subsidiary. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of subsidiary used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2022 or upto the date on which it ceased to be an subsidiary of the Company whichever is earlier.

b) The consolidated financial statements include the share of profit/ (loss) of subsidiary company, which have been accounted for as per Ind AS 110 (Consolidated Financial Statements).

The consolidated financial statements comprise the financial statements of the company, its subsidiaries (being the entity that it controls) and its Associate as at 31st March 2022. Control is evidenced when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the Group’s accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st March.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent’s investment in each subsidiary and the parent’s portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions. Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any noncontrolling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

Particulars of consolidation

The financial statements of the following subsidiaries/ associates (all incorporated in India) have been considered for consolidation

Name of the company	**% of voting power as at March 31, 2022**	**% of voting power as at March 31, 2021**
Krihaan Texchem Private LImited	100	100
Digjam Private Limited	90	90

Investment in an Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equal or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the impairment loss with respect to the Group's investment in an associate.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

a) **Level 1:** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
b) **Level 2:** inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
c) **Level 3:** inputs are unobservable inputs for the valuation of assets or liabilities that the Company can access at measurement date.

V. Use of estimates and judgements

The preparation of financial statements requires the management of the group to make judgements, assumptions and estimates that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses for the reporting period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed as applicable in the respective notes to accounts. Accounting estimates could change from period to period. Future results could differ from these estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Judgements:

Information about judgements made in applying accounting policies that have a most significant effect on the amount recognised in the consolidated financial statements is included following notes:

Point ix Classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2021 is included in the following notes:

Note 10 & 23: Recognition of deferred tax assets: availability of future taxable profit against which carry forward deferred tax asset can be set off.

Note 11 & 12: Useful life of property, plant, equipment and intangibles.

Notes 22: Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Note 36: Impairment of financial instruments: key assumptions used in estimating recoverable cash flows.

Note 29 & 37 – determination of the fair value of financial instruments with significant unobservable inputs.

Note 42 – measurement of defined benefit obligations: key actuarial assumptions.

VI. Interest

Interest income and expense are recognised using the effective interest method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial asset or amortised cost of the financial liability.

The calculation of the EIR includes all fees paid or received that are incremental and directly attributable to the acquisition or issue of a financial asset or liability.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets {i.e. at the amortised cost of the financial asset after adjusting for any expected credit loss allowance (ECLs)}. The Company assesses the collectability of the interest on credit impaired assets at each reporting date. Based on the outcome of such assessment, the Interest income accrued on credit impaired financial assets are either accounted for as income or written off as per the write off policy of the Company. The interest cost is calculated by applying the EIR to the amortised cost of the financial liability.

Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

VII. Income from services and distribution of financial products

Revenue from brokerage is recognised when the service is performed. Revenue is net of applicable indirect taxes and sub-brokerage.

VIII. Dividend income

Income from dividend on investment in equity shares of corporate bodies and units of mutual funds is accounted when the group's right to receive dividend is established.

IX. Financial Instruments

Financial assets and financial liabilities are recognised in the group's balance sheet on settlement date when the group becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value.

Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit or Loss.

If the transaction price differs from fair value at initial recognition, the group will account for such difference as follows:

a) if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (i.e. day 1 profit or loss);

b) in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Financial assets Classification

On initial recognition, depending on the group's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

1) amortised cost;

2) fair value through other comprehensive income (FVTOCI); or

3) fair value through profit and loss (FVTPL).

Initial recognition and measurement

Financial asset is recognised on settlement date initially at cost of acquisition net of transaction cost and income that is attributable to the acquisition of the financial asset. Cost equates the fair value on acquisition. Financial asset measured at amortised cost and Financial measured at fair value through other comprehensive income is presented at gross carrying value in the Financial statements. Unamortised transaction cost and incomes and impairment allowance on Financial asset is shown separately under the heading Other non-financial asset, Other non-financial liability and Provisions respectively.

Assessment of Business model

An assessment of the applicable business model for managing financial assets is fundamental to the classification of a financial asset. The group determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The group could have more than one business model for managing its financial instruments which reflect how the group manages its financial assets in order to generate cash flows. The group's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The group considers all relevant information available when making the business model assessment. The group takes into account all relevant evidence available such as:

1) how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel and board of directors;
2) the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
3) how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

4) At initial recognition of a financial asset, the group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The group reassesses its business models each reporting period to determine whether the business model/(s) have changed since the preceding period. For the current and prior reporting period the group has not identified a change in its business model.

Based on the assessment of the business models, the group has identified the three following choices of classification of financial assets:

a) Financial assets that are held within a business model whose objective is to collect the contractual cash flows (Asset held to collect contractual cash-flows), and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are measured at amortised cost;
b) Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, (Contractual cash flows of Asset collected through hold and sell model) and that have contractual cash flows that are SPPI, are measured at FVTOCI.
c) All other financial assets (e.g. managed on a fair value basis, or held for sale) and equity investments are measured at FVTPL.

Financial asset at amortised cost

Amortised cost of financial asset is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g., if there are repayments of principal).

Investment in equity, security receipt, mutual fund, non-cumulative redeemable preference shares and cumulative compulsorily convertible preference shares

Investment in equity, security receipt, mutual fund, non-cumulative redeemable preference shares and cumulative compulsorily convertible preference shares are classified as FVTPL and measured at fair value with all changes recognised in the statement of profit and loss. Upon initial recognition, the group, on an instrument-by-instrument basis, may elect to classify equity instruments other than held for trading either as FVTOCI or FVTPL. Such election is subsequently irrevocable. If FVTOCI is elected, all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the gains or losses from OCI to the statement of profit and loss, even upon sale of investment. However, the group may transfer the cumulative gain or loss within other equity upon realisation.

Investment in associates:

The group has elected to measure Investment in associates at cost.

Reclassifications within classes of financial assets

A change in the business model would lead to a prospective re-classification of the financial asset and accordingly the measurement principles applicable to the new classification will be applied. During the current financial year and previous accounting period there was no change in the business model under which the group holds financial assets and therefore no reclassifications were made.

Impairment of Financial Assets

The group is required to recognise expected credit losses (ECLs) based on forward-looking information for all financial assets at amortised cost, lease receivables, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. No impairment loss is applicable on equity investments.

At the reporting date, an allowance (or provision for loan commitments and financial guarantees) is required for the 12 Month ECLs. If the credit risk has significantly increased since initial recognition (Stage 1), an allowance (or provision) should be recognised for the lifetime ECLs for financial instruments for which the credit risk has increased significantly since initial recognition (Stage 2) or which are credit impaired (Stage 3).

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD). The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The group applies a three-stage approach to measure ECL on financial assets accounted for at amortised cost and FVOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

1. Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. Exposures with days past due (DPD) less than or equal to 29 days are classified as stage 1. The group has identified zero bucket and bucket with DPD less than or equal to 29 days as two separate buckets.

2. Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Exposures with DPD equal to 30 days but less than or equal to 89 days are classified as stage 2. At each reporting date, the group assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The group has identified cases with DPD equal to or more than 30 days and less than or equal to 59 days and cases with DPD equal to or more than 60 days and less than or equal to 89 days as two separate buckets.

3. Stage 3: Lifetime ECL – credit impaired

Financial asset is assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial asset that have become credit impaired, a lifetime ECL is recognised on principal outstanding as at period end. Exposures with DPD equal to or more than 90 days are classified as stage 3.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. ECL is recognised on EAD as at period end. If the terms of a financial asset are renegotiated or modified due to financial difficulties of the borrower, then such asset is moved to stage 3, lifetime ECL under stage 3 on the outstanding amount is applied.

The group assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

1. Quantitative test: Accounts that are 30 calendar days or more past due move to Stage 2 automatically. Accounts that are 90 calendar days or more past due move to Stage 3 automatically.

2. Qualitative test: Accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring. High risk customers may not be in arrears but either through an event or an observed behaviour exhibit credit distress.

3. Reversal in Stages: Exposures will move back to Stage 2 or Stage 1 respectively, once they no longer meet the quantitative criteria set out above.

For exposures classified using the qualitative test, when they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met.

The definition of default for the purpose of determining ECLs has been aligned to the Reserve Bank of India definition of default, which considers indicators that the debtor is unlikely to pay and is no later than when the exposure is more than 90 days past due. The group continues to incrementally provide for the asset post initial recognition in Stage 3, based on its estimate of the recovery.

In line with the above policy, the group has thus fully provided for/ written off the entire receivables in the current financial year as per table below:

Product	Overdue criteria
Loan against property	15 months and above
Construction equipment, auto, commercial vehicles, two wheeler and personal loan	10 months and above
Consumer durables	5 months and above

The measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions and reasonable and supportable forecasts. The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives, and estimation of EAD and assessing significant increases in credit risk.

Impairment of Trade receivable and Operating lease receivable

Impairment allowance on trade receivables is made on the basis of life time credit loss method, in addition to specific provision considering the uncertainty of recoverability of certain receivables.

Modification and De-recognition of financial assets Modification of financial assets:

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness). Such accounts are classified as stage 3 immediately upon such modification in the terms of the contract. Not all changes in terms of loans are considered as renegotiation and changes in terms of a class of obligors that are not overdue is not considered as renegotiation and is not subjected to deterioration in staging.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

1) the rights to receive cash flows from the asset have expired, or

2) the Company has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

Write-off

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Company's internal processes and when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the loan. For loans that are individually assessed for impairment, the timing of write off is determined on a case-by-case basis. A write-off constitutes a de-recognition event. The Company has right to apply enforcement activities to recover such written off financial assets. Subsequent recoveries of amounts previously written off are credited to the income statement.

Presentation of ECL allowance for financial asset:

<table>
<tr><th>Type of Financial asset</th><th>Disclosure</th></tr>
<tr><td>Financial asset measured at amortised cost</td><td rowspan="2">shown separately under the head provisions and not as a deduction from the gross carrying amount of the assets</td></tr>
<tr><td>Financial assets measured at FVTOCI</td></tr>
<tr><td>Loan commitments and financial guarantee contracts</td><td>shown separately under the head provisions</td></tr>
</table>

Where a financial instrument includes both a drawn and an undrawn component and the Company cannot identify the ECL on the loan commitment separately from those on the drawn component, the Company presents a combined loss allowance for both components under provisions .

Financial liability, Equity and Compound Financial Instruments Financial liabilities and equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the group or a contract that will or may be settled in the group’s own equity instruments and is a non-derivative contract for which the group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the group’s own equity instruments.

Classification

The group classifies its financial liability as Financial liability at amortised cost except for financial liability at fair value through profit and loss (FVTPL).

Initial recognition and measurement

Financial liability is recognised initially at cost of acquisition net of transaction costs and incomes that is attributable to the acquisition of the financial liability. Cost equates the fair value on acquisition. group may irrevocably designate a financial liability that meet the amortised cost as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

De-recognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the group’s own equity instruments is an equity instrument.

No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group’s own equity instruments.

Compound instruments

The component parts of compound instruments (e.g. cumulative compulsorily convertible preference shares CCCPS) issued by the group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital and share premium. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain/loss is recognised in profit or loss upon conversion or expiration of the conversion option.

A Cumulative Compulsorily Convertible Preference Shares (CCCPS), with an option to holder to convert the instrument into variable number of equity shares of the entity upon redemption is classified as a financial liability and dividend including dividend distribution tax is accrued on such instruments and recorded as finance cost.

Cash, Cash equivalents and bank balances

Cash, Cash equivalents and bank balances include fixed deposits, margin money deposits, and earmarked balances with banks are carried at amortised cost. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

X. Property, plant and equipment

a. Tangible

Tangible property, plant and equipment (PPE) acquired by the Company are reported at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. The acquisition cost includes any cost attributable for bringing asset to its working condition net of tax/duty credits availed, which comprises of purchase consideration, other directly attributable costs of bringing the assets to their working condition for their intended use. PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

b. Capital work-in-progress

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as capital work-in-progress and carried at cost, comprising direct cost, related incidental expenses and attributable interest.

c. Intangible

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Expenses on software support and maintenance are charged to the Statement of Profit and Loss during the year in which such costs are incurred.

d. Depreciation and Amortisation

Depreciable amount for tangible property, plant and equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value. The residual value of each asset given on Operating lease is determined at the time of recording of the lease asset. If the residual value of the Operating lease asset is higher than 5%, the group has a justification in place for considering the same.

Depreciation on tangible property, plant and equipment deployed for own use has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Buildings, Computer Equipment networking assets, electrical installation and equipment and Vehicles, in whose case the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc. Depreciation on tangible property, plant and equipment deployed on operating lease has been provided on the straight-line method over the primary lease period of the asset. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation for additions to/deductions from, owned assets is calculated pro rata to the remaining period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life. All capital assets with individual value less than Rs. 5,000 are depreciated fully in the year in which they are purchased.

Purchased software / licenses are amortised over the estimated useful life during which the benefits are expected to accrue, while Goodwill if any is tested for impairment at each Balance Sheet date. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis. Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset’s revised carrying amount over its remaining useful life.

Estimated useful life considered by the group are:

Asset	**Estimated Useful Life**
Furniture and Fixtures	Owned: 10 years
Computer Equipment	Owned: 3 to 4 years
Office Equipment	Owned: 5 years
Vehicles	Owned: 8 years
Software Licenses	Owned: 1 to 10 years
Buildings	25 years
Plant & Machinery	Owned: 10 years

f. Reclassification to Investment property

Properties held to earn rentals and/or capital appreciation are classified as Investment properties and measured and reported at cost, including transaction costs. When the use of an existing property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognised in the Statement of Profit and Loss in the same period.

g. Impairment of assets

Upon an observed trigger or at the end of each accounting year, the group reviews the carrying amounts of its PPE, investment property and intangible asset to determine whether there is any indication that the asset have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

h. De-recognition of property, plant and equipment and intangible asset

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the 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 profit or loss. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

XI. Non-Current Assets held for sale:

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

The group has a policy to make impairment provision at one third of the value of the Asset for each year upon completion of three years upto the end of five years.

XII. Employee Benefits

Defined employee benefits include provident fund, superannuation fund, employee state insurance scheme.

Defined contribution benefits includes gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The eligible employees of the group are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the group make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss in the year in which they occur. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the group. The group is generally liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the employee provident scheme, 1952 is recognised as an expense in the year in which it is determined.

The group's contribution to superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long term service awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

Share based payment transaction

The stock options of the Parent group is granted to employees pursuant to the group's Stock Options Schemes, are measured at the fair value of the options at the grant date. The amount recognised as expense is based on the estimate of the number of options for which he related service and non-market and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of options that do meet the related service and non-market vesting conditions at the vesting date. For share-based options with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as an expense in respect of such grant is transferred to the general reserve within other equity, which a free reserve in nature.

XIII. Securities premium account

The group records premium on account of

1. On issuance of new equity shares;

2. On conversion of CCCPS into equity shares

The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

XIV. Foreign currencies transactions

Transactions in currencies other than the group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year end. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

XV. Operating Segments

The group's main business is financing by way of loans for retail and corporate borrowers in India. The group's operating segments consist of Financing Activity, Investment Activity and Others. All other activities of the group revolve around the main businesses. This in the context of Ind AS 108 – operating segments reporting are considered to constitute reportable segment. The Chief Operating Decision Maker (CODM) of the group is the Board of Directors. Operating segment disclosures are consistent with the information reviewed by the CODM.

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group’s other components, and for which discrete financial information is available. Accordingly all operating segment's operating results of the group are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The Financing Activity segment consists of asset financing, term loans (corporate and retail), channel financing, credit substitutes, investments linked to/arising out of lending business and bill discounting. The Investment Activity segment includes corporate investments and Others segment primarily includes advisory services, wealth management, distribution of financial products and leasing.

Revenue and expense directly attributable to segments are reported under each operating segment. Expenses not directly identifiable to each of the segments have been allocated to each segment on the basis of associated revenues of each segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses. Assets and liabilities that are directly attributable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable.

XVI. Investments in Associates

The group has elected to measure investment in associate at cost plus profit pick up.

XVII. Earnings per share

Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up.

XVIII. Taxation

Income Tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax law) enacted or substantively enacted by the reporting date.

Current tax asset and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

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 group intends to settle its current tax assets and liabilities on a net basis.

Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

XIX. Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

(i) an entity has a present obligation (legal or constructive) as a result of a past event; and

(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

(i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

(ii) a present obligation arising from past events, when no reliable estimate is possible. Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Contingent assets are not recognised in the financial statements.

XX. Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) estimated amount of contracts remaining to be executed on capital account and not provided a for;

b) uncalled liability on shares and other investments partly paid;

c) funding related commitment to associate; and

d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

e) Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

f) Commitments under Loan agreement to disburse Loans

g) Lease agreements entered but not executed

XXI. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

XXII. Dividend payable (including dividend distribution tax)

Interim dividend declared to equity shareholders, if any, is recognised as liability in the period in which the said dividend has been declared by the Directors. Final dividend declared, if any, is recognised in the period in which the said dividend has been approved by the Shareholders.

XXIII. Recent pronouncement to Ind AS to mentioned in accounting policies.

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16, Property Plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material

As per our report of even date **For Batliboi & Purohit** **Chartered Accountants** **ICAI Firm Registration No. 101048W**	**For and on behalf of Board of Directors** **For Finquest Financial Solutions Private Limited**		
Sd/- **Raman Hangekar** **Partner** **M. No. 030615** **Place: Mumbai** **Date: 22/06/2022**	**Sd/-** **Saurabh A. Patel** **MD&CEO** **DIN: 02148559**	**Sd/-** **Hardik B. Patel** **Director** **DIN: 00590663**	**Sd/-** **Akash T. Pandey** **Company Secretary** **Mem No. A61112**