FINQUEST
Financial Solutions Pvt Ltd

19TH ANNUAL REPORT
2022 - 23

**Your Financial Goal.
Our Quest.**

Shri. Late Bharat Jayantilal Patel

An investor with an inspirational ideology and an industrialist with equal vision and empathy, he had transformed the lives of many. An outstanding leader with an unmatched business acumen. His presence and guidance will always be remembered as we continue to take his legacy forward.

CONTENTS

Board of Directors

Mr. Hardik B Patel
(Managing Director, CEO)
DIN: 00590663

Mr. Ruchit B Patel
(Non-Executive Director)
DIN: 00603359

Mr. BSP Murthy
(Non-Executive Director)
DIN: 00011584

Mr. Dhiren S Shah
(Independent Director)
DIN: 001149436

Ms. Kalyani Sharma
(Independent Director)
DIN: 09756212

Corporate Identity

Company Secretary
Mr. Akash T. Pandey
(Resigned on 2nd March 2023)

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
Ground Floor, Universal Insurance Building,
Sir Phirozshah Mehta Rd, Fort,
Mumbai, Maharashtra 400001
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

FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED

CIN: U74140MH2004PTC146715
Registered Office: 602, Boston House, 6th Floor, Suren Road, Andheri (E), Mumbai – 400 093
E-mail: hpatel@finquestonline.com; **Telephone:** +91 (022) 40002600
Website: www.finquestfinance.in

NOTICE OF 19TH ANNUAL GENERAL MEETING ON SHORTER NOTICE

SHORTER NOTICE IS HEREBY GIVEN THAT THE NINETEENTH (19TH) ANNUAL GENERAL MEETING OF THE MEMBERS OF FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED (THE "COMPANY") WILL BE HELD ON SATURDAY, SEPTEMBER 30, 2023, AT 07.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 602, BOSTON HOUSE, 6TH FLOOR, SUREN ROAD, ANDHERI (E), MUMBAI-400093

ORDINARY BUSINESS:

ITEM NO. 1:

To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the Financial Year ended on March 31, 2023 and the reports of the Board of Directors and the **ITEM NO. 2:**reon.

To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the Financial Year ended on March 31, 2023 and the report of the Auditors thereon.

SPECIAL BUSINESS:

ITEM NO. 3:

Appointment of Mr. Ruchit Bharat Patel (DIN: 00603359) as Non-Executive Director of the Company

To consider and, if thought fit, to pass with or without modifications, the following resolution as **ORDINARY RESOLUTION**:

"RESOLVED THAT in accordance with the provisions of Section 152, 161 and all other applicable provisions, if any, and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) of the Companies Act, 2013 ("the Act"), and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ruchit Patel (DIN: 00603359) who was appointed as a Non-Executive Additional Director of the Company with effect from January 19, 2023, who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act and the Articles of Association of the Company and who is eligible for appointment, be and is hereby appointed as Non-Executive Director of the Company.

RESOLVED FURTHER THAT Board of Directors and Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as are necessary to give effect to the above resolution."

ITEM NO. 4:

Appointment of Ms. Kalyani Sharma (DIN: 09756212) as Non-Executive Independent Director of the Company:

To consider and, if thought fit, to pass with or without modifications, the following resolution as **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to provision of Section 149, 152, 161(1) read with Schedule IV to the Companies Act, 2013 , and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Kalyani Sharma (DIN: 09756212) who was appointed as an Additional Director (Non-Executive Independent) of the Company with effect from October 7, 2022, in terms of Section 161(1) of the Companies Act,2013 and Article of Association of the Company and who holds office up to the date of this Annual General Meeting and declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years.

"RESOLVED FURTHER THAT Mr. Hardik B. Patel, Managing Director & CEO of the Company, be and is hereby authorized to sign and execute all such documents and papers as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard."

ITEM NO. 5:

Change in Designation of Mr. Hardik B. Patel (DIN: 00590663) from Director to Managing Director (MD) and Chief Executive Officer (CEO) of the Company:

To consider and, if thought fit, to pass with or without modifications, the following resolution as **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of sections 152, 178, 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Schedule V thereto and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Articles of Associations of the Company and pursuant to recommendation of the Nomination and Remuneration Committee, and based on recommendation of Nomination & Remuneration Committee of the Board, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Hardik Bharat Patel (DIN: 00590663) as Managing Director & CEO of the Company for a period of 5 (Five) years from October 7, 2022 to October 6, 2027, upon the terms and conditions including remuneration as set out in the explanatory statement relating to this resolution annexed to the Notice, with liberty and powers to the Board of Directors (which term shall be deemed to include any Committee thereof) to alter and vary the terms and conditions and remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Mr. Hardik Bharat Patel (DIN: 00590663), within the limits specified in the Act, including any statutory amendment, modifications or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. Hardik Bharat Patel as the Managing Director & CEO."

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby also authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution but not limited to filing of required applicable forms with the Registrar of Companies."

ITEM NO. 6:

ALTERATION OF THE "ARTICLES OF ASSOCIATION" OF THE COMPANY.

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

"RESOLVED THAT pursuant to the provisions of sections 5, 14 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the 'Act') and rules made thereunder, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, read with relevant circulars issued by SEBI from time to time, (including any amendment(s), statutory modification(s), variation(s) and/ or re-

NOTICE OF 19TH ANNUAL GENERAL MEETING ON SHORTER NOTICE

enactment(s) to any of the foregoing and other applicable guidelines, directions or laws), consent of the members of the Company be and is hereby accorded to alter the Articles of Association of the Company by incorporating new article clause no. 67(A) after existing Article 67 of Articles of Association of the Company respectively as under:

Article 67(A):
Appointment of Nominee Director by Debenture Trustee:
"The Board of Directors shall appoint the person nominated by the debenture trustee(s) in terms of clause (e) of Regulation 15(1) of the SEBI (Debenture Trustees) Regulations, 1993 as a Director on the Board. Such appointment of a director shall be in accordance with the provisions of Debenture Trust Deed, provisions of Companies Act, 2013, RBI Regulations, SEBI Regulations and all other applicable provisions of law."

RESOLVED FURTHER THAT for giving effect to above resolution, the Board of Directors of the Company (hereinafter referred to as "Board", which term shall be deemed to include any duly authorized Committee thereof, which the Board may have constituted or hereinafter constitute from time to time by whatever name called to exercise its power conferred by this resolution) be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose including but not limited to execution of all necessary and required agreements, documents, instruments, writings and papers, and settle all difficulties, doubts and questions that may arise in regard to implementation of the aforesaid resolution, without being required to seek any further consent or approval of the members of the Company.

By Order of the Board
For **Finquest Financial Solutions Private Limited**

Sd/-

Hardik Bharat Patel
(Managing Director & CEO)
DIN:00590663

Place: Mumbai
Date: May 30, 2023
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.

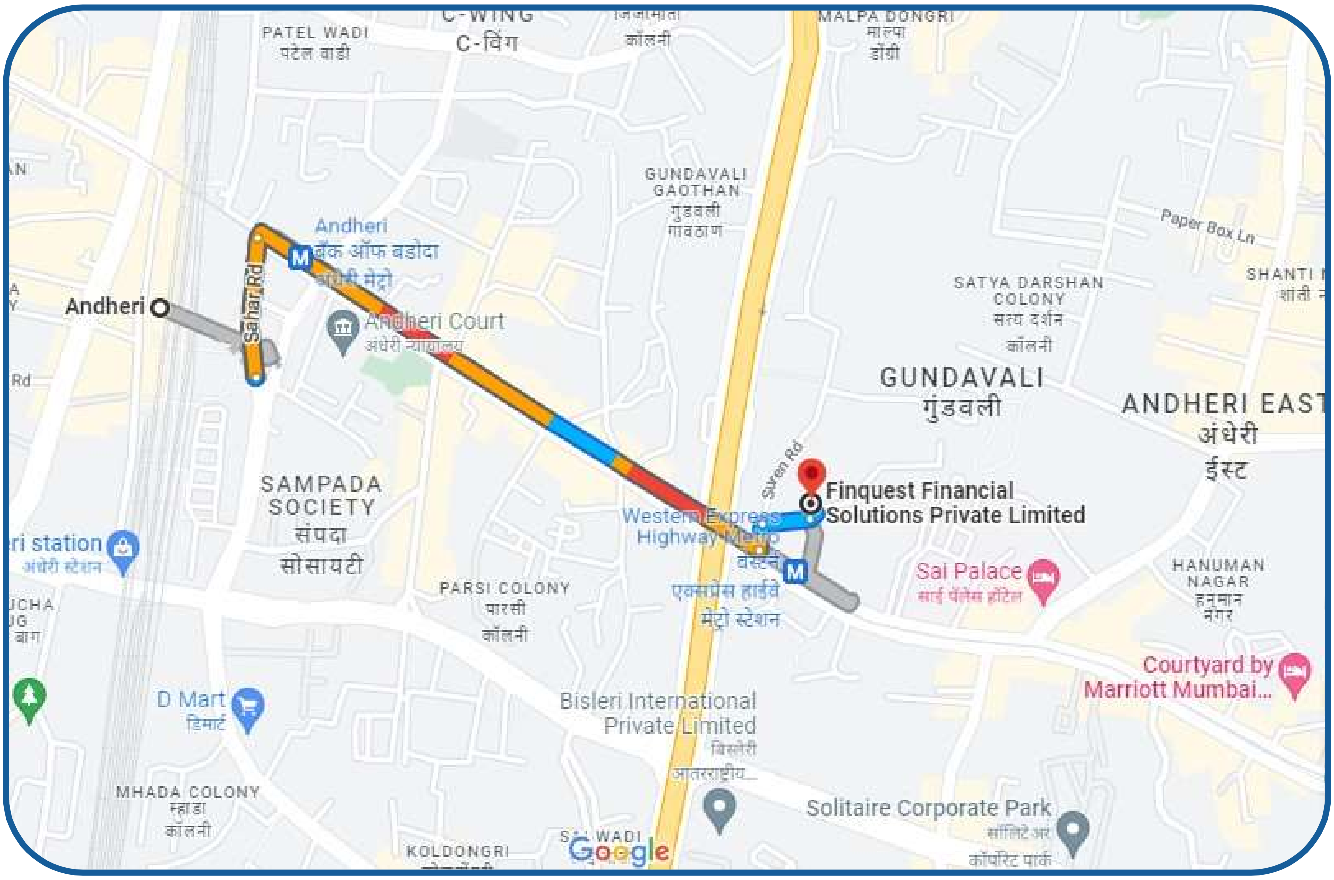
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice 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.

NOTICE OF 19TH ANNUAL GENERAL MEETING ON SHORTER NOTICE

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



NOTICE OF 19TH ANNUAL GENERAL MEETING ON SHORTER NOTICE

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3. Appointment of Mr. Ruchit Bharat Patel (DIN: 00603359) as Non-Executive Director of the Company

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 January 19, 2023 had appointed Mr. Ruchit Bharat Patel (DIN: 00603359) as an Additional Director (Non-Executive & Non-Independent) of the Company, subject to consent by the members of the company at the ensuing annual general meeting (AGM).

As an Additional Director, Mr. Ruchit Bharat Patel (DIN: 00603359), holds office till the date of the AGM and is eligible to be appointed as Non-Executive Director of the Company.

The Company has received a declaration from Mr. Ruchit Bharat Patel (DIN: 00603359), confirming that he is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his 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. Ruchit Bharat Patel (DIN: 00603359), his appointment shall be in the interest of the Company. Therefore, the Board of Directors recommends the Resolution set out at Item No. 3 of the accompanying Notice for approval of the Members of the Company as an Ordinary Resolution.

Pursuant to secretarial standard on general meetings, information of the directors proposed for appointment / re-appointment is given below:

Education:
MBBS, MD (General Medicine) & DM (Gastroenterology).

Experience:
Dr. Ruchit Patel serves as Director on the Board of various Companies. He is an active investor in the Securities Market.
Dr. Ruchit is a well-known Gastroenterologist in the Western Suburbs & Mumbai and has overall administrative experience.

Mr. Ruchit Bharat Patel (DIN: 00603359) is brother of Mr. Hardik B. Patel, Managing Director and CEO of the Company and son of Mrs. Minal B. Patel, Member shareholder of the Company, being the appointee and his relatives to the extent of their shareholding, if any, in the Company, except this none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the aforesaid Resolution.

ITEM NO. 4:- Appointment of Ms. Kalyani Sharma (DIN: 09756212) as Non-Executive Independent Director of the Company:

The board of directors of the company at its meeting held on October 7, 2022, upon recommendation made by the nomination and remuneration committee, appointed Ms. Kalyani Sharma as an additional independent director of the company from the date of such appointment at board meeting, subject to consent by the members of the company at the ensuing annual general meeting (AGM).

As additional director, Ms. Kalyani Sharma holds the office of independent director from the date of her appointment till the date of ensuing annual general meeting or due date thereof.

The company has also received a declaration from Ms. Kalyani Sharma confirming that he meets the criteria of independence as prescribed under the Companies Act, 2013 and that she is also not disqualified from being appointed as director in terms of section 164 of the Companies Act, 2013 and have given his consent to act as a director of the company.

In the opinion of the board, Ms. Kalyani Sharma fulfills the conditions for her appointment as an independent director as specified in the Act and she is independent to the management and the company.

Pursuant to secretarial standard on general meetings, information of the directors proposed for appointment / re-appointment is given below:

Education:
M.Com, LLM & CS (Intern)

Experience:
Legal Background practicing as a corporate Lawyer with 20+ years of experience with niche in corporate and commercial Mathers.

ITEM NO. 5:- Change in Designation Of Mr. Hardik B. Patel (DIN: 00590663) from Director to Managing Director (MD) and Chief Executive Officer (CEO) of the Company:

The Board of Directors of the Company at its board meeting held on October 7, 2022, subject to the approval of Members in the Annual General Meeting, recommends that Mr. Hartik B. Patel (DIN: 00590663), be appointed as Managing Director & CEO of the Company for a period of 5 years with effect from October 7, 2022.

Pursuant to the provisions of Section 178 of the Companies Act, 2013 ('the 'Act'), the Nomination and Remuneration Committee ('NRC') and the Board of Directors of the Company ("Board") at its meeting held on October 7, 2022, inter-alia, approved and recommended the appointment of Mr. Hartik B. Patel (DIN: 00590663) as Managing Director & CEO of the Company, for a period of 5 (five) years with effect from October 7, 2022 to October 6, 2027, on the terms and conditions including remuneration as set out herein below.

Mr. Hardik B. Patel (DIN: 00590663), Managing Director and CEO shall carry out such duties and perform such other functions and services as shall, from time to time, be assigned / entrusted to him by the Board of Directors.

Mr. Hardik B. Patel (DIN: 00590663) has conveyed their consent and eligibility to be appointed as Managing Director & CEO of the Company.

1. **Term of office:**

Name	Designation	Period
Mr. Hardik B. Patel (DIN: 00590663)	Managing Director and CEO	5 years from October 7, 2022 to October 6, 2027

2. **Remuneration:**

Basic Pay: 1,50,000/- per month
Allowances: Nil
Perquisites: Nil
After retirement benefits: as per applicable labour laws

The annual revision of salary will be subject to the approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, provided the same shall remain within the limits specified under Schedule V to the Companies Act, 2013.

The terms and conditions of the said appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, including but not limited to the remuneration payable to Mr. Hardik B. Patel (DIN: 00590663) as Managing Director and CEO in accordance with the provisions of the Companies Act, 2013, rules thereunder or any amendments made therein.

The above may be treated as an abstract of the draft agreements between the Company and Mr. Hardik B. Patel (DIN: 00590663) pursuant to Section 190 of the Companies Act, 2013.

ANNUAL GENERAL MEETING ON SHORTER NOTICE

Brief Profile of Mr. Hardik B. Patel: Pursuant to Clause 1.2.5 of Secretarial Standard -2 on General Meetings)

Name	Sri Hardik Patel
Date of Birth/ Age	January 10, 1982 / 41 Years
Profile	Sri Hardik B. Patel, aged 41 years, is a Masters in Business Administration from Crummer Graduate School of Business, Florida, USA. He is the founder and Promoter of FINQUEST Group of Companies and has worked with pre-eminent investment banks and asset advisory firms such as Merrill Lynch, PCE Investment Bankers and Fidelity Investments in the USA. Sri Hardik Patel specializes in developing bespoke client specific solutions including creating prudent asset allocation techniques and building model portfolios. Sri Hardik B. Patel is founder and promoter of Finquest Group of Companies, has business experience of 2 decades. Under his leadership, Finquest Group has successfully acquired manufacturing units of marquee brands like Reid & Taylor, Digjam and Premiere Tissues.
Nature of her expertise in specific functional areas	Leadership and Management Strategy, Investment Banking, Equity Brokerage & Wealth advisory services including Public Relations, Business Development.
Date of first appointment on the Board	April 25, 2005
Qualification	Disclosure is provided in explanatory statement above for this purpose
Experience	
Terms and conditions of appointment	Disclosure is provided in explanatory statement above for this purpose
Details of remuneration sought to be paid	
Last drawn remuneration, if applicable	Nil
Shareholding in the company held either himself or on a beneficial basis for any other persons	Sri Hardik B. Patel is holding shares of the Company in his individual name and is promoter member of the Company. He is son of Mrs. Minal B. Patel, Promoter Member of the Company, and Brother of Mr. Ruchit B. Patel, Non-Executive Director of the Company.
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	He is not related to any directors or key managerial personnel of the Company except as disclosure above.
The number of meetings of the Board attended during the Year	08 (in F.Y. 2022-23)

Board of Directors recommend the passing of aforesaid resolution as an special resolution.

ITEM NO. 6:- Alteration of the Articles of Association (AOA) of the Company.

Appointment of Nominee Director by Debenture Trustee:

Securities and Exchange Board of India (SEBI) vide its notification dated 2 February 2023 amended SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 by inserting sub-regulation (6) in Regulation 23, which mandates an issuer to ensure that its AOA require its Board of Directors to appoint a person nominated by Debenture Trustee (DT) upon occurrence of following event of default enumerated in Regulation 15 (1) (e) of the SEBI (Debenture Trustees) Regulations, 1993 viz.,

(i) two consecutive defaults in payment of interest to the debenture holders; or
(ii) default in creation of security for debentures; or
(iii) default in redemption of debentures.

In order to comply with above requirements, it is proposed to amend the Articles of Association of the Company to empower Debenture Trustees to appoint Nominee Director upon occurrence of any event specified in Regulation 15 (1) (e) of the SEBI (Debenture Trustee) Regulations, 1993. The Company will also include relevant provisions to this effect in the trust deed in line with the aforesaid provisions.

Pursuant to the provisions of section 14 of the Act, approval of members of the company by a special resolution is required for any alteration of the Articles of Association of the company as aforesaid.

Accordingly, the approval of the members is being sought by way of a special resolution.

A draft of the Articles of Association of the Company together with the proposed alterations will be kept open for inspection by the members at the Registered Office and Corporate Office of the Company on all working days i.e. from Monday to Friday (except Saturday and other holidays) from 10.00 a.m. to 12.30 p.m. and will be available on the website of the Company. None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested, directly or indirectly, financially, or otherwise, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board of Directors recommends passing of the Special Resolution as set out in Item no. 6 of this Notice.

By Order of the Board
For **Finquest Financial Solutions Private Limited**

Sd/-

Hardik Bharat Patel
(Managing Director & CEO)
DIN:00590663

Place: Mumbai
Date: May 30, 2023
Registered Office:
602, Boston House, 6th Floor,
Suren Road, Andheri (E),
Mumbai-400093
(CIN: U74140MH2004PTC146715)

FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED

CIN: U74140MH2004PTC146715
Registered Office: 602, Boston House, 6th Floor, Suren Road, Andheri (E), Mumbai – 400 093
E-mail: hpatel@finquestonline.com; **Telephone:** +91 (022) 40002600
Website: www.finquestfinance.in

Attendance Slip of 19th Annual General Meeting

To be handed over at the entrance of the meeting room/hall

Name of the Member

Name of the proxy (To be filled if the proxy attends instead of the member)

Registered Folio No.	
DP ID	
Client ID	

No. of shares held:

I/We hereby record my/our presence at the Nineteenth Annual General Meeting to be held at Finquest Financial Solutions Private Limited, 602, Boston House, 6th Floor, Suren Road, Andheri (E), Mumbai-400093 on **Saturday, 30th September 2023 at 07.00 p.m.**

Mumbai 30/09/2023 (Member's/Proxy's Signature)

(To be signed at the time of handing over the slip)

Member/Proxyholder are requested to bring their copies of the Annual Report at the Annual General Meeting.

Director's Report

to the members of Finquest Financial Solutions Private Limited
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Your Directors have pleasure in presenting their Nineteenth (19th) 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 2023.

1. FINANCIAL PERFORMANCE:

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

Particulars	Consolidated	Standalone	
	2022-23	2022-23	2021-22
Total Revenue	46,713.07	3,248.14	19,619.23
Total Expenses	53,164.83	8,377.20	14,168.46
Profit/(Loss) Before exceptional items and tax	**(6,451.75)**	**(5,129.06)**	**5,450.77**
Less: Exceptional items	**(389.94)**	-	-
Profit/(Loss) Before tax	**(6,841.69)**	**(5,129.06)**	**5,450.77**
Less: Tax Expenses			
1. Current Tax	-	-	1,800.52
2. Earlier Year's Tax	-	-	-
3. Provision for Tax	-	-	-
4. Deferred Tax	416.59	163.77	520.69
5. Prior Period Adjustments	-	-	-
Net Profit/ (Loss) after Tax	**(7,258.28)**	**(5292.83)**	**3,129.56**
Transfer to special reserve under Section 45-IC of the Reserve Bank of India Act, 1934	**-**	**-**	**629.04**

2. OVERVIEW OF THE COMPANY'S FINANCIAL PERFORMANCE:

Total Revenue:
Total revenue earned by the Company during the financial year ended March 31, 2023 was Rs. 3,248.14 lakhs as compared to Rs. 19,619.23 lakhs during the previous financial year ended March 31, 2022.

Profit/ (Loss) before Tax:
Loss before tax posted by the Company for the financial year ended March 31, 2023 was Rs. 5,129.06 as against Profit before tax of Rs. 5,450.77 lakhs recorded in the previous financial year ended March 31, 2022.

Profit/ (Loss) after Tax:
Loss after tax was Rs. 5292.83 for the financial year ended March 31, 2023 as against Profit of Rs. 3,129.56 lakhs in the previous financial year ended March 31, 2022.

3. PUBLIC DEPOSITS:

The Company being a RBI registered "Non-Deposit taking Systemically 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 SEPECIAL 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. But due to loss for the financial year 2022-23, the Company is unable to transfer such amount to 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 Systemically Important Non-Banking Financial Company (ND-SI-NBFC) registered with the Reserve Bank of India as per Scale Based Regulations (SBR) Framework and falls under NBFC-Base Layer (NBFC-BL).

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 2022-23. 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, 2023, 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, 2023, the Paid-up Equity Share Capital of the Company was Rs. 31,90,00,000 (Rupees Thirty-Two Crore Only) divided into 31,90,00,000 Equity Shares of Rs. 10/- each.)

8. OTHER EQUITY:

The Reserves and Surplus as at March 31, 2023 was Rs. 17664.93 lakhs as against Rs. 22,960.86 lakhs as at March 31, 2022.

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%

Director's Report

to the members of Finquest Financial Solutions Private Limited
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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, 2023 was Rs. 22,954.40 as against Rs. 31,856.14 lakhs as on March 31, 2022.

12. DEBT-EQUITY RATIO:
The Debt Equity Ratio of the Company as on March 31, 2023 was 1.05 times.

13. EARNING PER SHARE (EPS):
The Basic Earning per share was Rs.(16.59) for the financial year ended March 31, 2023 as against Rs. 9.81 in the previous financial year ended March 31, 2022.

14. CAPITAL ADEQUACY:
The Capital to Risk Assets Ratio (CRAR) of the Company is 22.66 % as on March 31, 2023, as against the prescribed RBI norms of 15%. Out of the above, Tier I capital adequacy ratio stood at 21.68 % and Tier II capital adequacy ratio stood at 0.98 %, as on March 31, 2023.

15. NET OWNED FUNDS:
The Net Owned Funds of the Company as on March 31, 2023 was Rs. 6743.79 as against Rs. 10,743.23 lakhs as on March 31, 2022.

16. CREDIT RATING:
During the year under review Brickwork Ratings India Private Limited (BWR) has reaffirmed rating of "BWR B+"/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, 2023, the Company had following 5 (five) directors on its Board, including 2 (two) Independent Directors.

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

**During the year under review, Mr. Saurabh Ashwin Patel requested and changed his designation from Managing Director (MD) & Chief Executive Officer (CEO) of the Company to Director (Non-Executive & Non-Independent) w.e.f. October 07, 2022 and Mr. Hardik Bharat Patel is appointed as Managing Director (MD) & Chief Executive Officer (CEO) of the Company w.e.f. October 07, 2022.*

**During the year under review, Ms. Kalyani Sharma has been appointed as an Additional (Independent Director) Director on the Board of the Company w.e.f. October 07, 2022.*

**During the year under review, Mr. Saurabh Ashwin Patel resigned from the directorship of the Company w.e.f. January 19, 2023.*

**During the year under review, Mr. Ruchit Patel has been appointed as an Additional (Non- Executive Non-Independent) Director on the Board of the Company w.e.f. January 19, 2023.*

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, 2023 are given below:

Name of the KMP	Designation
Mr. Hardik Bharat Patel	Managing Director & Chief Executive Officer (CEO)

**During the year under review, Mr. Akash Tirthraj Pandey resigned from the designation of Company Secretary & Compliance Officer of the Company w.e.f. March 09, 2023.*

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 2022-23, the Board met 8 (Eight) times on April 19, 2022, June 22, 2022, August 12, 2022, October 07, 2022, November 14, 2022, January 19, 2023, February 14, 2023 and March 02, 2023 and the gap between the two meetings was not more than one hundred and twenty (120) days.

Director's Report

to the members of Finquest Financial Solutions Private Limited
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

The details of attendance of the directors at the board meetings held during the financial year 2022-23 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 September 15, 2022
Mr. Hardik B. Patel	8	8	Yes
Mr. Parashiva Murthy B S	8	8	Yes
Mr. Dhiren S. Shah	8	6	Yes
Mr. Saurabh A. Patel*	5	5	Yes
Ms. Kalyani Sharma*	5	5	No
Mr. Ruchit B. Patel*	3	3	No

#No of meetings held during the tenure of the Board Member in FY 2022-23.

**During the year under review, Ms. Kalyani Sharma has been appointed as an Additional (Independent Director) on the Board of the Company w.e.f. October 07, 2022.*

**During the year under review, Mr. Saurabh Ashwin Patel ceased to be a Director of the Company w.e.f. January 19, 2023.*

**During the year under review, Mr. Ruchit Bharat Patel has been appointed as an Additional (Non- Executive Director) on the Board of the Company w.e.f. January 19, 2023.*

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 / reconstituted 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 7 (Seven) times i.e. on April 19, 2022, June 22, 2022, August 12, 2022, November 14, 2022, January 19, 2023 February 14, 2023, and March 2, 2023.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	7	7
Mr. Saurabh A. Patel*	Member	5	5
Mr. Hardik B. Patel	Member	7	7
Ms. Kalyani Sharma*	Member	2	2

**Mr. Saurabh A. Patel ceased to be a member of the Committee w.e.f. January 19, 2023.*

**Ms. Kalyani Sharma was appointed as a member of the Committee w.e.f. January 19, 2023*

Whistle-blower Policy / Vigil Mechanism

The company promotes ethical behavior in all its business activities and has put in place a mechanism wherein the employees are free to report illegal or unethical behavior, actual or suspected fraud or violation of the company's codes of conduct or corporate governance policies, raise concerns against management and business practices, incorrect or misrepresentation of any financial statements and reports or any improper activity being negative in nature to the chairman of the audit committee of the company or chairman of the board. The whistle blower policy has been appropriately communicated within the company.

Under the whistle blower policy, the confidentiality of those reporting violation(s) is protected, and they are not subject to any discriminatory practices. No personnel have been denied access to the audit committee. The functioning of the vigil mechanism is reviewed by the audit committee from time to time.

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 matter related thereto. During the year under review, the Corporate Social Responsibility Committee met once on June 22, 2022 & on October 17, 2022. 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 meetings held	No. of meetings attended
Mr. Dhiren S. Shah	Chairman	2	2
Mr. Saurabh A. Patel*	Member	2	2
Mr. Hardik B. Patel	Member	2	2
Ms. Kalyani Sharma*	Member	0	0

**Mr. Saurabh A. Patel ceased to be the member of the Committee w.e.f. January 19, 2023.*

**Mr. Ruchit Patel was appointed as a member of the Committee w.e.f. January 19, 2023.*

Director's Report

to the members of Finquest Financial Solutions Private Limited
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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 June 22, 2022, October 7, 2022, January 19, 2023 and March 02, 2023. 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	2	2
Mr. Ruchit Patel*	Member	2	2
Ms. Kalyani Sharma*	Member	2	2

**Mr. Saurabh A. Patel and Mr. Hardik B. Patel ceased to be a member w.e.f. January 19, 2023.*
**Mr. Ruchit Patel and Ms. Kalyani Sharma was appointed as a member of the Committee w.e.f. January 19, 2023.*

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.

During the year under review, the Asset Liability Management Committee (ALCO) met 6 (Six) times i.e. April 19, 2022, June 22, 2022, August 12, 2022, November 14, 2022, February 14, 2023 and March 02, 2023

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	6	6
Mr. Ruchit Patel *	Member	2	2
Ms. Sarika Tailor *	Member	5	5

** Mr. Saurabh A. Patel ceased to be a member w.e.f. January 19, 2023.*
**Mr. Ruchit Patel and Ms. Sarika Tailor was appointed as a member of the Committee w.e.f. June 22, 2022.*

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.

During the year under review Risk Management Committee met 6 (Six) times i.e. April 19, 2022, June 22, 2022, August 12, 2022, November 14, 2022, February 14, 2023 and March 02, 2023.

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	6	6
Mr. Saurabh A. Patel*	Member	4	4
Mr. Hardik B. Patel	Member	6	6
Mr. Ruchit Patel*	Member	2	2

**Mr. Saurabh A. Patel ceased to be a member w.e.f. January 19, 2023.*
**Mr. Ruchit Patel was appointed as a member of the Committee w.e.f. January 19, 2023.*

6. **Credit Committee:**

The Board of Directors of the Company has constituted the Credit Committee, the Credit Committee comprises of Mr. Hardik B. Patel, Mr. Parashiva Murthy B S and Mr. Ruchit Patel, and is chaired by Mr. Hardik B. Patel.

During the year under review Credit Committee met 13 times i.e. April 19, 2022, April 22, 2022, April 25, 2022, July 18, 2022, August 1, 2022, September 19, 2022, October 14, 2022, November 11, 2022, December 27, 2022, January 2, 2023, February 14, 2023 and March 02, 2023.

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

Name of the Members	Position	No. of meetings held	No. of meetings attended
Mr. Hardik B. Patel	Chairman	13	13
Mr. Saurabh A. Patel*	Member	11	11
Mr. Jitendra Dhivare	Member	13	13
Mr. Ruchit Patel*	Member	2	2

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

** Mr. Saurabh A. Patel ceased to be a member w.e.f. January 19, 2023.*

**Mr. Ruchit Patel was appointed as a member of the Committee w.e.f. January 19, 2023.*

7. Investment Committee:

The Board of Directors of the Company has constituted the Investment Committee, the Investment Committee comprises of Mr. Hardik B. Patel, Mr. Parashiva Murthy B S and Mr. Ruchit Patel, and is chaired by Mr. Hardik B. Patel.

During the year under review Investment Committee met 2 times i.e. February 16, 2023 and March 2, 2023.

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

Name of the Members	Position	No. of meetings held	No. of meetings attended
Mr. Hardik B. Patel	Chairman	2	2
Mr. Parashiva Murthy B S	Member	2	2
Mr. Ruchit Patel	Member	2	2

8. 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 Members	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
Mr. Mahendra Patel*	Member	-	-

**Mr. Bhowmik Shah ceased to be a member w.e.f. March 15, 2023*

** Mr. Mahendra Patel was appointed as a member of the Committee w.e.f. March 15, 2023*

9. 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 12, 2022.

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 Members	Position	No. of meetings held	No. of meetings attended
Mr. Hardik B. Patel	Chairman	1	1
Mr. Bhowmik Shah*	Member	1	1
Mr. Mahendra Patel*	Member	-	-

**Mr. Bhowmik Shah ceased to be a member w.e.f. March 15, 2023*

** Mr. Mahendra Patel was appointed as a member of the Committee w.e.f. March 15, 2023*

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:

The shareholders of the company at their 18th annual general meeting held on Thursday, September 15, 2022, appointed M/s. Batliboi & Purohit, Chartered Accountants, (Firm Registration No. 101048W) as statutory auditors of the company for a period of 5 years i.e. upto conclusion of 23rd annual general meeting of the company. The said appointment of statutory auditors has been made in accordance with the provisions of Section 139 of the Companies Act, 2013 and the applicable RBI Guidelines i.e. manner of rotation of auditors by the companies on expiry of their term.

The Auditors' Report on the financial statements for the year ended March 31, 2023 contain qualified opinion and therefore explanation by the Board of Directors of the Company is required to be stated / provided in the Board's Report.

Director's Report

to the members of Finquest Financial Solutions Private Limited
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Comments on the Auditors' Report:

Auditores Qualified Opinion	Management Comment on Qualified Opinion
As per refer Note No. 7.2 regarding the investments made by the Company in the current financial year in the Security Receipts of a Trust formed by Asset Reconstruction Company (India) Limited ("ARCIL"), which exceeds the regulatory limit of 15% of the Company's owned funds as specified in Non-Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.	Management's view is that, based on the circular issued by RBI dated 22nd October 2021 applicable w.e.f. 01st October,2022, the Company falls under the definition of Base Layer NBFC and the said exposure limits are not applicable to it.

Internal Auditors:

Pursuant to the requirements of Section 138 of the Act and Rule 13 of Companies (Accounts) Rules, 2014, M/s. S S N & Co., Chartered Accountants (Firm Reg. No. 024352N), were appointed as the Internal Auditors of the Company for the financial year 2022-23 to conduct the internal audit of the functions and activities of the company for the financial year ending on March 31, 2024

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 2022-23.

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.

Business risk evaluation and management is an ongoing process within the company. The assessment is periodically examined by the committee of the board. The company, while giving loan to its customers, follows the criteria and procedure laid down in policy and the credibility of the clients.

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, 2023, Rs. 164 Crore remained outstanding by way of issuance of NCDs through private placement basis. The company has redeemed 111 crores (out of 175 crores) having ISIN of INE712W08037, partially redeemed based on the call option notice given to debenture holders.

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 company has developed and implemented a risk management policy to meet the risks associated with the business of the company. Business risk evaluation and management is an ongoing process within the company. The assessment is periodically examined by the risk management committee of the board. The company, while giving loan to its customers, follows the criteria and procedure laid down in policy and the credibility of the clients. 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 2022-23, 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 2022-23 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 required to spend Rs. 19.98 Lakhs for the financial year 2022-23 and the Company incurred the expenditure of Rs.20.00 Lakhs on CSR Activities during the financial year 2022-23.

Contribution made to a Non-Profit organisation set up with an objective of developing the down trotted especially dalits, schduled caste, schduled tribes, minorities, BPL's and other backward communities, welfare of women, youth and child development through education, economic environment, skill, education, health and cultural programs.

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. The following are the members of Internal Complaints Committee under POSH:

Name of the Member	Committee Member	Designation
Ms. Sarika Tailor	Presiding Officer	Dy. Manager - Credit
Ms. Vanita Narvekar	Member	Accounts Assistant
Ms. Aarti Sahu	Member	Credit Officer
Ms. Prachi Jagnani	External Member	Chartered Accountant

**Ms. Pratiksha Said ceased to be a member w.e.f. February 10, 2023.*

** Mr. Akash T. Pandey ceased to be a member w.e.f. March 09, 2023.*

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.

Director's Report

to the members of Finquest Financial Solutions Private Limited
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

39. 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.

For and behalf of the Board of Directors of
FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED

HARDIK B. PATEL	**RUCHIT PATEL**
MANAGING DIRECTOR & CEO	**DIRECTOR**
DIN: 00590663	**DIN: 00603359**

Date: May 30, 2023
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

Part "A": Subsidiaries

(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	4149.68	806.89
6.	Total assets	62090.46	14305.34
7.	Total Liabilities	57716.90	11498.46
8.	Investments	5.43	-
9.	Turnover	41087.11	3321.14
10.	Profit before taxation	-418.65	-1220.79
11.	Provision for taxation	252.82	-
12.	Profit after taxation	-671.47	-1220.79
13.	Proposed Dividend	-	-
14.	% of shareholding of holding company	100%	90%

Part "B": Associates and Joint Ventures

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
Macro-economic developments:

The Indian economy grew by 7.2 per cent in the financial year ended March 2023, which is 20 basis points higher than government's estimate, but sharply lower when compared to 9.1 per cent growth registered in 2021-22. 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.

Key developments in Credit Market and NBFC sector:

There was significant growth in credit uptake in FY23, 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.

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. The total number of NBFCs registered with the RBI stood at 9,443 as of March 31, 2023. Of the total, non-deposit-taking NBFCs (NBFC - ND) number 8,966, systemically important non-deposit-taking NBFCs number 413, and deposit-taking NBFCs are just 39, RBI data shows.

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. Credit offtake rose by 15.4% y-o-y for the fortnight ended June 02, 2023, compared to 13.1% from the same period in the last year (reported June 03, 2022). In absolute terms, credit offtake expanded by Rs.18.7 lakh crore from June 03, 2022, vs Rs.14.0 lakh crore in the same period from the last year. The credit growth has continued to be driven by higher lending to NBFCs, growth in personal loans, MSME and Agri & Allied activities. Credit growth remained robust since H2FY22 even amid the significant rise in interest rates (FY23), and global uncertainties related to conflicts and geopolitical and supply chain issues. Personal Loans and NBFCs have been the key growth drivers and are expected to continue to drive growth. Though the Indian financial system is on a more robust footing, vis-a-vis its global peers. A slowdown in global growth due to elevated interest rates, and geopolitical issues could impact credit growth.

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.

FINQUEST
YOUR FINANCIAL GOAL. OUR QUEST

Annexure-II

Management Discussion and Analysis Report

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.

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:

Overview:

Finquest Financial Solutions Private Limited ("FFSPL" or "the Company") is a systemically 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.

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 FY23 stood at Rs.229.54 Crore (Rs. 318.56. Crore as on FY22). The product mix for our business currently stands as follows:

Product	Portfolio Mix
Secured Business Loan	45.68%
Unsecured Business Loan	54.31%

Financial Performance- Key Highlights:

Loan Book:

The overall loan book diminished by 89.02 Cr from Rs. 318.56 crores as on FY22 to Rs. 229.54 crores as on FY23. The following table summarizes the movement of loan book.

Asset Quality:

The quality of our assets remained fairly robust in an extremely challenging economic environment. Our Gross NPA moved from 22.66 % as on FY23 to 35.17 % as on FY23 whereas our net NPA moved from 4.43% as on FY22 to 7.30% as on FY23. GNPA and NNPA is being derived on exposure at default (EAD) of loan book.

Revenue and Profitability:

The revenue reduced by 83.56 % from Rs. 196.19 Cr in FY22 to Rs. 32.48 Cr in FY23. The PAT reduced from Rs. 31.29 Crore to Rs (52.92) Crore.

Liquidity and Gearing profile:

The Capital Adequacy Ratio (CAR) stood at 22.66 % as on FY23 vis-à-vis 23.08 % as on FY22.

Human Resources:

The Company has a small employee base with 15 employees and 1 intern. 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.

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.

Annexure-II

Management Discussion and Analysis Report

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 2023
[Pursuant to section 92(3) and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. 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:

Sl. 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

Sl. 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)

Annexure-III

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 01.04.2022)				No. of Shares held at the end of the year (As on 31.03.2023)				% 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**

Annexure-III

(ii) Shareholding of Promoters

SL. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2022)			Shareholding at the end of the year (As on 31.03.2023)			% 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. Hardik Bharat Patel	1,03,12,711	32.33%	-	1,03,12,711	32.33%	-	-
2	Mrs. Minal Bharat Patel*	1,03,12,711	32.33%	-	2,06,25,421	64.65%	-	32.33%
3	Mr. Ruchit Bharat Patel*	1,03,12,710	32.32%	-	-	-	-	-32.32%
4	Finquest Securities Private Limited	9,05,960	02.84%	-	9,05,960	02.84%	-	-
	TOTAL	**3,18,44,092**	**100%**	**-**	**3,18,44,092**	**100%**	**-**	**-**

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

SL. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2022)		Cumulative Shareholding during the year (As on 31.03.2023)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company*
1	Mr. Hardik Bharat Patel	1,03,12,711	32.33	1,03,12,711	32.33
2	Mrs. Minal Bharat Patel*	1,03,12,711	32.33	2,06,25,421	64.65
3	Mr. Ruchit Bharat Patel*	1,03,12,710	32.32	-	-
4	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)

SL. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2022)		Cumulative Shareholding during the year (As on 31.03.2023)	
		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:

SL. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2022)		Cumulative Shareholding during the year (As on 31.03.2023)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company*
1	Mr. Hardik Bharat Patel	1,03,12,711	32.33%	1,03,12,711	32.33%
2	Mr. Saurabh Ashwin Patel	-	-	-	-
3	Mr. Dhiren S. Shah	-	-	-	-
4	Mr. Parashiva Murthy B S	-	-	-	-
5	Ms. Kalyani Sharma	-	-	-	-
6	Mr. Ruchit Patel*	1,03,12,710	32.32%	-	-
5	Mr. Akash Tirthraj Pandey	-	-	-	-

Annexure-III

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	664,260,924.06	2,521,352,876.03	-	3,185,613,800.09
ii) Interest due but not paid	664,260,924.06	2,521,352,876.03	-	3,185,613,800.09
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**664,260,924.06**	**2,521,352,876.03**	-	**3,185,613,800.09**
Change in Indebtedness during the financial year	-	-	-	-
Addition	384,417,989.26	-	-	384417989.26
Reduction	-	1,274,591,674.62	-	1274591674.62
Net Change	**384,417,989.26**	**-1,274,591,674.62**	-	**-890,173,685.36**
Indebtedness at the end of the financial year	1,048,678,913.32	1,246,761,201.41	-	2,295,440,114.73
i) Principal Amount	1,048,678,913.32	1,246,761,201.41	-	2,295,440,114.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**1,048,678,913.32**	**1,246,761,201.41**	-	**2,295,440,114.73**

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
		Mr. Hardik B. Patel (Managing Director & CEO)	
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	8,70,967.00	8,70,967.00
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify (Reimbursement of Expenses)	-	-
	Total (A)	**8,70,967.00**	**8,70,967.00**

Annexure-III

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Parashiva Murthy B S	Mr. Dhiren Shah Shevantilal	Mrs. Kalyani Sharma	
1.	Independent Directors				
	Fee for attending board committee Meetings	--	--	65,000	--
	Commission	--	--	--	--
	Others, please specify	--	--	--	--
	Total (1)	--	--	65,000	--
2.	Other Non-Executive Directors				
	Fee for attending board committee meetings	1,60,000	--	--	--
	Commission	-	--	--	--
	Others, please specify	-	--	--	--
	Total (2)	1,60,000	--	--	--
	Total (B)=(1+2)	1,60,000	--	--	--
	Total Managerial Remuneration	1,60,000	--	--	--
	Overall Ceiling as per the Act	Not Applicable	Not Applicable	Not Applicable	Not Applicable

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Chief Executive Officer	Company Secretary- Mr. Akash Pandey	CFO	
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	-	732224.00	-	732224.00
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify (Reimbursement of Expenses)	-	-	-	-
	Total	**-**	**732224.00**	-	**732224.00**

II. 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

Annexure-III

For and behalf of the Board of Directors of
FINQUEST FINANCIAL SOLUTIONS PRIVATE LIMITED

HARDIK B. PATEL
MANAGING DIRECTOR & CEO
DIN: 00590663

RUCHIT PATEL
DIRECTOR
DIN: 00603359

Date: May 30, 2023
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.

Annexure-IV

Nomination And Remuneration Policy

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.

Annexure II

The Annual Report on CSR Activities For The Year Ended 31st March 2023

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022]

1. Brief outline on CSR Policy of the Company:

The Company has adopted a Corporate Social Responsibility ("CSR") Policy in accordance with the applicable provisions of Companies Act, 2013 and allied rules and amendments in force (hereinafter referred as "the Act"). This Policy is a guideline for Company's CSR activities intended to make stronger communities and enrich the lives of underprivileged people on a variety of socially desirable activities with a view to enable high impact of and ensure measurable outcomes of the funds deployed towards such activities and also support environment sustainability.

2. Composition of CSR Committee:

SL. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Dhiren S. Shah	Chairman	2	2
2	Mr. Saurabh A. Patel*	Member	2	2
3	Mr. Hardik B. Patel	Member	2	2
4	Mr. Ruchit Patel*	Member	0	0

*Mr. Saurabh A. Patel ceased to be the member of the Committee w.e.f. January 19, 2023.
*Mr. Ruchit Patel was appointed as a member of the Committee w.e.f. January 19, 2023.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

https://finquestfinance.in/wp-content/uploads/2023/08/Corporate-Social-Responsibilty-CSR-Policy

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable as the Company does not have average CSR obligation of Rs. 10 crore or more, in the three immediately preceding financial years.

5.

(a) The Average Net Profit of the Company as per sub-section (5) of section 135 of three preceding financial years (F.Y. 2019-20, 2020-21 and 2021-22) is Rs. **9,99.12** Lakhs

(b) Two percent of average net profit of the company as per sub-section (5) of section 135 is Rs. **19.98 Lakhs.**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. **Nil**

(d) Amount required to be set off for the financial year, if any. **Rs 0.02 Lakhs**

(e) Total CSR obligation for the financial year (5b+5c-5d) = Rs. **19.98 Lakhs**

6.

(a) Amount spent on CSR Projects (other than Ongoing Project): Rs **20.00 Lakhs.**

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: NIL

(d) Total amount spent for the Financial Year (6a+6b+6c): Rs **20.00 Lakhs.**

(e) Details of CSR amount spent or unspent for the financial year 2022-23:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
20.00 Lakhs.	NA	NA	NA	NA	NA

Annexure II

(f) Excess amount for set off, if any – **Rs 0.02 Lakhs**

Particular	Amount (in Rs.)
Two percent of average net profit of the company as per subsection (5) of section 135	19.98 Lakhs
Total amount spent for the financial year 2022-23	20.00 Lakhs.
Excess amount spent for the financial year [(ii)-(i)]	Rs 0.02 Lakhs
Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs 0.02 Lakhs

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135(6) (in Rs.)	Balance Amount in Unspent CSR Account under Section 135(6) (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(5), if any		Amount Spent in the Financial Year (in Rs.)	Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
				Amount (in Rs.).	Date of Transfer			
1.	2019-20	Nil	Nil	Nil		Nil	Nil	Nil
2.	2020-21	Nil	Nil	Nil		Nil	Nil	Nil
3.	2021-22	Nil	Nil	Nil		Nil	Nil	Nil
	Total	Nil	Nil	Nil		Nil	Nil	Nil

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

If Yes, enter the number of Capital assets created/acquired: Not Applicable

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/beneficiary of the registered owner	
					Name & CSR Registration Number	Registered address
1.	Nil	Nil	Nil	Nil	Nil	Nil

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Sd/-

Mr. Hardik Patel
(Managing Director & CEO).
DIN: 00590663
Mumbai

Sd/-

Mr. Dhiren S. Shah
(Chairman CSR Committee)
DIN: 01149436
Mumbai

Independent Auditor's Report

to the members of Finquest Financial Solutions Private Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of Finquest Financial Solutions Pvt. Ltd. ("the Company"), which comprise the Balance Sheet as at March 31st, 2023, 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 Standalone financial statements, including a summary of significant accounting policies and other explanatory information("the Standalone Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report, 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, 2023, and its Profit and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year then ended.

Basis for Qualified Opinion

a) We refer Note No. 7.2 regarding the investments made by the Company in the current financial year in the Security Receipts of a Trust formed by Asset Reconstruction Company (India) Limited ("ARCIL"), which exceeds the regulatory limit of 15% of the Company's owned funds as specified in Non- Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

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 Standalone 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 Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter Paragraph

We refer to note no. 7.1 to the Standalone Financial Statements of the Company, wherein company has disclosed about approval of Resolution Plan for Ballarpur Industries Ltd. submitted by it, which was approved by Hon'ble National Company Law Tribunal ("NCLT") on 31st March, 2023.

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 Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone 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	**Computation of Expected Credit Loss on Loan Assets as at balance sheet date** Ind AS 109 requires the Company 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 Company'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 company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the board of directors pursuant to Reserve Bank of India ("RBI") guidelines. • 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 including forward looking information for calculation of ECL. • Tested the ECL model, including assumptions and underlying computation and tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Assessed the assumption for non-provisioning applied by the Company 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. • Assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.

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 Board's Report including Annexures to the Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditors' report thereon.

Independent Auditor's Report

to the members of Finquest Financial Solutions Private Limited

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

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors responsibilities relating to other information'.

We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act and rules thereunder, as amended.

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

In preparing these Standalone financial statements, Management and Board of Directors 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements for the financial year ended March 31, 2023 are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (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

Independent Auditor's Report

to the members of Finquest Financial Solutions Private Limited

"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 Standalone Balance Sheet, the Standalone 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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"** to this report.
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:
   i) 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.

   ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
   iv)
   a) The Management has represented that, to the best of its 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.
   b) The Management has represented, that, to the best of its 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.
   c) 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.
   v) The Company has not declared any dividend during the current financial year ended March 31, 2023.

   vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Raman Hangekar
Partner
Membership No. 030615
Place: Mumbai
Date: 30th May, 2023

UDIN: 23030615BGVYOM1229

Independent Auditor's Report

to the members of Finquest Financial Solutions Private Limited

The Annexure A referred to in Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2023 we report that:

Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date to the directors of Finquest Financial Solutions Private Limited.

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and the records examined by us in the normal course of audit, we state that:

(i)

a)

A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of use assets.

B) 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 Standalone 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 (including right-of use assets) or intangible assets or both during the year.

e) 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, no proceedings have been initiated or are pending against the Company as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of1988) (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 6 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 6 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.

f) The Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment.

(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 2023 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:

Name of the Statute	Nature of the dues	Amount (Rs. In Lakhs)	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 Company.

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)

a) 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.

b) The Company has not made any preferential allotment of shares during the current financial year.

(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) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.

(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 to the company.

(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 Standalone 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, during the course of our audit, the reports of the Internal Auditor(s) for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

(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 Certificate of Registration 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) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.

(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

Independent Auditor's Report

to the members of Finquest Financial Solutions Private Limited

liabilities, other information accompanying the Standalone 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 information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of subsection (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.

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

Raman Hangekar
Partner
Membership No. 030615
Place: Mumbai

Date: 30th May, 2023
UDIN: 23030615BGVYOM1229

Independent Auditor’s Report

to the members of Finquest Financial Solutions Private Limited

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 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘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 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Raman Hangekar
Partner,
Membership No. 030615
Place: Mumbai
Date: 30th May, 2023
UDIN: 23030615BGVYOM1229

Standalone Balance Sheet

as at March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

			Particulars	Note No.	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
I	**ASSETS**					
	1	**Financial assets**				
		(a)	Cash and cash equivalents	3	927.53	6,649.87
		(b)	Bank Balance other than (a) above	4	3,552.00	1,717.88
		(c)	Receivables	5		
			(I) Trade Receivables		-	4.92
			(II) Other Receivables		-	56.00
		(d)	Loans	6	22,954.40	31,856.14
		(e)	Investments	7	19,806.19	24,375.63
		(f)	Other financial assets	8	1,032.08	516.30
	2	**Non-financial assets**				
		(a)	Current tax assets (net)	9	577.65	-
		(b)	Investment property	10	489.46	525.72
		(c)	Property, plant and equipment	11	14.77	20.07
		(d)	Right to Use Assets	12	9.95	-
		(e)	Intangible assets	13	5.70	-
		(f)	Other non-financial assets	14	1,861.85	1,861.87
			Total Assets		**51,231.58**	**67,584.40**
II	**LIABILITIES AND EQUITY**					
	1	**Financial liabilities**				
		(a)	**Payables**	15		
			(I) Trade Payables		**231.14**	**634.23**
			(i) Total outstanding dues of micro enterprises and small enterprises		-	-
			(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		231.14	634.23
			(II) Other Payables		**265.60**	**248.24**
			(i) Total outstanding dues of micro enterprises and small enterprises		-	-
			(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		265.60	248.24
		(b)	Debt securities	16	21,653.86	33,859.17
		(c)	Borrowings (other than debt securities)	17	211.89	368.28
		(d)	Lease Liabilities	12	6.39	-
	2	**Non-financial liabilities**				
		(a)	Current tax liabilities (Net)	9	-	753.83
		(b)	Provisions	18	7,655.59	5,385.32
		(c)	Deferred tax liabilities (Net)	19	348.28	184.46
		(d)	Other non-financial liabilities	20	3.90	-
	3	**Equity**				
		(b)	Equity share capital	21	3,190.00	3,190.00
		(a)	Other equity	22	17,664.93	22,960.86
			Total Liabilities and Equity		**51,231.58**	**67,584.40**

Significant Accounting Policies (Refer note no. 2)

The accompanying notes are an integral part of the standalone financial statements.

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 of
Finquest Financial Solutions Private Limited

Raman Hangekar
Partner
Membership No. 030615
Mumbai
Date: 30th May, 2023

Hardik B. Patel
MD & CEO
DIN: 00590663
Mumbai
Date: 30th May, 2023

B S P Murthy
Director
DIN: 00011584
Mumbai
Date: 30th May, 2023

Standalone Profit and Loss Statement

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

	Particulars	Note No.	For the Year Ended March 31, 2023 (Audited)	For the Year Ended March 31, 2022 (Audited)
	Revenue from operations			
(i)	Interest income	23	3,145.13	1,481.75
(ii)	Dividend Income	24	79.37	62.74
(iii)	Net gain on fair value changes	25	-	5,498.17
(iv)	Other operating income	26	-	12,576.57
(I)	**Total Revenue from operations**		**3,224.51**	**19,619.23**
(II)	Other income	27	23.63	-
(III)	**Total Income (I+II)**		**3,248.14**	**19,619.23**
	Expenses			
(i)	Finance cost	28	2,793.21	6,626.77
(ii)	Impairment on financial instruments	29	2,269.37	6,793.99
(iii)	Net Loss on Fair Value Changes	25	2,868.97	-
(iv)	Employee benefit expenses	30	73.86	69.51
(v)	Depreciation, amortisation and impairment	31	61.61	43.05
(vi)	Other expenses	32	310.17	635.14
(IV)	**Total expenses**		**8,377.20**	**14,168.46**
(V)	**Profit/(loss) before exceptional items and tax (III-IV)**		**(5,129.06)**	**5,450.77**
(VI)	Exceptional items		-	-
(VII)	**Profit before tax (V+VI)**		**(5,129.06)**	**5,450.77**
(VIII)	**Tax expense:**	33		
	1. Current tax		-	1,800.52
	2. Deferred tax		163.77	520.69
	Total tax expense		**163.77**	**2,321.21**
(IX)	**Profit/(loss) for the period from continuing operations (VII-VIII)**		**(5,292.83)**	**3,129.56**
(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 year (IX + XII)**		**(5,292.83)**	**3,129.56**
(XIV)	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss	34		
i.	Remeasurements gain/ (losses) of the defined benefit plans		(0.22)	2.14
ii.	Income tax relating to items that will not be reclassified to profit or loss		(0.06)	(0.54)
	Other Comprehensive Income		**(0.27)**	**1.60**
(XV)	**Total Comprehensive Income for the period (XIII+XIV)**		**(5,293.10)**	**3,131.16**
(XVI)	**Earnings for equity share**			
	Basic		(16.59)	9.81
	Diluted		(16.59)	9.81
	Significant Accounting Policies	2		

The accompanying notes are an integral part of the standalone financial statements.

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 of
Finquest Financial Solutions Private Limited

Raman Hangekar
Partner
Membership No. 030615
Mumbai
Date: 30th May, 2023

Hardik B. Patel
MD & CEO
DIN: 00590663
Mumbai
Date: 30th May, 2023

B S P Murthy
Director
DIN: 00011584
Mumbai
Date: 30th May, 2023

Standalone Statement of Cash Flows

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

	Particulars	For the Year Ended March 31, 2023 (Audited)	For the Year Ended March 31, 2022 (Audited)
A.	**Cash flow from operating activities**		
	Profit Before Tax	(5,129.06)	5,450.77
	Adjustments for:		
	Depreciation / Amortisation	61.61	43.05
	Impairment of Financial Instruments	2,269.37	1,667.25
	Net (gain)/loss on fair value change of Investments	2,868.97	15.30
	Other Comprehensive Gain/ (Loss)	(0.22)	2.14
	(Profit)/Loss on sale of Investments	-	(5,513.47)
	Interest on borrowings, NCDs and commercial papers	2,793.21	6,626.77
	Changes in Reserves & Surplus	(2.83)	-
	Operating profit before working capital changes	**2,861.06**	**8,291.82**
	Movement in working capital:		
	Increase / (decrease) in Trade Payables	(403.10)	(2,063.41)
	Increase / (decrease) in Other Payables	17.36	248.24
	Increase / (decrease) in Other Non-Financial Liabilities	3.90	-
	Increase / (decrease) in Provisions	0.90	(0.82)
	(Increase) / decrease in Loans	8,901.74	(2,917.80)
	(Increase) / decrease in Trade Receivables	4.92	(4.92)
	(Increase) / decrease in Other Receivables	56.00	(56.00)
	(Increase) / decrease in Other Financial Assets	(515.78)	483.70
	(Increase) / decrease in Other Non-Financial Assets	0.01	15.46
	(Increase) / decrease in Current Assets	(1,331.48)	93.53
	Cash used in Operations	**9,595.52**	**4,089.81**
	Taxes paid (including tax deducted at source) (Net of refund received)		
	Net Cash (used in) operating activities (A)	**9,595.52**	**4,089.81**
B.	**Cash flow from Investing Activities**		
	Net Purchase/sale of tangible assets	(1.58)	(38.57)
	Net Purchase/sale of intangible assets	(5.90)	
	Net Increase/ Decrease in Right to Use Assets	(22.07)	
	Net Purchase/Sales of Investment	1,694.32	18,773.61
	Net cash (used in)/ generated from investing activities (B)	**1,664.77**	**18,735.04**
C.	**Cash flow from Financing Activities**		
	Borrowings during the year - Other than debt Securities	(156.40)	-
	Repayment of borrowings during the year - Other than debt securities	(14,985.00)	(12,152.86)
	Interest Paid	(13.52)	(4,058.31)
	Increase/ decrease in lease liabilities	6.39	-
	Net cash flow from financing activity (C)	**(15,148.52)**	**(16,211.17)**
	Net Increases/(Decrease) in Cash and cash equivalents (A)+(B)+(C)	**(3,888.23)**	**6,613.68**
	Cash and cash equivalents at the beginning of the year	**8,367.75**	**1,754.08**
	Cash and cash equivalents, end of the year	**4,479.53**	**8,367.75**

Significant Accounting Policies (Refer note no. 2)

The accompanying notes are an integral part of the standalone financial statements.

Notes to the statement of cash flow:

	Particulars	For the Year Ended March 31, 2023 (Audited)	For the Year Ended March 31, 2022 (Audited)
1.	Cash and cash equivalents comprise of:		
	Cash on hand	0.02	0.32
	Balances with banks		
	In current accounts	927.51	6,649.55
	Restricted Cash	3,552.00	1,717.88
	TOTAL	**4,479.53**	**8,367.75**

Standalone Statement of Cash Flows

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

2. Cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the company's cash management.
3. 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.
4. Figures in brackets indicate cash outflow.

The accompanying notes form an integral part of the financial statement.

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 of
Finquest Financial Solutions Private Limited

Raman Hangekar
Partner
Membership No. 030615
Mumbai
Date: 30th May, 2023

Hardik B. Patel
MD & CEO
DIN: 00590663
Mumbai
Date: 30th May, 2023

B S P Murthy
Director
DIN: 00011584
Mumbai
Date: 30th May, 2023

Standalone Statement of Changes in Equity (SOCIE)

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

A. Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the current reporting period	3,190.00	3,190.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period (A+B)	**3,190.00**	**3,190.00**
Changes in equity share capital during the current year	-	-
Balance at the end of the current reporting period (C+D)	**3,190.00**	**3,190.00**

B. Other equity

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 of the year 01 April 2021	**13,349.60**	**2,228.90**	**4,256.76**	**(5.55)**	**19,829.70**
Securities premium on equity shares issued during the year					-
Dividends	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-
Add: Securities premium on equity shares issued during the year					-
Transfer from Surplus in the Statement of Profit and Loss / Other comprehensive income			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 - 31st March 2022	**13,349.60**	**2,857.94**	**6,757.27**	**(3.95)**	**22,960.86**
Balance at the Beginning of the year 01 April 2022	**13,349.60**	**2,857.94**	**6,757.27**	**(3.95)**	**22,960.86**
Securities premium on equity shares issued during the year					-
Dividends	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-
Add: Securities premium on equity shares issued during the year					-
Transfer from Surplus in the Statement of Profit and Loss / Other comprehensive income			(5,292.83)	(0.27)	(5,293.10)
Previous Year Adjustment (Ind AS)			(2.83)		(2.83)
Transfer to Statutory Reserve under Section 45-IC of RBI Act		-	-		-
Closing Balance at the end of current financial year - 31st March 2023	**13,349.60**	**2,857.94**	**1,461.61**	**(4.22)**	**17,664.93**

Significant Accounting Policies (Refer note no. 2)
The accompanying notes are an integral part of the standalone financial statements.

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 of 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 recognized as a part of the profit and loss account. However, the entity may transfer those amounts recognized in other comprehensive income within equity. The gain/loss on actuarial valuation of gratuity liability is considered in other comprehensive income.

Standalone Statement of Changes in Equity (SOCIE)

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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 of **Finquest Financial Solutions Private Limited**	
Raman Hangekar Partner Membership No. 030615 Mumbai Date: 30th May, 2023	**Hardik B. Patel** MD & CEO DIN: 00590663 Mumbai Date: 30th May, 2023	**B S P Murthy** Director DIN: 00011584 Mumbai Date: 30th May, 2023

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

3. Cash and Cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.02	0.32
Balances with banks in current accounts	927.51	6,649.55
Total	**927.53**	**6,649.87**

4. Bank Balance other than (a) above

Particulars	As at March 31, 2023	As at March 31, 2022
Bank Balance other than Cash and cash equivalents		
a) At Amortised Cost		
- in deposit accounts (refer note 4.1 & 4.2)	3,527.00	1,692.88
b) At Cost		
Other Deposit	25.00	25.00
Total	**3,552.00**	**1,717.88**

4.1 Fixed deposit earns interest at floating rate.

4.2 Fixed deposits amounting to Rs. 2500/- lakhs are deposited under lien against which bank guarantee facilities are availed.

5. Receivables

I) Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured*	-	4.92
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Gross carrying amount	-	**4.92**
Less: Allowances for impairment loss on trade receivables considered good - unsecured	-	-
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net carrying amount	-	**4.92**

*Dues are from 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.

A) Trade receivables are of non-interest bearing.

Trade Receivables ageing schedule.

For the Year Ended March 31, 2023

Particulars	Unbilled	Not Due for payment	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

For the Year Ended March 31, 2022

Particulars	Unbilled	Not Due for payment	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	-	-	4.92	-	-	-	-	4.92
Total	-	-	**4.92**	-	-	-	-	**4.92**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Trade receivables days past due		Unbilled	Not Due for payment	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Estimated total gross carrying amount at default	As at March 31, 2023	-	-	-	-	-	-	-	-
Less: ECL simplified approach		-	-	-	-	-	-	-	-
Net carrying amount		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Estimated total gross carrying amount at default	As at March 31, 2022	-	-	-	-	-	-	-	-
Less: ECL simplified approach		-	-	-	-	-	-	-	-
Net carrying amount		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Reconciliation of impairment loss allowance on other receivables:

Particulars	As at March 31, 2023
Impairment allowance measured as per simplified approach	-
Impairment allowance as per March 31, 2021	-
Add: Addition during the year	-
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2022	-
Add: Addition during the year	-
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2023	-

II) Other Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Other Receivables		
Other receivables considered good - secured	-	-
Other receivables considered good - unsecured*	-	56.00
Other receivables which have significant increase in credit risk	-	-
Other receivables - credit impaired	-	-
Gross carrying amount	**-**	**56.00**
Less: Allowances for impairment loss on other receivables considered good - unsecured	-	-
Less: Allowances for impairment loss on credit impaired other receivables	-	-
Net carrying amount	**-**	**56.00**

* Dues from 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.

Other Receivables ageing schedule.

For the Year Ended March 31, 2023

Particulars	Unbilled	Not Due for payment	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Other receivables — considered good	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

For the Year Ended March 31, 2022

Particulars	Unbilled	Not Due for payment	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Other receivables — considered good	-	-	-	56.00	-	-	-	56.00
Total	**-**	**-**	**-**	**56.00**	**-**	**-**	**-**	**56.00**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Other receivables days past due		Unbilled	Not Due for payment	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Estimated total gross carrying amount at default	As at March 31, 2023	-	-	-	-	-	-	-	-
Less: ECL simplified approach		-	-	-	-	-	-	-	-
Net carrying amount		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Estimated total gross carrying amount at default	As at March 31, 2022	-	-	-	-	-	-	-	-
Less: ECL simplified approach		-	-	-	-	-	-	-	-
Net carrying amount		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Reconciliation of impairment loss allowance on other receivables:

Particulars	As at March 31, 2023
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2021	**-**
Add: Addition during the year	-
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2022	**-**
Add: Addition during the year	-
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2023	**-**

6. Loans (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans (at amortised cost)		
(i) Term Loans	22,932.05	31,829.98
(ii) Staff Loan	22.35	26.15
Total (A) - Gross	**22,954.40**	**31,856.14**
Less: Impairment loss allowance	7,343.33	5,279.97
Total (A) - Net	**15,611.07**	**26,576.17**
(i) Secured by tangible assets	10,486.79	6,642.61
(ii) Covered by Bank/ Government Guarantee	-	-
(iii) Unsecured	12,467.61	25,213.53
Total (B) - Gross	**22,954.40**	**31,856.14**
Less: Impairment loss allowance	7,343.33	5,279.97
Total (B) - Net	**15,611.07**	**26,576.17**
(i) Loans in India		
(a) Public sector	-	-
(b) Others	22,954.40	31,856.14
i) Retails	3,082.69	9,578.47
ii) Corporates	19,871.71	22,277.67
(ii) Loans outside India	-	-
Total (C)- Gross	**22,954.40**	**31,856.14**
Less: Impairment loss allowance	7,343.33	5,279.97
Total(C)-Net	**15,611.07**	**26,576.17**

6.1 There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.

6.2 The Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment.

6.3 Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross impairment allowances. Details of the Company's internal grading system are explained in note 43A and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 43A.

Notes

for the year ended March 31, 2023
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

For the Year Ended March 31, 2023

Particulars	General approach			Total
	Stage 1-Collective	Stage 2-Collective	Stage 3-Collective	
Internal rating grade				
Performing				
High grade	9,816.50	-	-	9,816.50
Standard grade	5,043.31	78.91	-	5,122.23
Sub-standard grade	-	-	-	-
Non- performing	-	-	7,993.33	7,993.33
Total	**14,859.81**	**78.91**	**7,993.33**	**22,932.05**

For the Year Ended March 31, 2022

Particulars	General approach			Total
	Stage 1-Collective	Stage 2-Collective	Stage 3-Collective	
Internal rating grade				
Performing				
High grade	24,611.16	-	-	24,611.16
Standard grade	-	-	-	-
Sub-standard grade	-	-	-	-
Non- performing	-	-	7,218.82	7,218.82
Total	**24,611.16**	**-**	**7,218.82**	**31,829.98**

6.4 An analysis of changes in the gross carrying amount as follows:

For the Year Ended March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	24,611.16	-	7,218.82	31,829.98
Portfolio additions on account of Business Combination	-	-	-	-
Restated Balance as at April 01, 2022	**24,611.16**	**-**	**7,218.82**	**31,829.98**
New assets originated or purchased	8,348.41	-	400.79	8,749.20
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(17,594.10)	-	(53.03)	(17,647.13)
Transfers to stage 1	-	-	-	-
Transfers to stage 2	(78.91)	78.91	-	-
Transfers to stage 3	(426.74)	-	426.74	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	**14,859.81**	**78.91**	**7,993.33**	**22,932.05**

For the Year Ended March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	-	-
Portfolio additions on account of Business Combination	-	-	-	-
Restated Balance as at April 01, 2022	**-**	**-**	**-**	**-**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	-	-	-	-
Transfers to stage 1	24,611.16	-	-	24,611.16
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	7,218.82	7,218.82
Amounts written off	-	-	-	-
Gross carrying amount closing balance	**24,611.16**	**-**	**7,218.82**	**31,829.98**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

6.5 Reconciliation of ECL balance is given below:

For the Year Ended March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - opening balance	**98.44**	**-**	**5,280.19**	**5,378.64**
New assets originated or purchased	104.06	-	0.79	104.85
Transfers to stage 1	134.13	-	-	134.13
Transfers to stage 2	(9.64)	39.46	-	29.81
Transfers to stage 3	(9.09)	-	2,115.37	2,106.28
Provision no longer required	(52.69)	-	(53.03)	(105.71)
ECL Allowance - closing balance	**265.22**	**39.46**	**7,343.33**	**7,648.01**

For the Year Ended March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - opening balance	**-**	**-**	**-**	**-**
New assets originated or purchased	-	-	-	-
Transfers to stage 1	98.44	-	-	98.44
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	5280.19	5280.19
Provision no longer required	-	-	-	-
ECL Allowance - closing balance	**98.44**	**-**	**5280.19**	**5378.64**

6.6 The table below summarises the gross carrying values and associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

For the Year Ended March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	14,859.81	78.91	7,993.33	22,932.05
Allowance for ECL	265.22	39.46	7,343.33	7,648.01
ECL Coverage Ratio	1.78%	50.00%	91.87%	33.35%

For the Year Ended March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	24,611.16	-	7,218.82	31,829.98
Allowance for ECL	98.44	-	5,280.19	5,378.64
ECL Coverage Ratio	0.40%	-	73.14%	16.90%

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

7. Investments

For the Year Ended March 31, 2023

Particulars	Amortised Cost	At Fair Value		Others (At Cost)	Total
		Through OCI	Through P&L		
1. Mutual Funds	-	-	-	-	-
2. Government Securities	-	-	-	-	-
3. Others Approved Securities	-		-	-	-
4. Debt Securities:	-	-	-	-	-
a) Investment in Suraksha Asset Reconstruction Pvt Ltd	-	-	-	-	-
5. Equity Instruments:	-	-	**11,075.51**	-	**11,075.51**
a) Equity shares of Nirmal Reality Private Limited	-	-	-	-	-
b) Trading In Equity	-	-	11,075.51	-	-
6. Subsidiaries:	-	-	-	**4,501.00**	**4,501.00**
a) Equity Shares of Krihaan Texchem Pvt Ltd	-	-	-	1.00	-
b) Equity Shares of Digjam Ltd	-	-	-	1,800.00	-
c) Preference Shares of Digjam Ltd	-	-	-	2,700.00	-
7. Associates	-	-	-	-	-
8. Joint Ventures	-	-	-	-	-
9. Others:	-	-	-	**4,229.68**	**4,229.68**
a) Investment in Security Receipts	-	-	-	4,229.68	-
Total Gross (A)	-	-	**11,075.51**	**8,730.68**	**19,806.19**
Investments outside India	-	-	-	-	-
Investments in India	-	-	11,075.51	8,730.68	19,806.19
Total Gross (B)	-	-	**11,075.51**	**8,730.68**	**19,806.19**
Less: Allowance for impairment loss (C)	-	-	-	-	-
Total Net (D) = (B) - (C)	-	-	**11,075.51**	**8,730.68**	**19,806.19**

For the Year Ended March 31, 2022

Particulars	Amortised Cost	At Fair Value		Others (At Cost)	Total
		Through OCI	Through P&L		
1. Mutual Funds	-	-	-	-	-
2. Government Securities	-	-	-	-	-
3. Others Approved Securities	-	-	-	-	-
4. Debt Securities:	-	-	-	**1,849.96**	**1,849.96**
a) Investment in Suraksha Asset Reconstruction Pvt Ltd	-	-	-	1,849.96	
5. Equity Instruments:	-	-	**18,014.56**	**10.11**	**18,024.67**
a) Equity shares of Nirmal Reality Private Limited	-	-	-	10.11	
b) Trading In Equity	-	-	18,014.56	-	
6. Subsidiaries:	-	-	-	**4,501.00**	**4,501.00**
a) Equity Shares of Krihaan Texchem Pvt Ltd	-	-	-	1.00	
b) Equity Shares of Digjam Ltd	-	-	-	1,800.00	
c) Preference Shares of Digjam Ltd	-	-	-	2,700.00	
7. Associates	-	-	-	-	
8. Joint Ventures	-	-	-	-	
9. Others:	-	-	-	-	-
a) Investment in Security Receipts	-	-	-	-	
Total Gross (A)	-	-	**18,014.56**	**6,361.07**	**24,375.63**
Investments outside India	-	-	-	-	-
Investments in India	-	-	18,014.56	6,361.07	24,375.63
Total Gross (B)	-	-	**18,014.56**	**6,361.07**	**24,375.63**
Less: Allowance for impairment loss (C)	-	-	-	-	-
Total Net (D) = (B) - (C)	-	-	**18,014.56**	**6,361.07**	**24,375.63**

*The dividends of Rs. 79.37 lakhs (March 31, 2022: Rs.62.74 lakhs) received from investments in shares are recorded as dividend income.

7.1 The Resolution plan for Ballarpur Industries Ltd. submitted by Finquest Financial Solutions Pvt. Ltd was approved by Hon'ble NCLT, Mumbai Bench on 31st March 2023. In Compliance with the order of the Hon'ble NCLT, an 'Implementation and Monitoring Committee 'has been formed in accordance with the approved Resolution Plan. Order received from NCLT on 13th April 2023.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

7.2 The Company has invested in the Security Receipts of a Trust formed by Asset Reconstruction Company (India) Limited during the current financial year, the value of which is exceeding 15% of its owned funds. Even though the Non- Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 state that the Company cannot exceed this limit but the Management's view is that, based on the circular issued by RBI dated 22nd October 2021 applicable w.e.f. 01st October,2022 Company falls under the definition of Base Layer NBFC and the said exposure limits are not applicable to it.

8. Other Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
a) At Amortised Cost		
Deposit for rent	6.14	6.30
b) At Cost		
Other advances	1,025.95	510.00
Total	**1,032.08**	**516.30**

9. Current Tax Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Income Tax Advance	770.87	66.85
Less: Provision for Income Tax	(1,800.52)	(1,800.52)
TDS Receivable	1,610.57	1,386.57
TDS Payable	(3.26)	(406.73)
Total	**577.65**	**(753.83)**

10. Investment Property

For the Year Ended March 31, 2023

Particulars	Gross Block				
	Balance as at April 1, 2022	Adjustment	Additions	Sales/ Deduction	Balance as at March 31, 2023
Land	123.41	-	-	-	123.41
Building	435.17	6.15	-	-	441.32
Total	**558.58**	**6.15**	**-**	**-**	**564.73**

Particulars	Accumulated Depreciation				
	Balance as at April 1, 2022	During the year	Adjustment	Sales/ Deduction	Balance as at March 31, 2023
Land	-	-	-	-	-
Building	32.86	38.24	4.17	-	75.27
Total	**32.86**	**38.24**	**4.17**	**-**	**75.27**

Particulars	Net Block	
	Balance as at March 31, 2023	Balance as at March 31, 2022
Land	123.41	123.41
Building	366.05	402.31
Total	**489.46**	**525.72**

For the Year Ended March 31, 2022

Particulars	Gross Block				
	Balance as at April 1, 2021	Adjustment	Additions	Sales/ Deduction	Balance as at March 31, 2022
Land	123.41	-	-	-	123.41
Building	438.23	-	-	3.07	435.17
Total	**561.64**	**-**	**-**	**3.07**	**558.58**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	Accumulated Depreciation				
	Balance as at April 1, 2021	During the year	Adjustment	Sales/ Deduction	Balance as at March 31, 2022
Land	-	-	-	-	-
Building	-	32.86	-	-	32.86
Total	**-**	**32.86**	**-**	**-**	**32.86**

Particulars	Net Block	
	Balance as at March 31, 2022	Balance as at March 31, 2021
Land	123.41	123.41
Building	402.31	438.23
Total	**525.72**	**561.64**

(i) Amounts recognised in the Statement of Profit and Loss for Investment property.

Particulars	As at March 31, 2023	As at March 31, 2022
Rental income from investment property	**-**	**-**
Direct operating expenses arising from investment property that generated rental income during the year	-	-
Direct operating expenses arising from investment property that did not generate rental income during the year	-	-
Profit from investment property before depreciation	**-**	**-**
Depreciation charge for the year	42.41	32.86
Profit from investment property after depreciation	**(42.41)**	**(32.86)**

(ii) Contractual obligations

The Company has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Fair value

The Fair value of Investment Property as on 31st March 2023 and 31st March 2022 is Rs. 1249.42 lakhs and Rs. 1,131.44 lakhs respectively.

(iv) Pledged details

The company has not pledged the Investment Property.

(v) Estimation of fair value

The fair value of the investment properties as on 31st March 2022 and 31st March 2023 has been determined by an external independent property valuer, having appropriate professional qualification and experience in the location and category of property being valued.

11. Property, Plant and Equipment

For the Year Ended March 31, 2023

Particulars	Gross Block				Accumulated Depreciation			
	Balance as at March 31, 2022	Additions	Deductions	Balance as at March 31, 2023	Balance as at March 31, 2022	Charge for the year	Deductions	Balance as at March 31, 2023
Electric Equipment (Plant and Machinery)	5.09	-	-	5.09	2.08	0.79	-	2.88
Computers & Servers	2.38	1.58	-	3.96	1.65	0.72	-	2.37
Vehicles	109.92	-	-	109.92	93.59	5.37	-	98.97
Total	**117.40**	**1.58**	**-**	**118.98**	**97.33**	**6.88**	**-**	**104.21**

Particulars	Net Block	
	Balance as at March 31, 2023	Balance as at March 31, 2022
Electric Equipment (Plant and Machinery)	2.22	3.01
Computers & Servers	1.59	0.73
Vehicles	10.96	16.33
Total	**14.77**	**20.07**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

For the Year Ended March 31, 2022

Particulars	Gross Block				Accumulated Depreciation			
	Balance as at March 31, 2021	Additions	Deductions	Balance as at March 31, 2022	Balance as at March 31, 2021	Charge for the year	Deductions	Balance as at March 31, 2022
Electric Equipment (Plant and Machinery)	0.95	4.14	-	5.09	0.75	1.33	-	2.08
Computers & Servers	0.81	1.57	-	2.38	0.81	0.84	-	1.65
Vehicles	109.92	-	-	109.92	85.59	8.01	-	93.59
Total	**111.68**	**5.71**	**-**	**117.40**	**87.14**	**10.19**	**-**	**97.33**

Particulars	Net Block	
	Balance as at March 31, 2022	Balance as at March 31, 2021
Electric Equipment (Plant and Machinery)	3.01	0.20
Computers & Servers	0.73	-
Vehicles	16.33	24.34
Total	**20.07**	**24.54**

The Company has not revalued any of its property, plant and equipment during the year ended March 31, 2023, and year ended March 31, 2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

12. Disclosure under Ind AS 116: Leases

(i) Right-of-use Assets

For the Year Ended March 31, 2023

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2023	Additions	Deductions	Balance as at March 31, 2023	Balance as at April 1, 2023	Charge for the year	Deductions	Balance as at March 31, 2023	Balance as at March 31, 2023	Balance as at March 31, 2022
Office at Juhu	-	8.07	-	8.07	-	7.45	-	7.45	0.62	-
Office at Andheri	-	15.27	1.27	14.00	-	4.67	-	4.67	9.33	-
Total	**-**	**23.34**	**1.27**	**22.07**	**-**	**12.11**	**-**	**12.11**	**9.95**	**-**

(ii) Movement in lease liabilities

For the Year Ended March 31, 2022

Particulars	Balance as at April 1, 2023	Additions	Deletions	Finance Cost	Payment of lease liabilities	Balance as at March 31, 2023
Office at Juhu	-	8.78	-	0.54	8.61	0.72
Office at Andheri	-	16.76	8.30	0.93	3.72	5.67
Total	**-**	**25.54**	**8.30**	**1.48**	**12.33**	**6.39**

The Company has taken various office premises under lease. Certain agreements provide for cancellation by either party or certain agreements contain clauses for escalation and renewal of agreements. The non-cancellable operating lease agreements range for 8 months. There are no restrictions imposed by lease arrangements.

(iii) Maturity analysis of lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 1 month	0.72	-
Between 1 month & 3 months	-	-
Between 3 months & 1 year	3.09	-
Between 1 year and 5 year	2.58	-
More than 5 years	-	-
Total	**6.39**	**-**

(iv) Amounts recognised in the Statement of Profit and Loss

Particulars	As at March 31, 2023	As at March 31,2022
Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	(12.1)	-
Interest expense (included in finance costs)	(1.5)	-
Gain/(Loss) on remeasurement of lease liability	7.0	-

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

(v) The total cash outflow for leases during the year

Particulars	As at March 31, 2023	As at March 31, 2022
Total cash outflow for Leases	12.33	-

13. Intangible Assets

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at March 31, 2023	Additions	Deductions	Balance as at March 31, 2023	Balance as at March 31, 2023	Charge for the year	Deductions	Balance as at March 31, 2023	Balance as at March 31, 2023	Balance as at March 31, 2022
License – Cloudbanking	-	5.90	-	5.90	-	0.20	-	0.20	5.70	-
Total	**-**	**5.90**	**-**	**5.90**	**-**	**0.20**	**-**	**0.20**	**5.70**	**-**

The Company has not revalued any of its intangible assets during the financial year ended March 31, 2023. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil. The useful life of Intangible asset is 3 years.

14. Other Non-Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Other non-financial assets		
Capital Advances	1,850.50	1,850.50
GST on Reverse Charge	3.34	3.34
GST Credit on Input Services	8.01	8.01
Professional Tax Excess Paid	-	0.01
Total	**1,861.85**	**1,861.87**

15. Payables

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Trade Payables at cost		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	231.14	634.23
Total	**231.14**	**634.23**

Trade Payables ageing schedule.

For the Year Ended March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	**-**
(ii) Others	4.49	-	-	226.65	**231.14**
Total	**4.49**	**-**	**-**	**226.65**	**231.14**

For the Year Ended March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	**-**
(ii) Others	-	-	634.23	-	**634.23**
Total	**-**	**-**	**634.23**	**-**	**634.23**

Particulars	As at March 31, 2023	As at March 31, 2022
(II) Other Payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	265.60	248.24
Total	**265.60**	**248.24**

15.1 Trade & other payables are non-interest bearing.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

16. Debt Securities (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Convertible debentures (Unsecured)	21,653.86	33,859.17
Total (A)	**21,653.86**	**33,859.17**
Debt securities in India	21,653.86	33,859.17
Debt securities outside India	-	-
Total (B)	**21,653.86**	**33,859.17**

Details of Debt Securities:

For the Year Ended March 31, 2023

Particulars	Debenture Issued Value	Redemption Value	Redemption Date
Non-Convertible Debentures*	6,400.00	11,520.00	24-03-2027
Non-Convertible Debentures	10,000.00	23,000.00	28-09-2029

*The Company has exercised its call option of early redemption option vide its notice dated March 10, 2023. Hence, out of total 175 Listed, Rated, Unsecured, Redeemable, Non-Convertible Debentures aggregating to Rs. 175 crore consent was given for Rs. 111 Crore under the call option exercised by Finquest Financial Solutions Private Ltd, during financial year ended 31st March 2023. Hence, as on year ended March 31, 2023, there is outstanding Debentures of Rs. 64 Crore.

For the Year Ended March 31, 2022

Particulars	Debenture Issued Value	Redemption Value	Redemption Date
Non-Convertible Debentures	17,500.00	31,500.00	24-03-2027
Non-Convertible Debentures	10,000.00	23,000.00	28-09-2029

There are no debt securities measured at FVTPL or designated at FVTPL.
¥ includes Rs. 113 lakhs (March 31, 2022, Rs.246 lakhs) issued to related parties including Directors.

17. Borrowings (Other than Debt Securities - at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Term loans	-	-
Unsecured		
(i) from banks	-	-
(ii) from other parties (unsecured)	24.46	28.25
(b) Loans from related parties (unsecured)	187.42	340.03
Total (A)	**211.89**	**368.28**
Borrowings in India	211.89	368.28
Borrowings outside India	-	-
Total (B)	**211.89**	**368.28**

There are no debt securities measured at FVTPL or designated at FVTPL.
Rate of Interest of borrowings from other parties range up to 6.5%

18. Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
- Gratuity	6.25	5.26
- Compensated absences	1.33	1.42
Others		
- NPA Provisions	7,343.33	5,279.97
- Standard Assets	304.68	98.66
Total	**7,655.59**	**5,385.32**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

19. Deferred Tax Assets / (Liabilities)

For the Year Ended March 31, 2023

Particulars	Net Balance on March 31, 2023	Recognized in profit or loss	Recognized in OCI	Previous year Adjustments in DTA/ DTL	Net	Deferred tax asset	Deferred tax liability
- On Depreciation	16.13	16.13	-	5.48	9.54	9.54	-
- On Provision for compensated absences	0.34	0.34	-	-	0.09	0.09	-
- On Provision for Gratuity	1.19	1.19	-	-	0.30	0.30	-
- On Remeasurements of the defined benefit plans	0.22	-	0.22	-	0.06	0.06	-
- On Fair value of investments (Gain)/ Loss	2,778.83	2,778.83	-	-	699.43	699.43	-
- On Fair value of staff loan	-	-	-	-	-	-	-
- On Debenture Redemption Premium	(339.39)	(339.39)	-	(785.07)	(870.50)	-	(870.50)
- On Interest on Lease	1.48	1.48	-	-	0.37	0.37	-
- On Actual Rent Payment	(12.33)	-	-	-	(3.10)	-	(3.10)
Deferred Tax Assets/(Liabilities)	**2,446.47**	**2,458.58**	**0.22**	**(779.60)**	**(163.82)**	**709.78**	**(873.60)**
Net	**-**	**-**	**-**	**-**	**(163.82)**	**-**	**(163.82)**
Opening Deferred tax Assets/(liability)	**(184.46)**	**-**	**-**	**-**	**-**	**-**	**-**
Deferred tax liability during the year	**(163.82)**	**-**	**-**	**-**	**-**	**-**	**-**
Closing Deferred tax Assets/(liability)	**(348.28)**	**-**	**-**	**-**	**-**	**-**	**-**

For the Year Ended March 31, 2022

Particulars	Net Balance on March 31, 2022	Recognized in profit or loss	Recognized in OCI	Previous year Adjustments in DTA/ DTL	Net	Deferred tax asset	Deferred tax liability
- 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 (Gain)/ Loss	(8,417.60)	(8,417.60)	-	-	(2,118.71)	-	(2,118.71)
- On Fair value of staff loan	-	-	-	-	-	-	-
- On Debenture Redemption Premium	6359.17	6,359.17	-	-	1,600.60	1,600.60	-
Deferred Tax Assets/(Liabilities)	**(2,070.84)**	**(2,068.70)**	**(2.14)**	**-**	**(521.23)**		**(2,121.88)**
Net	**-**	**-**	**-**	**-**	**(521.23)**	**1,600.65**	**(521.23)**
Opening Deferred tax Assets/(liability)	**336.77**	**-**	-	-	-	-	-
Deferred tax liability during the year	**(521.23)**	**-**	-	-	-	-	-
Closing Deferred tax Assets/(liability)	**(184.46)**	**-**	-	-	-	-	-

20. Other Non-financial Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Other non- financial liabilities		
Statutory liabilities	0.00	-
Other liabilities	3.89	-
Total	**3.90**	**-**

21. Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized 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.100000/- Each	1,000	1,000
	4,200	**4,200**
Issued, Subscribed and fully Paid-up Equity Shares		
31,900,000 (31 March 2022: 31,900,000) Equity Shares of Rs.10 each	3,190	3,190
Total	**3,190**	**3,190**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

(a) Reconciliation of Number of Shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Shares	Amount	No of Shares	Amount
Balance at the beginning of the year	-	-	-	-
Equity Shares	3,19,00,000	3,190.00	3,19,00,000	3,190.00
Add: Shares Issued during the year	-	-	-	-
Equity Shares	-	-	-	-
Balance at the end of the year	-	-	-	-
Equity Shares	3,19,00,000	3,190.00	3,19,00,000	3,190.00

(b) Reconciliation of Equity Share Capital

Particulars	As at March 31, 2023	As at March 31,2022
Balance at the beginning of the current reporting period	3,190.00	3,190.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	**3,190.00**	**3,190.00**
Changes in equity share capital during the current year	-	-
Balance at the end of the current reporting period	**3,190.00**	**3,190.00**

(c) 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 the 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.

(d) Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date were Nil (March 31, 2022: Nil).

(e) Details of Shares held by shareholders holding in the company

Details of shareholding Name of the shareholder	As at March 31, 2023		As at March 31, 2023	
Equity shares of Rs. 10/- each	No. of shares held	% of holding	No. of shares held	% of holding
Mrs. Minal Bharat Patel	2,06,25,421	64.66%	1,03,12,711	32.33%
Mr. Hardik Bharat Patel	1,03,12,711	32.33%	1,03,12,711	32.33%
Mr. Ruchit Bharat. Patel	-	0%	1,03,12,710	32.33%

(f) Refer note 40 - Capital management for the Company's objectives, policies, and processes for managing capital.

(g) Shareholding of Promoters

As at March 31, 2023

Promoter & Promoter Group	Relationship	Shares held at the end of the year		% Change during the year
		No. of Shares	% of Total Shares	
Minal Patel	Promoter	2,06,25,421	64.66%	32.33%
Hardik Patel	Promoter	1,03,12,711	32.33%	0.00%
Ruchit Patel	Promoter	-	0.00%	-32.33%

As at March 31, 2022

Promoter & Promoter Group	Relationship	Shares held at the end of the year		% Change during the year
		No. of Shares	% of Total Shares	
Hardik Patel	Promoter	1,03,12,711	32.33%	10.33%
Minal Patel	Promoter	1,03,12,711	32.33%	10.33%
Ruchit Patel	Promoter	1,03,12,710	32.33%	10.33%

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

22. Other Equity

As at March 31, 2023

Particulars	Securities Premium (Note 2)	Statutory Reserve (Note 1) (Other Reserves)	Reserves and Surplus		Total
			Retained Earnings (Note 3)	Other Compre -hensive Income (Note 4)	
Balance at the Beginning of the year April 1, 2022	**13,349.60**	**2,857.94**	**6,757.27**	**(3.95)**	**22,960.86**
Securities premium on equity shares issued during the year	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-
Add: Securities premium on equity shares issued during the year	-	-	-	-	-
Transfer from Surplus in the Statement of Profit and Loss / Other comprehensive income	-	-	-	-	-
Transfer to Special Reserve under section 45-IC of RBI Act, 1934	-	-	(5,292.83)	(0.27)	(5,293.10)
Balance as at March 31, 2023	**-**	**-**	**(2.83)**	**-**	**(2.83)**

As at March 31, 2022

Particulars	Securities Premium (Note 2)	Statutory Reserve (Note 1) (Other Reserves)	Reserves and Surplus		Total
			Retained Earnings (Note 3)	Other Compre -hensive Income (Note 4)	
Balance at the Beginning of the year April 1, 2021	**13,349.60**	**2,228.90**	**4,256.76**	**(5.55)**	**19,829.70**
Securities premium on equity shares issued during the year	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-
Add: Securities premium on equity shares issued during the year	-	-	-	-	-
Transfer from Surplus in the Statement of Profit and Loss / Other comprehensive income	-	-	3,129.56	1.60	3,131.16
Transfer to Special Reserve under section 45-IC of RBI Act, 1934	-	629.04	(629.04)	-	-
Balance as at March 31, 2022	**13,349.60**	**2,857.94**	**6,757.27**	**(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 of 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.

23. Interest Income

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
On Financial assets measured at amortised cost		
Interest on loans	2,974.03	1,406.30
Interest on Deposit (Leased Asset)	0.46	-
Interest on fixed deposits with banks	170.64	75.45
Total	**3,145.13**	**1,481.75**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

24. Dividend Income

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Dividend on Investment	79.37	62.74
Total	**79.37**	**62.74**

25. Net Gain/(Loss) on Fair Value Changes

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss:		
(i) On trading portfolio		
- Investments	(2,878.34)	6,260.91
- Derivatives	-	-
- Others	-	-
(ii)On financial instruments designated at fair value through profit or loss	-	-
(B) Others		
Profit on sale of Investment	9.36	(762.74)
(C) Total Net Gain/(Loss) on fair value change	**(2,868.97)**	**5,498.17**
Fair Value Change:		
- Realised	(90.14)	5,513.47
- Unrealised	(2,778.83)	(15.30)
(D) Total Net Gain/(Loss) on Fair Value Changes	**(2,868.97)**	**5,498.17**

26. Other Operating Income

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Gain in part on realisation of Stressed asset	-	12,576.57
Total	**-**	**12,576.57**

27. Other Income

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Gain on lease modification	7.03	-
Interest on income tax refund	16.58	-
Other Miscellaneous Income	0.02	-
Total	**23.63**	**-**

28. Finance Costs

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
A) On Financial liabilities measured at amortised cost		
Interest (other than debt securities)	12.04	4,058.31
Interest Expense on lease liability	1.48	-
Debenture Premium Cost	2,779.70	2,568.47
Total	**2,793.21**	**6,626.77**

29. Impairment on Financial Instruments

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
A) On Financial instruments measured at amortised cost		
Loans		
Provision for Expected Credit loss	2,269.37	1,667.25
'Bad Debts	-	5,126.74
Investments	-	-
Others	-	-
Total	**2,269.37**	**6,793.99**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

For the Year Ended March 31, 2023

Particulars	General approach			Simplified Approach	Total
	Stage 1- Collective	Stage 2- Collective	Stage 3- Collective		
Loans and advances to customers measured at amortised cost	166.77	39.46	2,063.14	-	**2,269.37**
Investments	-	-	-	-	-
Others	-	-	-	-	-
Total	**166.77**	**39.46**	**2,063.14**	**-**	**2,269.37**

For the Year Ended March 31, 2022

Particulars	General approach			Simplified Approach	Total
	Stage 1- Collective	Stage 2- Collective	Stage 3- Collective		
Loans and advances to customers measured at amortised cost	32.14	-	1,635.11	-	**1,667.25**
Investments	-	-	-	-	-
Others	-	-	-	-	-
Total	**32.14**	**-**	**1,635.11**	**-**	**1,667.25**

30. Employee Benefit Expenses

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salaries, bonus, and commission	71.70	64.97
Gratuity and Leave Encashment Provision	1.53	(0.82)
Staff welfare expenses	0.63	5.36
Total	**73.86**	**69.51**

31. Depreciation, Amortisation and Impairment

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Depreciation of property, plant, and equipment	6.88	10.19
Depreciation of investment property	42.41	32.86
Amortisation of intangible assets	0.20	-
Depreciation on Right-of-use assets	12.11	-
Total	**61.61**	**43.05**

32. Other Expenses

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Legal & Professional Fees	214.05	197.85
GST credit on RCM	33.09	34.16
CSR Expense (Refer Note B)	20.00	-
Office Expenses	16.38	53.29
Audit Fees (Refer Note A)	11.45	2.80
Conveyance Expenses	6.01	16.72
Stamp Duty and registration	1.28	-
Other Expenses	1.11	0.10
Penalty	1.10	-
ROC Filing fees	0.89	0.35
Printing & Stationery	0.57	0.19
Bank charges	4.16	22.43
Franking/ Stamping Charges	-	0.05
Donations	-	285.00
Rent	-	7.15
Interest on Profession Tax	0.04	15.02
Profession Tax	0.05	0.03
Total	**310.17**	**635.14**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Note A: Payment to Auditors		
As auditors	6.60	2.80
For taxation matters	0.75	-
Other matters	4.10	-
Total	**11.45**	**2.80**
Note B: CSR		
i) Amount required to be spent by the company during the year	19.98	-
ii) Amount of expenditure incurred	20.00	-
iii) Shortfall at the end of the year	-	-
iv)Nature of Activity:		
Contribution made to a Non-Profit organisation set up with an objective of developing the down trotted especially Dalits, scheduled caste, scheduled tribes, minorities, BPL's and other backward communities, welfare of women, youth and child development through education, economic environment, skill, education, health, and cultural programs.	NA	NA

33. Tax Expenses

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Current tax expense		
Current tax for the year	-	1,800.52
Tax of earlier year	-	-
Deferred tax		
Change in deferred tax assets	(709.78)	(1,600.65)
Change in deferred tax liabilities	873.60	2,121.88
Net deferred tax (income) /expense	163.82	521.23
Total	**163.82**	**2,321.75**

33.1) Tax Reconciliation

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Profit/(loss) before income tax expenses	(5,129.06)	5,450.77
Effective Tax Rate	25.168%	33.03%
Tax at Statutory Rate	-	1,800.52
Tax effect of amounts which are not deductible/ non-taxable in calculating taxable income	**-**	**-**
Income allowed /Expenses disallowed	(709.78)	(1,600.65)
Income disallowed /Expenses allowed	873.60	2,121.88
Impact of change in tax rate	-	-
Deferred tax expenses on account of OCI	-	-
Income Tax Expenses	**163.82**	**2,321.75**

34. Statement of Other Comprehensive Income

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
(i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	(0.22)	2.14
Equity Instruments through Other Comprehensive Income		
Others (Specify nature)		
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.06)	(0.54)
(iii) Items that will be reclassified to profit or loss	-	-
Total	**(0.27)**	**1.60**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

35. Earnings Per Share

Basic Earnings Per Share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equities shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit for the year attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Net profit after tax as per Statement of profit and loss (in lakhs) **(A)**	(5,292.83)	3,129.56
Weighted average number of equity shares for calculating basic EPS (in lakhs) **(B)**	319.00	319.00
Weighted average number of equity shares for calculating diluted EPS (in lakhs) **(C)**	319.00	319.00
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A)/(B)**	(16.59)	9.81
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) **(A)/(C)**	(16.59)	9.81

36. Investment in Subsidiaries and Associates

The Company has invested in the following entities:

Name of the Entity	Relationship	Country of Incorporation	Principal Place of Business	Principal Activities	% Equity Interest	
					As at March 31,2023	As at March 31,2022
Krihaan Texchem Private Limited	Subsidiary	India	India	Textile	100%	100%
Digjam Limited	Subsidiary	India	India	Textile	90%	90%

The Company has recognised its investment in subsidiaries and associate at cost.

37. Contingent Liabilities

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
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	132.31	278.66
Total	**132.31**	**278.66**

38. Employee Benefits Plans

A. Gratuity

Every employee is entitled to a benefit equivalent to a fifteen-day 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 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 device 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 statements as at the balance sheet date:

Particulars	As at March 31, 2023	As at March 31, 2022
A. Change in present value of obligations		
Liability at the beginning of the year	5.26	6.27
Adjusted through retained earnings	-	-
Transfer in/ (out) obligation	-	-
Current service cost	0.89	0.79
Interest cost	0.30	0.34
Actuarial losses / (gain)	0.22	(2.14)
Past service cost	-	-
Benefits paid	(0.42)	-
Liability at the end of the year	**6.25**	**5.26**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	As at March 31, 2023	As at March 31, 2022
B. Expense recognized in the statement of profit and loss		
Current service cost	0.89	0.79
Interest cost	0.30	0.34
Past Service Cost	-	-
Net gratuity expense	**1.19**	**1.14**
C. Remeasurements recognized in the OCI		
Actuarial (gain) / loss arising from	0.22	(2.14)
- experience adjustments	0.46	(2.08)
- actuarial assumptions	(0.24)	(0.06)
Total	**0.44**	**4.28**
D. Actuarial Assumptions		
Discount Rate	7.30%	6.10%
Salary escalation rate	7.00%	7.00%
Attrition Rate - Age (Years)		
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 exposes the company to actuarial risks, such as longevity and Interest rate risk. The weighted average duration of the defined benefit obligation was 3.96 years (31 March 2022: 4.21 years).

The estimate of future salary increases, considered in actuarial valuation, takes 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:

A. Gratuity

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	-1.47%	1.53%	-1.61%	1.68%
Salary escalation rate (50 bps movement)	1.53%	-1.48%	1.66%	-1.61%

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.

B. Compensated Absences

Particulars	As at March 31, 2023	As at March 31, 2022
A. Change in present value of obligations		
Liability at the beginning of the year	1.35	1.23
Adjusted through retained earnings	-	-
Transfer in/ (out) obligation	-	-
Current service cost	0.37	0.48
Interest cost	0.07	0.06
Actuarial losses / (gain)	(0.10)	(0.35)
Past service cost	-	-
Benefits paid	(0.36)	(0.07)
Liability at the end of the year	**1.33**	**1.35**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

39. Maturity Analysis of financial Assets & Liabilities

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

Particulars	Note No	As at March 31, 2023			As at March 31, 2022		
		Contractual cash flows			Contractual cash flows		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financial liabilities							
Trade Payables	15	231.14	-	231.14	634.23	-	634.23
Other Payables		265.60	-	265.60	248.24	-	248.24
Borrowings	17	116.48	95.41	211.89	93.17	275.12	368.29
Debt securities	16	-	21653.86	21653.86	-	33,859.17	33,859.17
Financial Assets							
Cash and cash equivalents	3	927.53	-	927.53	6,649.87	-	6,649.87
Trade receivables	5	-	-	0.00	4.92	-	4.92
Other receivables		-	-	0.00	56.00	-	56.00
Loans	6	9185.00	13769.40	22954.40	14,758.44	17,097.70	31,856.14
Investments	7	11075.51	9220.14	20295.65	19,864.52	5,036.83	24,901.35
Other financial assets	8	1025.95	6.14	1032.08	510.00	6.30	516.30

40. Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures maintaining a healthy CRAR at all the times. Refer note 54.1 for the Company's Capital ratios.

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

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated-on account of regulatory amendments. However, they are under constant review by the Board. The Company has complied with the notification RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards."

41. Related Party Disclosure as per Indian Accounting Standard 24

Promotors
Mr. Hardik B Patel
Mr. Ruchit B Patel
Mrs. Minal B Patel

Director & Key Managerial Personnel (KMP)	Nature Of Relationship
Mr. Hardik B. Patel	Managing Director
Mr. Ruchit B Patel	Non-Executive Director
Mr. Parashiva Murthy B S	Non-Executive Director
Mr. Dhiren S. Shah	Independent Director
Ms. Kalyani Sharma	Independent Director

Relative of Key Managerial Personnel (KMP)	Nature of Relationship
Minal B Patel	Director's Relative
Shweta H. Patel	Director's Relative

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Other Related Parties	Nature of Relationship
Digjam Limited	Subsidiary
Krihaan Texchem Private Limited	Subsidiary
Finquest Properties Private Limited	Common Control
PAT Financial Consultants Pvt Ltd	Common Control
Finquest Securities Private Limited	Common Control
Nirmal Realty Pvt Ltd	Common Control
Unideep Properties Pvt Ltd	Common Control
Sukhwant Properties Private Limited	Common Control
Fidelity Multitrade Pvt Ltd	Common Control
Pasha Finance Pvt Ltd	Common Control

42. Financial Instruments-Fair Value and Risk Management

A. Valuation Model

1) Accounting classification and fair values

As at March 31, 2023

Particulars	FVTPL	FVOCI	Amortised Cost	Others (At Cost)	Total
Financial Assets					
Cash and cash equivalents	-	-	927.53	-	927.53
Bank Balance other than (a) above	-	-	3,527.00	25.00	3,552.00
Loans and advances	-	-	22,954.40	-	22,954.40
Investments	11,075.51	-	-	8,730.68	19,806.19
Trade receivables	-	-	-	-	-
Other Receivables	-	-	-	-	-
Other financial assets	-	-	-	1,032.08	1,032.08
Financial Liabilities					
Payables	-	-	-	496.74	496.74
Borrowings (other than debt securities)	-	-	24.46	187.42	211.89
Debt securities	-	-	-	-	-
- Non-Convertible Debentures	-	-	21,653.86	-	21,653.86
Other financial liabilities	-	-	-	-	-

As at March 31, 2022

Particulars	FVTPL	FVOCI	Amortised Cost	Others (At Cost)	Total
Financial Assets					
Cash and cash equivalents	-	-	6,649.87	-	6,649.87
Bank Balance other than (a) above	-	-	1,692.88	25.00	1,717.88
Loans and advances	-	-	31,856.14	-	31,856.14
Investments	18,014.56	-	-	6,361.07	24,375.63
Trade receivables	-	-	-	4.92	4.92
Other Receivables	-	-	-	56.00	56.00
Other financial assets	-	-	-	516.30	516.30
Financial Liabilities					
Payables	-	-	-	-	-
Borrowings (other than debt securities)	-	-	-	882.47	882.47
Debt securities	-	-	-	-	-
- Non-Convertible Debentures	-	-	-	-	-
Other financial liabilities	-	-	33,859.17	-	33,859.17

2) 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.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

As at March 31, 2023

Particulars	Level 1	Level 2	Level 3	Total Fair Values	Total Carrying Amount
Financial Assets					
Cash and cash equivalents	927.53	-	-	927.53	927.53
Bank Balance other than (a) above	3,552.00	-	-	3,552.00	3,552.00
Loans and advances	-	-	22,954.40	22,954.40	22,954.40
Investments	11,075.51	4,229.68	8,730.68	24,035.87	19,806.19
Trade receivables	-	-	-	-	-
Other Receivables	-	-	-	-	-
Other financial assets	-	-	1,032.08	1,032.08	1,032.08
Financial Liabilities					
Payables	-	-	496.74	496.74	496.74
Borrowings (other than debt securities)	-	-	211.89	211.89	211.89
Debt securities	-	-	-	-	-
- Non-Convertible Debentures	-	-	21,653.86	21,653.86	21,653.86
Other financial liabilities	-	-	-	-	-

As at March 31, 2022

Particulars	Level 1	Level 2	Level 3	Total Fair Values	Total Carrying Amount
Financial Assets					
Cash and cash equivalents	6,649.87	-	-	6,649.87	6,649.87
Bank Balance other than (a) above	1,717.88	-	-	1,717.88	1,717.88
Loans and advances	-	-	31,856.14	31,856.14	31,856.14
Investments	18,014.56	-	-	18,014.56	24,375.63
Trade receivables	-	-	4.92	4.92	4.92
Other Receivables	-	-	56.00	56.00	56.00
Other financial assets	-	-	516.30	516.30	516.30
Financial Liabilities					
Payables	-	-	882.47	882.47	882.47
Borrowings (other than debt securities)	-	-	368.28	368.28	368.28
Debt securities	-	-		-	-
- Non-Convertible Debentures	-	-	33,859.17	33,859.17	33,859.17
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 1 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.

43. 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 the necessary due diligence on dealers viz. financial analysis, background checks, CIBIL, grading etc. to arrive at sanctioning of limit.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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 the 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 month 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 behavior into pools based on identified risk drivers so that counterparties are behaviorally 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 the 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, sectors or segment collectively assessed to have SICR, high risk events/attributes of client (bankruptcy etc.)

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 the 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 the 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

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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 to note no. 39 for maturity analysis.

C. Foreign currency risk
Currency risk is the risk that the value of a 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 a 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 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 timeframe 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 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 2023 and 31 March 2022are as below:

Particulars	As at March 31, 2023	As at March 31, 2022
Interest bearing assets		
Loans (A)	22,954.40	31,856.14
Interest bearing liabilities		
Borrowings (B)	21,675.81	33,879.90
Variable rate borrowings	-	-
Fixed rate borrowings	21,675.81	33,879.90
Net exposure (A-B)	1,278.59	(2,023.76)

Since the Company provides loan to Customer at fixed interest rate also all the borrowing are at fixed rate hence there is no interest rate risk to the Company on loan exposure & borrowings.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

44. Classification of Financial Assets & Liabilities

As at March 31,2023

Particulars	FVTPL	Amortised Cost	Others (At Cost)	Total
Financial Assets				
Cash and cash equivalents	-	927.53	-	927.53
Bank Balance other than (a) above	-	3,527.00	25.00	3,552.00
Loans and advances	-	22,954.40		22,954.40
Investments	11,075.51	-	8,730.68	19,806.19
Trade receivables	-	-	-	-
Other Receivables	-	-	-	-
Other financial assets	-	-	1,032.08	1,032.08
Financial Liabilities				
Payables	-	-	496.74	496.74
Borrowings (other than debt securities)	-	24.46	187.42	211.89
Debt securities	-	-	-	-
- Non-Convertible Debentures	-	21,653.86	-	21,653.86
Other financial liabilities	-	-	-	-

As at March 31,2022

Particulars	FVTPL	Amortised Cost	Others (At Cost)	Total
Financial Assets				
Cash and cash equivalents	-	6,649.87	-	6,649.87
Bank Balance other than (a) above	-	1,692.88	25.00	1,717.88
Loans and advances	-	31,856.14	-	31,856.14
Investments	18,014.56	-	6,361.07	24,375.63
Trade receivables	-	-	4.92	4.92
Other Receivables	-	-	56.00	56.00
Other financial assets	-	-	516.30	516.30
Financial Liabilities				
Payables	-	-	882.47	882.47
Borrowings (other than debt securities)	-	-	-	-
Debt securities	-	-	-	-
- Non-Convertible Debentures	-	33,859.17	-	33,859.17
Other financial liabilities	-	-	-	-

45. Disclosure under the MSME Act 2006

Based on the information available with the Company, there are no micro, small and medium enterprises to whom the Company has paid interest, or any interest is payable on outstanding amounts (under the provisions of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006) during the year ended 31st March 2023.

46. Segment Reporting

The Company is primarily engaged in the business of financing and Investing Activities and there are no separate reportable segments identified as per the Ind AS 108 -Operating Segments

47. Events after Reporting Date

There have been no events after the reporting date.

48. Items of Income and Expenditure of Exceptional Nature

There are no items of income and expenditure of exceptional nature for the financial years ended March 31, 2023, and March 31, 2022.

49. Since the Company is not a Subsidiary to any other Company therefore the clause on financing of Parent Company Product by a subsidiary is not applicable to the Company.

50. Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications.

The auditors have expressed a qualified opinion on the standalone financial statements of the Company for the financial years ended March 31, 2023. There is no monetary impact on the financial statement.

The Company has invested in the Security Receipts of a Trust formed by Asset Reconstruction Company (India) Limited during the current financial year, the value of which is exceeding 15% of its owned funds. Even though the Non- Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 states that the Company cannot exceed this limit but the Management is of the opinion that, based on the circular issued by RBI dated 22nd October, 2021 applicable w.e.f. 1st October, 2022, Company falls under the definition of Base Layer NBFC and the said exposure limits are not applicable to it.

51. 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 Investment Property

The fair value of investment property (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

(c) Valuation of PP&E (including Right-of -use assets) and Intangible Assets:

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

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

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	4,653.96	20.27%

Type of Borrowers	As at March 31, 2023		As at March 31, 2022	
	Amount Outstanding	% of Total	Amount Outstanding	% of Total
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	4,653.96	20.27%	755.00	2.61
Total	**4,654**	**20.27%**	**755**	**2.61**

(f) 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.

(g) Borrowing secured against current assets:

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

(g) Willful defaulter:

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

(h) Relationship with struck off companies:

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

(i)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.

(j) Compliance with number of layers of companies:

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

(k) Analytical Ratios

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)	% Variance	Reason for variance
a) Debt equity ratio (no. of times) (Refer note i)	1.05	1.31	(19.89%)	-
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	NA	NA	-	-
f) Debenture redemption reserve	NA	NA	-	-
g) Net worth (refer note ii)	20,855	26,151	(20.25%)	The company has incurred Loss on fair value of financial instruments
h) Net profit (loss) after tax	(5,293)	3,130	(269.12%)	The company has incurred Loss on fair value of financial instruments
i) Earnings Per Share (face value of Rs.10/- each) (not annualized for the interim period)	-	-	-	-
-Basic	(16.59)	9.81	(269.12%)	The company has incurred Loss on fair value of financial instruments
-Diluted	(16.59)	9.81	(269.12%)	The company has incurred Loss on fair value of financial instruments
j) Current Ratio	26.44	13.86	90.78%	Increase in Current tax receipt
k) Long term debt to working capital (Refer note iii)	1.02	1.46	(30.42%)	Redemption of Debt Securities
l) Bad Debts to Accounts Receivables Ratio	-	0.16	(100.00%)	There are no bad debts in FY 2022-23
m) Current Liability Ratio (refer note iv)	0.02	0.03	(38.78%)	Increase in Current tax receipt
n) Total Debts to Total Assets (refer note v)	0.43	0.51	(15.73%)	-

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

(k) Analytical Ratios (Continued)

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)	% Variance	Reason for variance
o) Debtors Turnover Ratio	N/A	N/A	-	-
p) Inventory Turnover Ratio	N/A	N/A	-	-
q) Operating Margin (%) (refer note vi)	(159%)	28%	(672.98%)	The company has incurred Loss on fair value of financial instruments
r) Net Profit Margin (%) (refer note vii)	(164%)	16%	(1129.82%)	The company has incurred Loss on fair value of financial instruments
Sector specific ratio	-	-	-	-
a) Capital to risk-weighted assets ratio (CRAR)	22.66%	23.08%	(1.80%)	-
b) Tier I CRAR	21.68%	22.87%	(5.18%)	-
c) Tier II CRAR	0.98%	0.21%	366.52%	Increase in Provision for Standard assets
d) Gross Non-Performing Assets% ("GNPA") (refer note viii)	35.17%	22.66%	55.19%	Reduction in Loans and advance
e) Net Non-Performing Assets% ("NNPA") (Refer note ix)	4.43%	7.30%	(39.31%)	Reduction in Loans and advance
f) Provision Coverage Ratio% ("PCR") (Refer note x)	91.46%	73.14%	25.04%	Increase in amount of provision
g) Liquidity Coverage Ratio ("LCR")	NA	NA	-	-

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

(l) 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.

(m) 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:

- 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 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:

- 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.

(n) 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.

(o) 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.

52. Disclosure as per Reserve Bank of India (RBI) Guideline and Circulars

1. Capital

Particulars	As at March 31, 2023	As at March 31, 2022
CRAR (%)	22.66%	23.08%
CRAR - Tier I Capital (%)	21.68%	22.87%
CRAR - Tier II Capital (%)	0.98%	0.21%
Amount of subordinated debt raised as Tier-II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

2. Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Value of Investments		
(i) Gross Value of Investments		
(a) In India	20,370.91	24,937.00
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	75.27	33.00
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	20,295.65	24,301.00
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments.		
Opening balance	32.86	-
Add: Provisions made during the year	42.41	32.86
Less: Write-off / write-back of excess provisions during the year	-	-
Closing balance	75.27	33.00

3. Derivatives

3.1 Forward Rate Agreement / Interest Rate Swap

Particulars	As at March 31, 2023	As at March 31, 2022
The notional principal of swap agreements	-	-
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
Collateral required by the NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps	-	-
The fair value of the swap book	-	-

3.2 Exchange Traded Interest Rate (IR) Derivatives

Particulars	As at March 31, 2023
Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-
Notional principal amount of exchange traded IR derivatives outstanding as on 31st March ..... (Instrument-wise)	-
Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-
Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-

3.3 Disclosures on Risk Exposure in Derivatives

Quantitative Disclosures

Particulars	Currency Derivatives	Interest Rate Derivatives
Derivatives (Notional Principal Amount)	-	-
For hedging	-	-
Marked to Market Positions [1]	-	-
a) Asset (+)	-	-
b) Liability (-)	-	-
Credit Exposure [2]	-	-
Unhedged Exposures	-	-

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

3.4 Disclosures relating to Securitisation

Particulars	As at March 31, 2023	As at March 31, 2022
No of SPVs sponsored by the NBFC for securitisation transactions	-	-
Total amount of securitised assets as per books of the SPVs sponsored	-	-
Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-	-
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	-	-

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

Particulars	As at March 31, 2023	As at March 31, 2022
No. of accounts	-	-
Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
Aggregate consideration	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value	-	-

3.4.2 Details of Assignment transactions undertaken by NBFCs

Particulars	As at March 31, 2023	As at March 31, 2022
No. of accounts	-	-
Aggregate value (net of provisions) of accounts sold	-	-
Aggregate consideration	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value	-	-

3.4.3 Details of Non-Performing Financial Assets Purchased / Sold.

A. Details of Non-Performing Financial Assets Purchased:

Particulars	As at March 31, 2023	As at March 31, 2022
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	-	-

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

B. Details of Non-performing Financial Assets sold:

Particulars	As at March 31, 2023	As at March 31, 2022
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	-	-

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

Particulars	Up to 3-/31 days	Over 1 month Up to 2 Month	Over 2 months up to 3months	Over 3 month & up to 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	78.91	7.13	2,618.00	1,158.00	5,321.03	5,564.00	214.00	7,993.33	22,954.40
Investments	-	-	-	-	13,775.51	-	-	6,030.68	19,806.19
Borrowings	24.46	-	-	-	92.01	95.41	8,258.00	13,395.86	21,865.75
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

4. Exposures

4.1 Exposure to Real Estate Sector

Category	As at March 31, 2023	As at March 31, 2022
Direct Exposure		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	2,048.00	4,298.00
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	1,240.00	-
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures – i. Residential ii. Commercial Real Estate	-	-
Indirect Exposure	-	-
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	**3,288.00**	**4,298.00**

4.2 Exposure to Capital Market

Particulars	As at March 31, 2023	As at March 31, 2022
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	12,876.51	19,815.56
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		2,504.00
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		
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		
Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	7.13	2,917.00
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		
Bridge loans to companies against expected equity flows / issues		
Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds		
Financing to stockbrokers for margin trading		

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

4.2 Exposure to Capital Market (Continued)

Particulars	As at March 31, 2023	As at March 31, 2022
All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	-	-
Total Exposure to Capital Market	**12,883.64**	**25,236.56**

4.3 - Intra-group exposures

Particulars	As at March 31, 2023	As at March 31, 2022
Total amount of intra-group exposures	4,653.96	4,227.39
Total amount of top 20 intra-group exposures	4653.96	4,227.39
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	20.27%	13.27%
Total Exposure	**22,954.40**	**31,856.14**

4.4 - Sectors

Particulars	As at March 31, 2023			As at March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector (%)	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector (%)
Agriculture and Allied Activities	-	-	-	-	-	-
Industry						
i) Beverage & Tobacco	865.00	865	100.00%	865.00	865.00	100.00%
ii)Real Estate Construction	2,048.00	2,048	100.00%	2,075.00	2,048.00	98.70%
iii)Textile	4,653.96	-	0.00%	4,227.39	-	0.00%
iv)Paper & Paper Product	3,100.04	2,600	83.87%	2,575.68	2,200.00	85.41%
v)Others	-	-	0.00%	-	-	0.00%
Total of Industry (i+ii+iii+iv+v)	**10,667.01**	**5,513.00**	**51.68%**	**9,74,306.45**	**5,11,300.00**	**52.48%**
Services				-	-	
i) Other Retails	3,060.00	2,273	74.28%	9,552.00	1,876.04	19.64%
ii) NBFC	5,139.39	-	0.00%	-	-	0.00%
iii) Capital Markets	7.00	-	0.00%	2,648.00	-	0.00%
iv)Others	4,058.00	286	7.05%	9,886.00	286.16	2.89%
Total of Services (i+ii+iii+iv)	**12,264.39**	**2,559.16**	**20.87%**	**22,086.00**	**2,162.20**	**9.79%**
Personal Loans						
Others	22.35	-	-	26.15	-	-
Total of Personal Loans	-	-	-	-	-	-

5. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

Particulars	As at March 31, 2023
Exceed SBL – Loans & Advances	
Digjam Limited	4653.96
Exceed SBL – Investment	
Investment in Security receipt	4229.68
Exceed GBL – Loans & Advances	
Digjam Limited	4653.96

6. Miscellaneous

6.1 Registration obtained from other financial sector regulators.

6.2 Disclosure of Penalties imposed by RBI and other regulators.

During the financial year the company has paid a Penalty to BSE LTD of Rs.2.99 lakhs.

6.3

Year	Name of the Credit Rating Agency	Rating	Product
22-23	Brickwork Rating Agency Pvt Ltd	BWR B+	NCD
21-22	Brickwork Rating Agency Pvt Ltd	BWR BB-	NCD

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

6.4 Remuneration of Directors

Sr. no.	Name of Director	Remuneration
1	Hardik B Patel	8.71

7. Additional Disclosures

7.1 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

Particulars	As at March 31, 2023	As at March 31, 2022
Provisions for depreciation on Investment	42.41	32.86
Provision towards NPA#	2,063.36	1,635.11
Provision made towards Income tax	-	1,800.52
Other Provision and Contingencies (with details)	132.31	278.66
Provision for Standard Assets	206.01	32.14

7.2 Concentration of Deposits, Advances, Exposures and NPAs

7.3 Concentration of Deposits (for deposit taking NBFCs)

Particulars	Amount
Total Deposits of twenty largest depositors	NA

7.4 Concentration of Advances

Particulars	Amount
Total Advances to twenty largest borrowers	20,857.00
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	91%

7.5 Concentration of Exposures

Particulars	Amount
Total Exposure to twenty largest borrower/customer	29,586.00
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	68%

7.6 Concentration of NPAs

Particulars	Amount
Total Exposure to top four NPA accounts	6028

7.7 Movement of NPAs

Particulars	As at 31st March, 2023	As at 31st March, 2022
Net NPAs to Net Advances (%)	4.16%	7.30%
Movement of NPAs (Gross)		
Opening balance	7219	12266
Additions during the year	827	1749
Reductions during the year	53	6796
Closing balance	7993	7219
Movement of Net NPAs		
Opening balance	1939	8621
Additions during the year	0	0
Reductions during the year	1289	3275
Closing balance	650	1939
Movement of provisions for NPAs (Excluding provisions on standard assets)		
Opening balance	5280	3645
Provisions made during the year	2116	3452
Write-off / write-back of excess provisions	53	1817
Closing balance	7343	5280

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

8. Disclosure of Complaints

8.1 Customer Complaints

Particulars	As at March 31, 2023
No. of complaints pending at the beginning of the year	-
No. of complaints received during the year	-
No. of complaints redressed during the year	-
No. of complaints pending at the end of the year	-

53. Public Disclosure on Liquidity Risk for the year ended March 31, 2023 and March 31, 2022 pursuant to RBI circular dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Particulars	Number of Significant Counterparties (Refer note 1)	Amount	% of Total Borrowing	% of Total liabilities (Refer note 3)
As at March 31, 2023	6	16000.00	73.17	52.67
As at March 31, 2022	7	26500.00	77.42	63.96

(ii) Top 20 large deposits (amount in Rs. in lakhs and % of total deposits)

Particulars	As at March 31, 2023	As at March 31, 2022
Total amount of top 20 large deposits	NA*	NA*
Percentage of amount of top 20 large deposits to total deposits	NA*	NA*

* The Company being non-deposit taking NBFC hence the clause is not applicable

iii) Top 10 borrowings (amount in Rs. in lakhs and % of total borrowings)

Particulars	As at March 31, 2023	As at March 31, 2022
Total amount of top 10 borrowings	21,865.75	34,227.45
Percentage of amount of top 10 borrowings to total borrowings	100%	100%

iv) Funding concentration based on significant instrument/ product

Significant instrument/product (Refer Note 2)	As at March 31, 2023		As at March 31, 2022	
	Amount	% of Total Liabilities (Refer note 3)	Amount	% of Total Liabilities (Refer note 3)
Debt securities (unsecured)	21,653.86	71%	33,859.17	82%
Borrowings (other than debt securities)	-	0%	-	0%

(v) Stock ratios

Particulars	As at March 31, 2023		As at March 31, 2022	
	% of Total Liabilities (Refer note 3)	as a % of Total Assets	% of Total Liabilities (Refer note 3)	as a % of Total Assets
Borrowings (other than debt securities)	0.70%	0.41%	0.89%	0.78%

(vi) Institutional set-up for liquidity risk management

Refer note 43B: Risk management structure, Liquidity risk and funding management for institutional set-up for liquidity risk management.

***Notes:**

1) Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

2) Significant instrument/product is defined as a single instrument/product of group of similar instruments/ products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) C.No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

3) Total liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

54. As required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Schedule to Balance Sheet

Liabilities Side

1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:

Particulars	As at March 31, 2023	
	Amount Outstanding	Amount Overdue
Debentures: Secured	Nil	Nil
: Unsecured (other than falling within the meaning of public deposits*)	21,653.86	-
Deferred Credits	Nil	Nil
Term Loans	189.94	-
Inter-corporate loans and borrowing	21.94	-
Commercial Paper	Nil	Nil
Public Deposits*	NA	NA
Other Loans	-	-

2. * Please see Note 1 below

Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):

Particulars	As at March 31, 2023	
	Amount Outstanding	Amount Overdue
In the form of Unsecured debentures	NA	NA
In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	NA	NA
Other public deposits	NA	NA

Asset Side

3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:

Particulars	As at March 31, 2023
(a) Secured	10,486.79
(b) Unsecured	12,467.61

4. Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities

Particulars	As at March 31, 2023
Lease assets including lease rentals under sundry debtors:	
(a) Financial lease	Nil
(b) Operating lease	Nil
Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	Nil
(b) Repossessed Assets	Nil
Other loans counting towards asset financing activities	
(a) Loans where assets have been repossessed	Nil
(b) Loans other than (a) above	Nil

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

5. Break-up of Investments

Current Investments

Particulars	As at March 31, 2023
1. Quoted	11,075.51
(i) Shares	
(a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	
2. Unquoted	
(i) Shares	
(a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil

Long Term Investments

Particulars	As at March 31, 2023
1. Quoted	
(i) Shares	
(a) Equity	1,800.00
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil
2. Unquoted	
(i) Shares	
(a) Equity	1.00
(b) Preference	2,700.00
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	
a) Investment in Security Receipts	4,229.68

6. Borrower group-wise classification of assets financed as in (3) and (4) above:

Category	Amount Net of Provisions		
	Secured	Unsecured	Total
I. Related Parties **			
(a) Subsidiaries	Nil	4,653.96	**4,653.96**
(b) Companies in the same group	Nil	Nil	-
(c) Other related parties	Nil	Nil	-
II. Other than related parties	10,486.79	7,813.65	**18,300.44**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

7. Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted):

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
I. Related Parties **		
(a) Subsidiaries	4,501.00	4,501.00
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
II. Other than related parties	15,305.19	15,305.19
Total	**19,806.19**	**19,806.19**
** As per Accounting Standard of ICAI (Please see Note 3)		

8. Other information

Particulars	As at March 31, 2023
(i) Gross Non-Performing Assets#	
(a) Related parties	Nil
(b) Other than related parties	7,993.00
(ii) Net Non-Performing Assets#	
(a) Related parties	Nil
(b) Other than related parties	650.00
(iii) Assets acquired in satisfaction of debt	Nil
# NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.	-

Note: -

1. As defined in point xxvii of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA.

3. All notified Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as amortised cost or at fair value (5) above.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

55. Disclosure pursuant to Reserve Bank of India notification DOR (NBFC). CC.PD.No.109 /22.10.106/2019-20 dated March 13, 2020pertaining to Asset classification as per RBI Norms

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	For the year ended March 31, 2023				
		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	14859.81	265.22	14594.59	59.44	205.78
	Stage 2	78.91	39.46	39.46	0.32	39.14
Sub-Total		**14938.72**	**304.68**	**14634.05**	**59.75**	**244.92**
Non-Performing Assets (NPA's)						
Substandard	Stage 3	1076.22	1076.22	-	742.14	334.08
Doubtful - Up to 1 year	Stage 3	2913.00	2913.00	-	2913.00	-
1 to 3 years	Stage 3	284.32	284.32	-	284.32	-
More than 3 years	Stage 3	3719.78	3069.78	650.00	2882.28	187.50
Sub-total for Doubtful		**7993.33**	**7343.33**	**650.00**	**6821.75**	**521.58**
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	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total		**22932.05**	**7648.01**	**15284.05**	**6881.50**	**766.50**

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	For the year ended March 31, 2023				
		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	24611.16	98.44	24512.72	98.44	0.00
	Stage 2					0.00
Sub-Total		**24611.16**	**98.44**	**24512.72**	**98.44**	**0.00**
Non-Performing Assets (NPA's)						
Substandard	Stage 3	701.72	701.72	0.00	70.17	631.54
Doubtful - Up to 1 year	Stage 3	0.00	0.00	0.00	0.00	0.00
1 to 3 years	Stage 3	6517.11	4578.48	1938.63	4578.26	0.22
More than 3 years	Stage 3	0.00	0.00	0.00	0.00	0.00
Sub-total for Doubtful		**7218.82**	**5280.19**	**1938.63**	**4648.43**	**631.76**
Loss	Stage 3	0.00	0.00	0.00	0.00	0.00
Sub-total for NPA		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
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	0.00	0.00	0.00	0.00	0.00
	Stage 2	0.00	0.00	0.00	0.00	0.00
	Stage 3	0.00	0.00	0.00	0.00	0.00
Subtotal		0.00	0.00	0.00	0.00	0.00
Total		**31829.98**	**5378.64**	**26451.35**	**4746.87**	**631.76**

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

56. Breach of covenant

There were no instances of default or breaches of covenant in respect of loan availed or debt securities issued during the financial years ended March 31, 2023 and March 31, 2022.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

57. Divergence in Asset Classification and Provisioning

a) Additional provisioning requirements in excess of 5 percent

The RBI had assessed additional provisioning requirements of 6.26% of the reported profits before tax and impairment loss on financial instruments for the financial year ended March 31, 2022. However, the company, in the current financial year, had increased the amount of provision by such an additional amount as required by RBI as on 31st March 2023.

b) Additional Gross NPAs in excess of 5%

The RBI has not identified any additional Gross NPAs in excess of 5% of the reported Gross NPAs for the said period.

58. Discontinued Operations

The Company had no discontinuing operations during the financial year ended March 31, 2023 and March 31, 2022.

59. Whistle-blower Complaints

There were no whistle blower complaints received by the Company during the financial year ended March 31, 2023 and March 31, 2022.

60. The new Code on Social Security, 2020 has been enacted, which could impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules are published.

61. Previous year figures have been re-grouped or reclassified, to confirm with current year's grouping /classifications

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

Raman Hangekar
Partner
Membership No. 030615
Mumbai
Date: 30th May, 2023

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

Hardik B. Patel
MD & CEO
DIN: 00590663
Mumbai
Date: 30th May, 2023

B S P Murthy
Director
DIN: 00011584
Mumbai
Date: 30th May, 2023

Revised Independent Auditors' Report

to the members of Finquest Financial Solutions Private Limited

Report on the Audit of the Revised Consolidated Financial Statements

Qualified Opinion

We have audited the Revised 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 Revised Consolidated Balance Sheet as at March 31, 2023, and the Revised Consolidated Statement of Profit and Loss, (Including other comprehensive income), Revised Consolidated Statement of Changes in Equity and Revised 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("the Revised Consolidated Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid Revised 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, 2023, and its Profit and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Qualified Opinion

We refer note no. 6.2 to Revised Consolidated Financial Statement regarding the investments made by the parent in the current financial year in the Security Receipts of a Trust formed by Asset Reconstruction Company (India) Limited ("ARCIL"), which exceeds the regulatory limit of 15% of the Company's owned funds as specified in Non - Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

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 Revised Consolidated Financial statements section of our report. We are independent of the Group 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 Revised Consolidated Financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained 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 Revised Consolidated Financial Statements.

Emphasis of Matter

We refer to note no. 6.1 to the Revised Consolidated Financial Statements of the Group, wherein group has disclosed about approval of Resolution Plan for Ballarpur Industries Ltd. submitted by it which was approved by Hon'ble National Company Law Tribunal ("NCLT") on 31st March, 2023.
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 Revised Consolidated Financial statements of the current period. These matters were addressed in the context of our audit of the Revised Consolidated 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.	Computation of Expected Credit Loss on Loan Assets as at balance sheet date (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, 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 and the governance framework approved by the board of directors pursuant to Reserve Bank of India ("RBI") guidelines. 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 including forward looking information for calculation of ECL. Tested the ECL model, including assumptions and underlying computation and tested the arithmetical accuracy of computation of ECL provision performed by the Company. 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. Assessed the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.

Revised Independent Auditors' Report

to the members of Finquest Financial Solutions Private Limited

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 Board's Report including Annexures to the Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Revised Consolidated financial statements, standalone financial statements and our auditors' report thereon.

Our opinion on the Revised Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Revised Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Revised Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors responsibilities relating to other information'.

We have nothing to report in this regard.

Management's Responsibility for the Revised 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 Revised Consolidated financial statements that give a true and fair view of the revised consolidated financial position, revised consolidated financial performance, revised consolidated statement of changes in equity and revised consolidated cash flows of the group in accordance with the accounting principles generally accepted in India, including the Indian accounting standards ('Ind AS') 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 Revised 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 Revised Consolidated Financial Statements, respective board of directors are responsible for assessing the group'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 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 Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Revised Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Revised 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 Revised Consolidated Financial Statements.

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

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the parent company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Revised 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 Group's to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Revised Consolidated Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair present

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

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

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

Revised Independent Auditors' Report

to the members of Finquest Financial Solutions Private Limited

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

Other Matters

The Revised 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. 78,288.40 lakhs as at 31st March 2023, Group's share of total revenue of Rs. 44,631.47 lakhs and Group's share of total net loss after tax of Rs. (1,965.45) for the year ended 31st March 2023, as considered in the Revised 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 Revised 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.

Our opinion is not modified in respect of these matters.

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 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 Revised Consolidated Balance Sheet, the Revised Consolidated Statement of Profit and Loss (Including other comprehensive Income), Revised Consolidated Statement of Changes in Equity and the Revised Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
4. In our opinion, the aforesaid Revised 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's directors as on 31st March, 2023 taken on record by the parent company's Board of Directors and on the basis of audit report of subsidiaries, none of the directors are disqualified as on 31st March, 2023 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 Group 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, 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:
   i) The Group has disclosed the impact of pending litigations on its Revised Consolidated financial position in its Revised Consolidated financial statements – Refer Note on contingent liabilities to the Revised Consolidated financial statements
   ii) The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the group.
      a. The respective board of directors have represented that, to the best of their knowledge and belief, as disclosed in the Revised 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.
      b. The respective board of directors have represented, that, to the best of their knowledge and belief, as disclosed in the Revised 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.
      c. 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 (iv) (a) and (b) above, contain any material misstatement.
   iv) The Group has not declared any dividend during the current financial year ended March 31, 2023.
   v) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

Revised Independent Auditors' Report

to the members of Finquest Financial Solutions Private Limited

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

Raman Hangekar
Partner
Membership No. 030615
Place: Mumbai
Date: July 11, 2023
UDIN: 23030615BGVYPY1981

Revised Independent Auditors' Report

to the members of Finquest Financial Solutions Private Limited

Annexure - A to the Auditors' Report

The Annexure A referred to in Independent Auditors' Report to the members of the Group on the Revised Consolidated Financial Statements for the year ended March 31, 2023 we report that:

Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date to the directors of Finquest Financial Solutions Private Limited.

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order,2020 ('CARO') issued by Central Government in terms of Section 143(11) of the Act, to be included in Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and based on our consideration of CARO reports issued by respective auditors of the companies included in consolidated financial statements, we report that:

There have been qualifications by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, the details of companies and paragraph number of the CARO report containing qualifications is indicated below:

Sr. No.	Name of the Component	Corporate Identity Number (CIN)	Type of Component	Respective clause number of CARO report of the component
1	Krihaan Texchem Pvt. Ltd.	U74999MH2019PTC321644	Wholly Owned Subsidiary	(iii) (f)
2	Krihaan Texchem Pvt. Ltd.	U74999MH2019PTC321644	Wholly Owned Subsidiary	(ix) (d)
3	Digjam Limited	L17123GJ2015PLC083569	Subsidiary	(xvii)

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 parent") and its subsidiaries (the parent and its subsidiaries together referred to as "the Group") as of 31 March 2023 in conjunction with our audit of the Revised 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 Revised Consolidated 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.

Revised Independent Auditors' Report

to the members of Finquest Financial Solutions Private Limited

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

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: July 11, 2023
UDIN: 23030615BGVYPY1981

Revised Consolidated Balance Sheet

as at March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars				Note No.	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
I	**ASSETS**					
	1	**Financial assets**				
		(a)	Cash and cash equivalents	2	1,095.55	6,880.11
		(b)	Bank Balance other than (a) above	3	3,565.86	1,726.10
		(c)	Receivables	4		
			(I) Trade Receivables		9,842.77	5,698.51
			(II) Other Receivables		-	56.00
		(d)	Loans	5	18,317.69	27,801.66
		(e)	Investments	6	15,305.19	19,874.63
		(f)	Other financial assets	7	1,484.66	1,017.52
	2	**Non-financial assets**				
		(a)	Inventories	8	13,805.95	10,605.26
		(b)	Current tax assets (net)	9	648.42	68.76
		(c)	Deferred tax assets (net)	10	288.88	699.55
		(d)	Investment property	11	489.46	525.72
		(e)	Property, plant and equipment	12	43,814.91	51,499.45
		(f)	Right of Use Assets	13	63.91	-
		(i)	Capital Work in Progress	14	1,973.95	1,896.50
		(g)	Goodwill	15	5.51	5.51
		(h)	Other Intangible Assets	16	23.70	2.23
		(j)	Other non-financial assets	17	3,907.72	3,064.10
		(k)	Non-Current Asset Held for Sale	12	5,388.68	-
			Total Assets		**1,20,022.80**	**1,31,421.61**
II	**LIABILITIES AND EQUITY**					
	1	**Financial liabilities**				
		(a)	**Payables**	18		
			(I) Trade Payables		**4,142.30**	**6,164.05**
			(i) Total outstanding dues of micro enterprises and small enterprises		17.14	24.33
			(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,125.16	6,139.72
			(II) Other Payables		**266.12**	**1,161.50**
			(i) Total outstanding dues of micro enterprises and small enterprises		-	-
			(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		266.12	1,161.50
		(b)	Debt securities	19	21,653.86	33,859.17
		(c)	Borrowings (other than debt securities)	20	46,733.38	46,793.20
		(d)	Lease Liabilities	13	59.45	-
		(e)	Other financial liabilities	21	5,538.09	1,637.75
	2	**Non-financial liabilities**				
		(a)	Current tax liabilities (Net)	22	-	753.83
		(b)	Provisions	23	10,906.85	6,547.22
		(c)	Deferred tax liabilities (Net)	24	-	-
		(d)	Other non-financial liabilities	25	4,107.04	1,320.39
	3	**Equity**				
		(a)	Equity share capital	26	3,190.00	3,190.00
		(b)	Other equity	27	23,085.74	29,576.86
		Non-Controlling Interest			**339.96**	**417.64**
			Total Liabilities and Equity		**1,20,022.80**	**1,31,421.61**

Summary of significant accounting policies
The accompanying notes are an integral part of the standalone financial statements.

Revised Consolidated Balance Sheet

as at March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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 of
Finquest Financial Solutions Private Limited

Raman Hangekar
Partner
Membership No. 030615
Mumbai
Date: 11th July 2023

Hardik B. Patel
MD & CEO
DIN: 00590663
Mumbai
Date: 11th July 2023

B S P Murthy
Director
DIN: 00011584
Mumbai
Date: 11th July 2023

Revised Consolidated Profit and Loss Statement

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

	Particulars	Note No.	For the Year Ended March 31, 2023 (Audited)	For the Year Ended March 31, 2022 (Audited)
	Revenue from operations			
(i)	Interest income	28	1,995.32	1,316.07
(ii)	Dividend Income	29	79.37	62.74
(iii)	Net gain on fair value changes	30	-	5,498.17
(iv)	Sale of Goods	31	43,917.35	15,977.10
(v)	Other operating income	32	490.90	13,444.74
(I)	**Total Revenue from operations**		**46,482.95**	**36,298.83**
(II)	Other income	33	230.13	709.12
(III)	**Total Income (I+II)**		**46,713.07**	**37,007.95**
	Expenses			
(i)	Finance cost	34	2,956.47	6,665.74
(ii)	Net Loss on Fair Value Changes	30	2,868.97	-
(iii)	Impairment on financial instruments	35	2,269.37	6,793.99
(iv)	Cost of Material consumed	36	17,985.58	15,745.53
(v)	Purchases of Stock-in trade	37	5,902.00	894.18
(vi)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	38	(2,501.39)	(9,222.42)
(vii)	Employee benefit expenses	39	6,558.22	4,663.45
(viii)	Depreciation, amortisation and impairment	11, 12, 13 & 16	3,143.21	2,857.28
(ix)	Other expenses	40	13,982.40	5,675.13
(IV)	**Total Expenses**		**53,164.83**	**34,072.90**
(V)	**Profit/(loss) before exceptional items and tax (III-IV)**	-	**(6,451.75)**	**2,935.05**
(VI)	Exceptional items		(389.94)	
(VII)	**Profit before tax (V+VI)**	-	**(6,841.69)**	**2,935.05**
(VIII)	**Tax expense:**			
	1. Current tax		-	1,800.52
	2. Deferred tax	41	416.59	(623.14)
	Total tax expense		**416.59**	**1,177.39**
(IX)	**Profit/(loss) for the period from continuing operations (VII-VIII)**		**(7,258.28)**	**1,757.66**
(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 year (IX + XII)**		**(7,258.28)**	**1,757.66**
	Attributable to:			
	(a) Shareholders of the Company		(7,177.35)	1,727.77
	(b) Non-controlling interest		(80.93)	29.90
(XIV)	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss	42		
i.	Remeasurements gain/ (losses) of the defined benefit plans		8.58	20.50
ii.	Income tax relating to items that will not be reclassified to profit or loss		5.92	2.83
	Other Comprehensive Income		**14.49**	**23.33**
	Attributable to:			
	(a) Shareholders of the Company		11.24	20.15
	(b) Non-controlling interest		3.25	3.17
(XV)	**Total Comprehensive Income for the period (XIII+XIV)**		**(7,243.79)**	**1,780.99**
	Attributable to:			
	(a) Shareholders of the Company		(7,166.11)	1,747.92
	(b) Non-controlling interest		(77.68)	33.07
(XVI)	**Earnings for equity share**			
	Basic		(22.75)	5.51
	Diluted		(22.75)	5.51
	Significant Accounting Policies	1		

Revised Consolidated Profit and Loss Statement

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

The accompanying notes are an integral part of the standalone financial statements.

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 of
Finquest Financial Solutions Private Limited

Raman Hangekar
Partner
Membership No. 030615
Mumbai
Date: 11th July 2023

Hardik B. Patel
MD & CEO
DIN: 00590663
Mumbai
Date: 11th July 2023

B S P Murthy
Director
DIN: 00011584
Mumbai
Date: 11th July 2023

Revised Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

	Particulars	For the Year Ended March 31, 2023 (Audited)	For the Year Ended March 31, 2022 (Audited)
A.	**Cash flow from operating activities**		
	Net Profit Before Taxation	(6,841.69)	2,935.05
	Adjustments for:		
	Depreciation / Amortisation	3,143.21	2,857.28
	Provision for Gratuity & Leave encashment	107.39	20.50
	Finance Cost	2,956.47	6,665.74
	Exchange Loss/(Gain)	(5.44)	(2.62)
	Excess liability written back	-	58.53
	Impairment of Financial Instruments	2,269.37	1,667.25
	Net (Gain)/Loss on Fair value changes	2,868.97	15.30
	Change in Capital Reserve	677.82	-
	Changes in Reserves & Surplus	(2.83)	-
	Gain on disposal of Property, plant, and equipment	(73.20)	-
	Other Comprehensive Gain/ (Loss)	8.58	-
	Cash generated from operation before working capital changes	**5,108.66**	**14,217.04**
	Changes in working capital:		
	Increase / (decrease) in Trade Payables	(2,021.74)	3,279.33
	Increase / (decrease) in Other Payables	(895.38)	1,161.50
	Increase / (decrease) in Other Financial Liabilities	3,900.34	795.16
	Increase / (decrease) in Other Non-Financial Liabilities	2,786.65	1,212.41
	Increase / (decrease) in Provisions	4,252.24	2,307.17
	(Increase) / decrease in Loans	7,214.60	(1,259.57)
	(Increase) / decrease in Trade Receivables	(4,138.82)	(5,596.57)
	(Increase) / decrease in Other Receivables	56.00	-
	(Increase) / decrease in Other Financial Assets	(467.14)	162.37
	(Increase) / decrease in Other Non-Financial Assets	(843.62)	(849.07)
	(Increase) / decrease in Inventories	(3,200.69)	(9,117.08)
	Cash used in Operations	**11,751.08**	**6,312.67**
	Taxes paid (including tax deducted at source) (Net of refund received)	(1,333.49)	(66.37)
	Net Cash (used in) operating activities (A)	**10,417.60**	**6,246.30**
B.	**Cash flow from Investing Activities**		
	Net Purchase/sale of Property, Plant & Equipment	(685.05)	(25,670.44)
	Net Purchase/sale of intangible assets	(22.81)	(7.55)
	Net Purchase/sale of Investment Property	(6.15)	3.06
	Net Change in Capital Work-in-Progress	(77.45)	(1,867.56)
	Net Increase/ Decrease in Right to Use Assets	(109.24)	-
	Capital Reserve on acquisition	-	7,825.68
	(Increase) / decrease in Investments	1,700.47	13,224.21
	Net cash (used in)/ generated from investing activities (B)	**799.76**	**(6,492.60)**
C.	**Cash flow from Financing Activities**		
	Repayment of borrowings made during the year - Debentures	(12,205.30)	-
	Borrowings during the year - Other than debt Securities	-	6,783.69
	Repayment of borrowings during the year - Other than debt securities	(59.82)	-
	Interest Paid	(2,956.47)	-
	Increase/ decrease in lease liabilities	59.45	-
	Net cash flow from financing activity (C)	**(15,162.15)**	**6,783.69**
	Net Increases/(Decrease) in Cash and cash equivalents (A)+(B)+(C)	**(3,944.80)**	**6,537.40**
	Cash and cash equivalents at the beginning of the year	**8,606.21**	**2,068.82**
	Cash and cash equivalents, end of the year	**4,661.41**	**8,606.21**

Significant Accounting Policies (Refer note no. 2)

The accompanying notes are an integral part of the standalone financial statements.

Revised Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Notes to the statement of cash flow:

Particulars	For the Year Ended March 31, 2023 (Audited)	For the Year Ended March 31, 2022 (Audited)
1. Cash and cash equivalents comprise of:		
Cash on hand	5.72	27.11
Balances with banks		
In current accounts	1,089.84	6,853.00
Restricted Cash	3,565.86	1,726.10
TOTAL	**4,661.41**	**8,606.21**

2. Cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the company's cash management.
3. 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.
4. Figures in brackets indicate cash outflow.

The accompanying notes form an integral part of the financial statement.

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 of
Finquest Financial Solutions Private Limited

Raman Hangekar
Partner
Membership No. 030615
Mumbai
Date: 11th July 2023

Hardik B. Patel
MD & CEO
DIN: 00590663
Mumbai
Date: 11th July 2023

B S P Murthy
Director
DIN: 00011584
Mumbai
Date: 11th July 2023

Revised Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

A. Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the current reporting period	3,190.00	3,190.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period (A+B)	**3,190.00**	**3,190.00**
Changes in equity share capital during the current year	-	-
Balance at the end of the current reporting period (C+D)	**3,190.00**	**3,190.00**

Revised Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

B. Other equity

As on March 31, 2023

Particulars	Attributable to Shareholders of the company						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
Balance at the Beginning of the year 01 April 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**
Total Comprehensive Income for the year	-	-	(7,177.35)	677.82	11.24	(6,488.28)	-	(80.93)	3.25	(77.68)
Transfer to Statutory Reserve under Section 45-IC of RBI Act	-	-	-	-	-	-	-	-	-	-
Previous Year Adjustment (Ind AS)	-	-	(2.83)	-	-	(2.83)	-	-	-	-
Closing Balance at the end of current financial year -31st March 2023	**2,857.94**	**13,349.60**	**(3,312.29)**	**10,164.66**	**25.84**	**23,085.74**	**200.00**	**133.53**	**6.43**	**339.96**

As on March 31, 2022

Particulars	Attributable to Shareholders of the company						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
Balance at the Beginning of the year 01 April 2021	**2,228.90**	**13,349.60**	**2,769.16**	**1,661.15**	**(5.55)**	**20,003.25**	**200.00**	**184.57**	**-**	**384.57**
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 financial year -31st March 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**

Significant Accounting Policies (Refer note no. 2)

The accompanying notes are an integral part of the standalone financial statements.

Revised Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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 of 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 recognized as a part of the profit and loss account. However, the entity may transfer those amounts recognized 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 of
Finquest Financial Solutions Private Limited

Raman Hangekar
Partner
Membership No. 030615
Mumbai
Date: 11th July 2023

Hardik B. Patel
MD & CEO
DIN: 00590663
Mumbai
Date: 11th July 2023

B S P Murthy
Director
DIN: 00011584
Mumbai
Date: 11th July 2023

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

2. Cash and Cash Equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	5.72	27.11
Balances with banks in current accounts	1,089.84	6,853.00
Total	**1,095.55**	**6,880.11**

3. Bank Balance other than (a) above

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed Deposit (Against Bank Guarantee) #	3,382.65	1,696.14
Accrued Interest on FD	158.21	4.96
Other Deposit	25.00	25.00
Total	**3,565.86**	**1,726.10**

3.1 Fixed deposit earns interest at floating rate.

3.2 Fixed deposits amounting to Rs. 2500/- lakhs are deposit under lien against which bank guarantee facilities are availed.

4. Receivables (at cost)

(I) Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - secured	-	
Trade receivables considered good - unsecured*	10,082.01	5,698.51
Trade receivables which have significant increase in credit risk	-	
Trade receivables - credit impaired	278.63	395.29
Gross carrying amount	**10,360.63**	**6,093.80**
Less: Allowances for impairment loss on trade receivables considered good -unsecured	(239.24)	
Less: Allowances for impairment loss on credit impaired trade receivables	(278.63)	(395.29)
Net carrying amount	**9,842.77**	**5,698.51**

*Includes dues from Directors or other officers of the Group or any firm or private company in which any Director is a partner, a Director or a member amounting to Rs. 4.92 lakhs as on 31st March 2022.

Trade Receivables ageing schedule.

For the Year Ended March 31, 2023

Particulars	As at 31st March 2023						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	5,248.82	4,357.73	146.06	90.16	-	-	**9,842.77**
(iii) Undisputed Trade Receivables — credit impaired	47.04	41.19	0.85	0.86	-	-	**89.95**
(vi) Disputed Trade Receivables — credit impaired	-	13.98	3.07	0.23	-	410.63	**427.91**
Total	**5,295.86**	**4,412.90**	**149.98**	**91.25**	**-**	**410.63**	**10,360.63**

For the Year Ended March 31, 2022

Particulars	As at 31st March 2022						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	3,733.99	1,937.26	3.85	1.28	5.15	16.98	**5,698.51**
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	395.29	**395.29**
Total	**3,733.99**	**1,937.26**	**3.85**	**1.28**	**5.15**	**412.27**	**6,093.80**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Reconciliation of impairment loss allowance on trade receivables:

Particulars	As at March 31, 2023
Impairment allowance measured as per simplified approach	395.29
Impairment allowance as per March 31, 2021	-
Add: Addition during the year	-
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2022	**395.29**
Add: Addition during the year	122.57
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2023	**517.86**

(II) Other Receivables

Particulars	As at March 31, 2023
Other receivables considered good - secured	
Other receivables considered good - unsecured*	56.00
Other receivables which have significant increase in credit risk	
Other receivables - credit impaired	
Gross carrying amount	**56.00**
Less: Allowances for impairment loss on trade receivables considered good - unsecured	
Less: Allowances for impairment loss on credit impaired trade receivables	-
Net carrying amount	**56.00**

*There are no dues from Directors or other officers of the Group or any firm or private company in which any Director is a partner, a Director or a member.

Other Receivables ageing schedule.

For the Year Ended March 31, 2023

Particulars	As at 31st March 2023						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i)Undisputed Other receivables — considered good(i)Undisputed Other receivables — considered good	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

For the Year Ended March 31, 2022

Particulars	As at 31st March 2022						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i)Undisputed Other receivables — considered good(i)Undisputed Other receivables — considered good	-	-	56.00	-	-	-	**56.00**
Total	-	-	56.00	-	-	-	**56.00**

Other receivables days past due		Unbilled	Not Due for payment	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Estimated total gross carrying amount at default	As at March 31, 2023	-	-	-	-	-	-	-	-
Less: ECL simplified approach		-	-	-	-	-	-	-	-
Net carrying amount		-	-	-	-	-	-	-	-
Estimated total gross carrying amount at default	As at March 31, 2022	-	-	-	-	-	-	-	-
Less: ECL simplified approach		-	-	-	-	-	-	-	-
Net carrying amount		-	-	-	-	-	-	-	-

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Reconciliation of impairment loss allowance on other receivables:

Particulars	As at March 31, 2023
Impairment allowance measured as per simplified approach	-
Impairment allowance as per March 31, 2021	-
Add: Addition during the year	-
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2022	-
Add: Addition during the year	-
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2023	-

5. Loans (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans (at amortised cost)		
(i) Term Loans	18,280.89	27,772.98
(ii) Staff Loan	36.80	28.67
Total (A) - Gross	**18,317.69**	**27,801.66**
Less: Impairment loss allowance	7,343.33	5,279.97
Total (A) - Net	**10,974.36**	**22,521.69**
(i) Secured by tangible assets	10,486.79	6,642.61
(ii) Covered by Bank/ Government Guarantee	-	-
(iii) Unsecured	7,830.90	21,156.53
Total (B) - Gross	**18,317.69**	**27,799.14**
Less: Impairment loss allowance	7,343.33	5,279.97
Total (B) - Net	**10,974.36**	**22,519.17**
(i) Loans in India		
(a) Public sector	-	-
(b) Others		
i) Retails	3,097.14	9,578.47
ii) Corporates	15,220.55	18,223.19
(ii) Loans outside India	-	-
Total (C)- Gross	**18,317.69**	**27,801.66**
Less: Impairment loss allowance	7,343.33	5,279.97
Total(C)-Net	**10,974.36**	**22,521.69**

5.1 There is no loan asset measured at FVOCI or FVTPL or designated at FVTPL.

5.2 The Company has not granted any loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment.

5.3 Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross impairment allowances. Details of the Company's internal grading system are explained in note 37A and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 37A.

For the Year Ended March 31, 2023

Particulars	General approach			Total
	Stage 1- Collective	Stage 2- Collective	Stage 3- Collective	
Internal rating grade				
Performing				
High grade	5,165.33	-	-	5,165.33
Standard grade	5,043.31	78.91	-	5,122.23
Sub-standard grade	-	-	-	-
Non- performing	-	-	7,993.33	7,993.33
Total	**10,208.65**	**78.91**	**7,993.33**	**18,280.89**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

For the Year Ended March 31, 2022

Particulars	General approach			Total
	Stage 1-Collective	Stage 2-Collective	Stage 3-Collective	
Internal rating grade				
Performing				
High grade	20,554.16		-	20,554.16
Standard grade	-	-	-	-
Sub-standard grade	-	-	-	-
Non- performing	-	-	7,218.82	7,218.82
Total	**20,554.16**	**-**	**7,218.82**	**27,772.98**

5.4 An analysis of changes in the gross carrying amount as follows:

For the Year Ended March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	20,554.16	-	7,218.82	27,772.98
Portfolio additions on account of Business Combination	-	-	-	-
Restated Balance as at April 01, 2022	**20,554.16**	**-**	**7,218.82**	**27,772.98**
New assets originated or purchased	7,754.24	-	400.79	8,155.03
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	(17,594.10)	-	(53.03)	(17,647.13)
Transfers to stage 1	-	-	-	-
Transfers to stage 2	-	-	-	-
Transfers to stage 3	(78.91)	78.91	-	-
Amounts written off	(426.74)	-	426.74	-
Gross carrying amount closing balance	**-**	**-**	**-**	**-**

For the Year Ended March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	-	-
Portfolio additions on account of Business Combination	-	-	-	-
Restated Balance as at April 01, 2022	**-**	**-**	**-**	**-**
New assets originated or purchased	-	-	-	-
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted)	-	-	-	-
Transfers to stage 1		-	-	-
Transfers to stage 2	20,554.16	-	7,218.82	27,772.98
Transfers to stage 3	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount closing balance	**-**	**-**	**-**	**-**

5.5 Reconciliation of ECL balance is given below:

For the Year Ended March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - opening balance	98.44	-	5,280.19	5,378.64
New assets originated or purchased	104.06	-	0.79	104.85
Transfers to stage 1	134.13	-	-	134.13
Transfers to stage 2	(9.64)	39.46	-	29.81
Transfers to stage 3	(9.09)	-	2,115.37	2,106.28
Provision no longer required	(52.69)	-	(53.03)	(105.71)
ECL Allowance - closing balance	**265.22**	**39.46**	**7,343.33**	**7,648.01**

Notes

for the year ended March 31, 2023
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

For the Year Ended March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - opening balance	**-**	**-**	**-**	**-**
New assets originated or purchased	-	-	-	-
Transfers to stage 1	98.44	-	-	98.44
Transfers to stage 2	-	-	-	-
Transfers to stage 3	-	-	5,280.19	5,280.19
Provision no longer required	-	-	-	-
ECL Allowance - closing balance	**98.44**	**-**	**5,280.19**	**5,378.64**

6.6 The table below summaries the gross carrying values and associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

For the Year Ended March 31, 2023

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	10,208.65	78.91	7,993.33	22,932.05
Allowance for ECL	265.22	39.46	7,343.33	7,648.01
ECL Coverage Ratio	2.60%	50.00%	91.87%	33.35%

For the Year Ended March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	20,554.16	-	7,218.82	31,829.98
Allowance for ECL	98.44	-	5,280.19	5,378.64
ECL Coverage Ratio	0.48%		73.14%	16.90%

6. Investments

For the Year Ended March 31, 2023

Particulars	Amortised Cost	At Fair Value		Others (At Cost)	Total
		Through OCI	Through P&L		
1. Mutual Funds	-	-	-	-	-
2. Government Securities	-	-	-	-	-
3. Others Approved Securities	-	-	-	-	-
4. Equity Instrument:	-	-	**11,075.51**	-	**11,075.51**
a) Equity shares of Nirmal Reality Private Limited	-	-	-	-	-
b) Preference Shares of Suraksha Reality Limited	-	-	-	-	-
c) Trading In Equity	-	-	11,075.51	-	**11,075.51**
d) Equity Shares of Krihaan Texchem Pvt Ltd	-	-	-	1.00	-
Less: Elimination (on Consolidation)	-	-	-	(1.00)	-
e) Equity Shares of Digjam Limited	-	-	-	1,800.00	-
Less: Elimination (on Consolidation)	-	-	-	(1,800.00)	-
f) Preference Shares of Digjam Limited	-	-	-	2,700.00	-
Less: Elimination (on Consolidation)	-	-	-	(2,700.00)	-
5. Associates				-	-
6. Joint Ventures	-	-	-	-	-
7. Others:	-	-	-	**4,229.68**	**4,229.68**
a) Investment in Security Receipt		-	-	4,229.68	-
Total Gross (A)	-	-	**11,075.51**	**4,229.68**	**15,305.19**
- In India	-	-	-	-	15,305.19
- Outside India	-	-	-	-	-
Total Gross (B)	-	-	-	-	**15,305.19**
Less: Allowance for impairment loss (C)	-	-	-	-	-
Total Net (D) = (B)-(C)	-	-	-	-	**15,305.19**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

For the Year Ended March 31, 2022

Particulars	Amortised Cost	At Fair Value		Others (At Cost)	Total
		Through OCI	Through P&L		
1. Mutual Funds	-	-	-	-	-
2. Government Securities	-	-	-	-	-
3. Others Approved Securities	-	-	-	-	-
4. Equity Instrument:	**1,849.96**		**18,014.56**	**10.11**	**19,874.63**
a) Equity shares of Nirmal Reality Private Limited	-	-	-	10.11	-
b) Preference Shares of Suraksha Reality Limited	1,849.96	-	-	-	-
c) Trading In Equity	-	-	18,014.56	-	-
d) Equity Shares of Krihaan Texchem Pvt Ltd	-	-	-	1.00	-
Less: Elimination (on Consolidation)	-	-	-	(1.00)	-
e) Equity Shares of Digjam Limited	-	-	-	1,800.00	-
Less: Elimination (on Consolidation)	-	-	-	(1,800.00)	-
f) Preference Shares of Digjam Limited	-	-	-	2,700.00	-
Less: Elimination (on Consolidation)	-	-	-	(2,700.00)	-
5. Associates	-			-	-
6. Joint Ventures	-	-	-	-	-
7. Others:	-	-	-	-	-
a) Investment in Security Receipt		-	-	-	-
Total Gross (A)	**3,699.91**	-	**18,014.56**	**10.11**	**19,874.63**
- In India	-	-	-	-	19,874.63
- Outside India	-		-	-	-
Total Gross (B)	-	-	-	-	**19,874.63**
Less: Allowance for impairment loss (C)	-	-	-	-	-
Total Net (D) = (B)-(C)	-	-	-	-	**19,874.63**

The dividends of Rs. 79.37 lakhs (March 31, 2022: Rs.62.74) received from investments in shares are recorded as dividend income.

6.1 The Resolution plan for Ballarpur Industries Ltd. submitted by the Parent company was approved by Hon'ble NCLT, Mumbai Bench on 31st March 2023. In Compliance with the order of the Hon'ble NCLT, an 'Implementation and Monitoring Committee 'has been formed in accordance with the approved Resolution Plan.

6.2 The Parent Company has invested in the Security Receipts of a Trust formed by Asset Reconstruction Company (India) Limited during the current financial year, the value of which is exceeding 15% of its owned funds. Even though the Non- Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 state that the Company cannot exceed this limit but the Management's view is that, based on the circular issued by RBI dated 22nd October 2021 applicable w.e.f. 01st October,2022 Company falls under the definition of Base Layer NBFC and the said exposure limits are not applicable to it.

7. Other Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Deposits	416.83	481.09
Other advances	1,025.95	512.88
Security Deposit	-	7.91
Other Receivables	41.88	15.64
Total	**1,484.66**	**1,017.52**

8. Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Materials	1,399.72	545.32
Work in progress	3,724.02	3,561.26
Finished Goods	5,205.73	5,807.46
Stock-in-trade (trading goods)	2,978.76	-
Stores and Spares	497.73	652.82
Waste/Scrap (Valued at Net realisable value)	-	38.39
Total	**13,805.95**	**10,605.26**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

9. Current Tax Asset (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Income Tax Advance	788.45	68.76
Less: Provision for Income Tax	(1,800.52)	-
TDS Receivable	1,660.49	-
Total	**648.42**	**68.76**

10. Deferred Tax Asset/(Liability)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Asset/(liability)	288.88	699.55
Total	**288.88**	**699.55**

11. Investment Property

For the Year Ended March 31, 2023

Particulars	Gross Block				
	Balance as at April 1, 2022	Adjustment	Additions	Sales/ Deduction	Balance as at March 31, 2023
Land	123.41	-	-	-	123.41
Building	435.17	6.15	-	-	441.32
Total	**558.58**	**6.15**	**-**	**-**	**564.73**

Particulars	Accumulated Depreciation				
	Balance as at April 1, 2022	During the year	Adjustment	Sales/ Deduction	Balance as at March 31, 2023
Land	-	-	-	-	-
Building	32.86	38.24	4.17	-	75.27
Total	**32.86**	**38.24**	**4.17**	**-**	**75.27**

Particulars	Net Block	
	Balance as at March 31, 2023	Balance as at March 31, 2022
Land	123.41	123.41
Building	366.05	402.31
Total	**489.46**	**525.72**

For the Year Ended March 31, 2022

Particulars	Gross Block				
	Balance as at April 1, 2021	Adjustment	Additions	Sales/ Deduction	Balance as at March 31, 2022
Land	123.41	-	-	-	123.41
Building	438.23	-	-	3.07	435.17
Total	**561.64**	**-**	**-**	**-**	**558.58**

Particulars	Accumulated Depreciation				
	Balance as at April 1, 2021	During the year	Adjustment	Sales/ Deduction	Balance as at March 31, 2022
Land	-	-	-	-	-
Building	-	32.86	-	-	32.86
Total	**-**	**32.86**	**-**	**-**	**32.86**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	Net Block	
	Balance as at March 31, 2022	Balance as at March 31, 2021
Land	123.41	123.41
Building	402.31	438.23
Total	**525.72**	**561.64**

(i) Amounts recognised in Statement of Profit and Loss for Investment property

Particulars	As at March 31, 2023	As at March 31, 2022
Rental income from investment property	**-**	**-**
Direct operating expenses arising from investment property that generated rental income during the year	-	-
Direct operating expenses arising from investment property that did not generate rental income during the year	-	-
Profit from investment property before depreciation	**-**	**-**
Depreciation charge for the year	42.41	32.86
Profit from investment property after depreciation	**(42.41)**	**(32.86)**

(ii) Contractual obligations

The Group has no contractual obligations to purchase, construct or develop investment property. However, the responsibility for its repairs, maintenance or enhancements is with the Company.

(iii) Fair Value

The Fair value of Investment Property as on 31st March 2023 and 31st March 2022 is Rs. 1249.42 lakhs and Rs. 1,131.44 lakhs respectively.

(iv) Pledged details

The Group has not pledged the Investment Property.

(v) Estimation of fair value

The fair value of the investment properties as on 31st March 2022 has been determined by an external independent property valuer, having appropriate professional qualification and experience in the location and category of property being valued.

12. Property Plant and Equipment

For the Year Ended March 31, 2023

Particulars	Gross Block				Accumulated Depreciation			
	Balance as at March 31, 2022	Additions	Deductions	Balance as at March 31, 2023	Balance as at March 31, 2022	Charge for the year	Deductions	Balance as at March 31, 2023
Electric Equipment	138.39	2.53	-	-	33.75	23.12	-	56.87
Computers & Servers	50.66	34.14	-	-	23.67	18.31	-	41.98
Vehicles	180.96	11.92	-	-	146.71	17.97	-	164.69
Land (incl. Revaluation)	15,941.88	615.15	-	5,056.38	-	-	-	-
Buildings (incl. Revaluation)	9,189.55	28.23	-	892.42	584.97	311.77	170.18	726.55
Plant and Equipment	31,126.04	437.47	-	69.27	4,408.02	2,670.69	40.45	7,038.26
Furniture and Fixtures	74.29	13.91	-	1.83	26.22	3.66	1.46	28.42
Office Equipment	54.69	37.35	-	15.63	33.64	8.60	12.29	29.95
Total	**56,756.45**	**1,180.70**	**-**	**6,035.53**	**5,256.99**	**3,054.11**	**224.39**	**8,086.72**

Particulars	Net Block	
	Balance as at March 31, 2023	Balance as at March 31, 2022
Electric Equipment	84.05	104.63
Computers & Servers	42.82	26.99
Vehicles	28.19	34.25
Land (incl. Revaluation)	11,500.65	15,941.88
Buildings (incl. Revaluation)	7,598.80	8,604.58
Plant and Equipment	24,455.98	26,718.01
Furniture and Fixtures	57.95	48.07
Office Equipment	46.47	21.05
Total	**43,814.91**	**51,499.45**

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Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Non-Current Assets Held for Sale

Particulars	Gross Block				Accumulated Depreciation			
	Balance as at March 31, 2022	Additions	Deductions	Balance as at March 31, 2023	Balance as at March 31, 2022	Charge for the year	Deductions	Balance as at March 31, 2023
Land	-	5,056.38	-	5,056.38	-	-	-	-
Building	-	332.30	-	332.30	-	-	-	-
Total	**-**	**5,388.68**	**-**	**5,388.68**	**-**	**-**	**-**	**-**

Particulars	Net Block	
	Balance as at March 31, 2023	Balance as at March 31, 2022
Land	5,056.38	-
Building	332.30	-
Total	**5,388.68**	**-**

During the year, the Company has identified certain portions of Land and Building as surplus for disposal. Accordingly, the Company has reclassified the surplus Land and Building as "Non-current Asset Held for Sale" as per Ind AS 105 amounting to Rs. 5,388.68 Lakhs. The aforesaid amount comprises of Land amounting to Rs. 5,056.38 lakhs. and Building amounting to Rs. 332.30 Lakhs.

As to date the Company has received an advance amount of Rs. 2,421 Lakhs towards Asset Held for Sale which is classified as Other Non-Financial liabilities (Refer Note 25)

For the Year Ended March 31, 2022

Particulars	Gross Block				Accumulated Depreciation			
	Balance as at March 31, 2021	Additions	Deductions	Balance as at March 31, 2022	Balance as at March 31, 2021	Charge for the year	Deductions	Balance as at March 31, 2022
Electric Equipment	84.05	21.34	33.00	-	12.08	21.68	-	33.75
Computers & Servers	27.02	20.63	3.00	-	11.28	12.39	-	23.67
Vehicles	182.70	-	-	1.74	117.69	29.86	0.84	146.71
Land (incl. Revaluation)	12,973.97	684.90	2,283.00	-	-	-	-	
Buildings (incl. Revaluation)	3,514.76	15.67	5,659.12	-	309.39	275.58	-	584.97
Plant and Equipment	14,405.71	948.72	16,035.00	263.39	2,160.60	2,466.91	219.49	4,408.02
Furniture and Fixtures	73.57	0.72	-	-	20.47	5.75	-	26.22
Office Equipment	44.56	10.14	-	-	24.38	9.27	-	33.64
Total	**31,306.33**	**1,702.12**	**24,013.12**	**265.13**	**2,655.88**	**2,821.44**	**220.33**	**5,256.99**

Particulars	Net Block	
	Balance as at March 31, 2022	Balance as at March 31, 2021
Electric Equipment	104.63	71.97
Computers & Servers	26.99	15.75
Vehicles	34.25	65.01
Land (incl. Revaluation)	15,941.88	12,973.97
Buildings (incl. Revaluation)	8,604.58	3,205.36
Plant and Equipment	26,718.01	12,245.11
Furniture and Fixtures	48.07	53.10
Office Equipment	21.05	20.18
Total	**51,499.45**	**28,650.45**

The Group has not revalued any of its property, plant and equipment during the year ended March 31, 2023 and year ended March 31, 2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

13. Disclosure under Ind AS 116: Leases

(i) Right-of-use Assets

For the Year Ended March 31, 2023

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2023	Additions	Deductions	Balance as at March 31, 2023	Balance as at April 1, 2023	Charge for the year	Deductions	Balance as at March 31, 2023	Balance as at March 31, 2023	Balance as at March 31, 2022
Office at Juhu	-	8.07	-	8.07	-	7.45	-	7.45	0.62	-
Office at Andheri	-	15.27	1.27	14.00	-	4.67	-	4.67	9.33	-
Leasehold Building	-	87.18	-	87.18	-	33.22	-	33.22	53.95	-
Total	**-**	**110.52**	**1.27**	**109.24**	**-**	**45.34**	**-**	**45.34**	**63.91**	**-**

The Group has not revalued any of its Right-of-use assets during the years ended March 31, 2023 and March 31, 2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

(ii) Movement in lease liabilities

For the Year Ended March 31, 2023

Particulars	Balance as at April 1, 2023	Additions	Deletions	Finance Cost	Payment of lease liabilities	Balance as at March 31, 2023
Office Premises	-	25.54	8.30	1.48	12.33	6.39
Leasehold Building	-	86.88	-	6.95	40.77	53.05
Total	**-**	**112.42**	**8.30**	**8.43**	**53.10**	**59.45**

The Group has taken various office premises and furniture and fixtures under lease. Certain agreements provide for cancellation by either party or certain agreements contain clauses for escalation and renewal of agreements. The noncancellable operating lease agreements range for a period of 11 to 180 months. There are no restrictions imposed by lease arrangements.

(iii) Maturity Analysis of Lease Liabilities:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one month	3.38	-
Between one and three months	5.32	-
Between three months and one year	27.04	-
Between one and five years	23.70	-
Total	**59.45**	**-**

(iv) Amount Recognised in Profit & Loss:

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation charge of right-of-use assets (included in depreciation, amortisation and impairment)	(45.3)	-
Interest expense (included in finance costs)	(8.4)	-
Gain/(Loss) on remeasurement of lease liability	8.3	-

(v) The total cash outflow for leases during the year:

Particulars	As at March 31, 2023	As at March 31, 2022
Total cash outflow for Leases	53.10	-

The Group does not face a significant liquidity risk with regard to its lease liabilities as the assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

14. Capital Work in Progress

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Work in Progress (Including Pre-operative Expenditure Pending allocation / Capitalisation)	-	
Capital Work In Progress	1,973.95	1,896.50
Total	**1,973.95**	**1,896.50**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

(a) Reconciliation of balance in Capital work in Progress:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning and end of the year	1,896.50	28.94
Additions	79.65	1,946.07
Deletions	2.20	78.51
Closing Balance	**1,973.95**	**1,896.50**

(b) Ageing schedule for Capital-work-in progress

CWIP	Amount in CWIP for a period As at March 31, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	279.62	256.37	152.91	1,285.04	1,973.95
Projects temporarily suspended	-	-	-	-	-
Total	**279.62**	**256.37**	**152.91**	**1,285.04**	**1,973.95**

CWIP	Amount in CWIP for a period As at March 31, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
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**

(c) Expected date of Completion lying capital work in progress which are delayed is as below:

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Manufacturing Unit	300.00	3,605.70	-	-
Total	**300.00**	**3,605.70**	**-**	**-**

The Group does not have any project temporarily suspended or any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

15. Goodwill

Particulars	As at March 31, 2023	As at March 31, 2022
Goodwill*	5.51	5.51
Total	5.51	5.51

*Note: Goodwill has arisen out of Consolidation of Krihaan and RNT

16. Other Intangible Asset

For the Year Ended March 31, 2023

Particulars	Gross Block				Accumulated Depreciation			
	Balance as at March 31, 2022	Additions	Deductions	Balance as at March 31, 2023	Balance as at March 31, 2022	Charge for the year	Deductions	Balance as at March 31, 2023
Software - License	-	5.90	-	5.90	-	0.20	-	0.20
Software	21.58	16.91	-	38.50	19.36	1.14	-	20.49
Total	**21.58**	**22.81**	**-**	**44.40**	**19.36**	**1.34**	**-**	**20.70**

Particulars	Net Block	
	Balance as at March 31, 2023	Balance as at March 31, 2022
Software - License	5.70	-
Software	18.00	2.23
Total	**23.70**	**2.23**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

For the Year Ended March 31, 2022

Particulars	Gross Block				Accumulated Depreciation			
	Balance as at March 31, 2021	Additions	Deductions	Balance as at March 31, 2022	Balance as at March 31, 2021	Charge for the year	Deductions	Balance as at March 31, 2022
Software - License	-	-	-	-	-	-	-	-
Software	19.54	2.04	-	21.58	16.37	2.98	-	19.36
Total	**19.54**	**2.04**	**-**	**21.58**	**16.37**	**2.98**	**-**	**19.36**

Particulars	Net Block	
	Balance as at March 31, 2022	Balance as at March 31, 2021
Software - License	-	-
Software	2.23	3.17
Total	**2.23**	**3.17**

The Group has not revalued any of its intangible assets during the financial year ending March 31, 2023, and March 31, 2022. Hence, the amount of change in gross and net carrying amount due to revaluation and impairment losses/reversals is nil.

17. Other Non-Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid Expenses	51.21	48.62
Capital Advances	1,925.30	1,850.50
Professional Tax Excess Paid	-	0.01
Input Tax Receivable - GST	1,477.07	799.66
Other Receivable	3.35	86.97
Advances to suppliers*	390.70	278.34
Export Benefit Available	60.09	-
Total	**3,907.72**	**3,064.11**

18. Payables

(I) Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
- Total outstanding dues of micro enterprises and small enterprises	17.14	24.33
- Total outstanding dues of creditors other than micro enterprises and small enterprises	4,125.16	6,139.72
Total	**4,142.30**	**6,164.05**

*Impairment allowance recognised on advances to suppliers and others is ₹ Nil (Previous year ₹ Nil)

Trade Payables ageing schedule.

Particulars	As at March 31, 2023					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	5.43	11.70	-	-	-	17.13
(ii) Others	1,561.35	2,183.33	376.26	-	4.23	4,125.17
Total	**1,566.78**	**2,195.03**	**376.26**	**-**	**4.23**	**4,142.30**

Trade Payables ageing schedule.

Particulars	As at March 31, 2022					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	24.33	-	-	-	24.33
(ii) Others	4,599.77	793.74	111.57	634.23	-	6,139.32
Total	**4,599.77**	**818.07**	**111.57**	**634.23**	**-**	**6,163.65**

Notes

for the year ended March 31, 2023
(All amounts are in rupees lakhs, except per share data and as stated otherwise)

(II) Other Payables

Particulars	As at March 31, 2023	As at March 31, 2022
- Total outstanding dues of micro enterprises and small enterprises	17.14	24.33
- Total outstanding dues of creditors other than micro enterprises and small enterprises	4,125.16	6,139.72
Total	**4,142.30**	**6,164.05**

18.1 Trade & other payables are non-interest bearing.

18.2 Based on and to the extent of the information received by the Group from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors

19. Debt Securities (at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Convertible debentures (Unsecured)*	21,653.86	33,859.17
Total (A)	**21,653.86**	**33,859.17**
Debt securities in India	21,653.86	33,859.17
Debt securities outside India	-	-
Total (B)	**21,653.86**	**33,859.17**

Details of Debt Securities:

For the Year Ended March 31, 2022

Particulars	Debenture Issued at (in Lakhs)	Redemption Value (In Lakhs)	Redemption Date
Non-Convertible Debentures**	6,400	11,520	24-03-2027
Non-Convertible Debentures	10,000	23,000	28-09-2029

*The Parent has exercised its call option of early redemption option vide its notice dated March 10, 2023. Hence, out of total 175 Listed, Rated, Unsecured, Redeemable, Non-Convertible Debentures aggregating to Rs. 175 crore consent was given for Rs. 111 Crore under the call option exercised by Finquest Financial Solutions Private Ltd, during financial year ended 31st March, 2023. Hence, as at year ended March 31, 2023 there are outstanding Debentures of Rs. 64 Crore.

For the Year Ended March 31, 2022

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

** includes Rs. 113 lakhs (March 31, 2022 Rs.246 lakhs) issued to related parties including Directors.
There are no debt securities measured at FVTPL or designated at FVTPL.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

20. Borrowings (Other than Debt Securities - at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Term loans	-	-
Secured		
(i) from banks	-	-
(ii) from other parties	-	243.01
Unsecured		
(i) from banks	-	-
(ii) from other parties (unsecured)	5,206.02	2,734.47
(b) Loans from related parties (unsecured)	41,527.36	36,046.88
(c) Loans repayable on demand (Unsecured)	-	-
(i) from banks	-	-
(ii) from other parties	-	-
(d) Other loans (Unsecured)	-	7,768.85
(e) Working Capital Loans	-	-
Total (A)	**46,733.38**	**46,793.20**
Borrowings in India	46,733.38	46,793.20
Borrowings outside India	-	-
Total (B)	**46,733.38**	**46,793.20**

There are no borrowings measured at FVTPL or designated at FVTPL.

Rate of Interest of borrowings from other parties ranges upto 6.5%

21. Other Financial Liability

Particulars	As at March 31, 2023	As at March 31, 2022
Deposit Received from suppliers	-	1.25
Deposit Received from customers	136.50	80.00
Deposit Received from Agents	4,104.61	-
Liability towards employee	233.51	194.24
Other Payable	548.55	1.42
Interest Payable	-	-
Interest Accrued on Borrowing	-	873.66
Short term liability of Employee benefits payable	62.35	64.55
Long term liability of Employee benefits payable	452.57	422.63
Total	**5,538.09**	**1,637.75**

22. Current Tax Liability

Particulars	As at March 31, 2023	As at March 31, 2022
Income Tax Advance	-	(66.85)
Less: Provision for Income Tax	-	1,800.52
TDS Receivable	-	(1,386.57)
TDS Payable	-	406.73
Total	**-**	**753.83**

23. Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Gratuity	131.56	72.20
Compensated absences	132.79	85.47
NPA Provisions	7,343.33	5,279.97
Standard Assets	304.68	98.66
Provision for expenses	2,994.50	1,010.91
Total	**10,906.85**	**6,547.22**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

24. Deferred Tax Liability

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liability	-	-
Total	**-**	**-**

25. Other Non- Financial Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Advance against land	2,421.00	-
Advance from Customers	1,454.45	1,209.09
Employees P F	17.40	17.49
E S I C	2.16	2.82
Professional Tax on Salary	0.86	0.92
Other liabilities	3.89	-
Statutory liabilities	207.28	90.06
Total	**4,107.04**	**1,320.39**

26. Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized Equity shares		
32,000,000 (31 March 2021: 32,000,000) Equity Shares of Rs.10 each	3200.00	3200.00
1% Redeemable Optionally Convertible Cumulative Preference Shares of Rs.100000/- Each	1000.00	1000.00
	4200.00	**4200.00**
Issued, Subscribed and fully Paid-up Equity Shares		
31,900,000 (31 March 2021: 31,900,000) Equity Shares of Rs.10 each	3190.00	3190.00
	3190.00	**3190.00**

(a) Reconciliation of Number of Shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Balance at the beginning of the year				
Equity Shares	31900000	3190.00	31900000	3190.00
Add: Shares Issued during the year				
Equity Shares	-	-	-	-
Balance at the end of the year				
Equity Shares	31900000	3190.00	31900000	3190.00

(b) Reconciliation of Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Balance at the beginning of the current reporting period	3,190.00	3,190.00
(B) Changes in Equity Share Capital due to prior period errors	-	-
(C) Restated balance at the beginning of the current reporting period (A+B)	**3,190.00**	**3,190.00**
(D) Changes in equity share capital during the current year	-	-
(E) Balance at the end of the current reporting period (C+D)	**3,190.00**	**3,190.00**

(c) 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 the 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.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Details of Shareholding Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
Equity Shares of Rs. 10/- each	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Mr. Bharat Jayantilal Patel	-	-	-	-
Mrs. Minal Bharat Patel	2,06,25,421	64.66%	1,03,12,711	32.33%
Mr. Hardik Bharat Patel	1,03,12,711	32.33%	1,03,12,711	32.33%
Mr. Ruchit B. Patel	-	-	1,03,12,710	32.33%
M/s Finquest Securities Private Limited	9,05,960	2.84%	9,05,960	2.84%

(g) Shareholding of Promoters

Promoter & Promoter Group	Relationship	Shares held at the end of the year		% Change during the year
		No. of Shares	% of Total Shares	
As at March 31, 2023				
Mrs. Minal B Patel	Promoter	2,06,25,421	64.66%	32.33%
Mr. Hardik B Patel	Promoter	1,03,12,711	32.33%	-
Mr. Ruchit B Patel	Promoter	-	-	(32.33%)
As at March 31, 2022				
Mrs. Minal B Patel	Promoter	1,03,12,711	32.33%	10.33%
Mr. Hardik B Patel	Promoter	1,03,12,711	32.33%	10.33%
Mr. Ruchit B Patel	Promoter	1,03,12,710	32.33%	10.33%

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

27. Other Equity

As on March 31, 2023

Particulars	Attributable to Shareholders of the company						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
Balance at the Beginning of the year 01 April 2021	**2,228.90**	**13,349.60**	**2,769.16**	**1,661.15**	**(5.55)**	**20,003.25**	**200.00**	**184.57**	**-**	**384.57**
Securities premium on equity shares issued during the year	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-	-
Add: Securities premium on equity shares issued during the year	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	1,727.77	-	20.15	1,747.92	-	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	-	7,825.68	-	-	-	-
Closing Balance at the end of current financial year -31st March 2023	**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**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

As on March 31, 2022

Particulars	Attributable to Shareholders of the company						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
Balance at the Beginning of the year 01 April 2021	**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**
Securities premium on equity shares issued during the year	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	-	-	-	-	-	-	-
Add: Securities premium on equity shares issued during the year	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	(7,177.35)	677.82	11.24	(6,488.28)	-	(80.93)	3.25	(77.68)
Transfer to Statutory Reserve under Section 45-IC of RBI Act	-	-	-	-	-	-	-	-	-	-
Gain on bargain purchase	-	-	(2.83)	-	-	(2.83)	-	-	-	-
Closing Balance at the end of current financial year -31st March 2023	**2,857.94**	**13,349.60**	**(3,312.29)**	**10,164.66**	**25.84**	**23,085.74**	**200.00**	**133.53**	**6.43**	**339.96**

Significant Accounting Policies (Refer note no. 2)

The accompanying notes are an integral part of the standalone financial statements.

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.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

28. Interest Income

Particulars	As at March 31, 2023	As at March 31, 2022
A) On Financial assets measured at amortised cost		
Interest on loans	1,807.49	1,225.05
Interest on Deposit (Leased Asset)	0.46	-
Interest on FDR	170.85	77.24
Other Interest Income	16.53	13.79
Total	**1,995.32**	**1,316.07**

29. Dividend Income

Particulars	As at March 31, 2023	As at March 31, 2022
Dividend Income	79.37	62.74
Total	**79.37**	**62.74**

30. Net Gain on Fair Value Changes

Particulars	As at March 31, 2023	As at March 31, 2022
A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio	-	-
- Investments	(2,878.34)	6,260.91
- Derivatives	-	-
- Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
B) Others	9.36	(762.74)
Total	**1,995.32**	**1,316.07**

Particulars	As at March 31, 2023	As at March 31, 2022
Fair Value Change		
- Realised	(90.14)	5,513.47
- Unrealised	(2,778.83)	(15.30)
Total	**(2,868.97**	**5,498.17**

31. Sale of Goods

Particulars	As at March 31, 2023	As at March 31, 2022
Sale of Goods	43,917.35	15,977.10
Total	**43,917.35**	**15,977.10**

32. Other Operating Income

Particulars	As at March 31, 2023	As at March 31, 2022
Gain in part on realisation of Stressed asset	-	12,576.57
Processing Charges	-	577.47
Export Incentive, etc.	202.71	0.15
Sales Of Waste & Scrap Material	126.77	29.80
Sale of services	161.42	197.06
Other Operating Income	-	63.70
Total	**490.90**	**13,444.74**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

33. Other Income

Particulars	As at March 31, 2023	As at March 31, 2022
Gain on lease modification	7.03	-
Miscellaneous Income	17.82	-
Exchange Gain	87.72	2.62
Profit on sale of Property, Plant and Equipment	73.20	422.81
Excess Liabilities/Provisions Written Back (Net)	15.37	58.53
Marketing Services Charges	-	225.00
Miscellaneous Income	29.00	0.16
Total	**230.13**	**709.12**

34. Finance Costs

Particulars	As at March 31, 2023	As at March 31, 2022
A) On Financial liabilities measured at amortised cost		
Interest (other than debt securities)	164.19	4,074.32
Interest on Lease Liability	8.43	-
Bank charges	4.16	22.96
Debenture Premium Cost	2,779.70	2,568.47
Total	**2,956.47**	**6,665.74**

35. Impairment on financial instruments

Particulars	As at March 31, 2023	As at March 31, 2022
A) On Financial instruments measured at amortised cost		
Loans	2,269.37	6,793.99
'Provision against non-performing assets (net)	2,063.36	1,635.11
'Bad Debts	-	5,126.74
'Contingent Provision against Standard Assets	206.01	32.14
Total	**2,269.37**	**6,793.99**

The table below shows the ECL charges on financial instruments for the year recorded in the statement of profit and loss based on evaluation stage:

For the Year Ended March 31, 2023

Particulars	General approach			Simplified Approach	Total
	Stage 1-Collective	Stage 2-Collective	Stage 3-Collective		
Loans and advances to customers measured at amortised cost	166.77	39.46	2,063.14	-	**2,269.37**
Investments	-	-	-	-	**-**
Others	-	-	-	-	**-**
Total	**166.77**	**39.46**	**2,063.14**	**-**	**2,269.37**

For the Year Ended March 31, 2022

Particulars	General approach			Simplified Approach	Total
	Stage 1-Collective	Stage 2-Collective	Stage 3-Collective		
Loans and advances to customers measured at amortised cost	32.14	-	1,635.11	-	**1,667.25**
Investments	-	-	-	-	**-**
Others	-	-	-	-	**-**
Total	**32.14**	**-**	**1,635.11**	**-**	**1,667.25**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

36. Cost of Material Consumed

Particulars	As at March 31, 2023	As at March 31, 2022
Cost of materials consumed	-	14,985.61
Opening Stock	545.32	185.51
Less : Purchase shown as Goods in Transit	-	(70.86)
Add: Purchases	18,839.98	754.08
Less: Closing Stock	(1,399.72)	(108.81)
Total	**17,985.58**	**15,745.53**

37. Purchases of Stock-in-Trade

Particulars	As at March 31, 2023	As at March 31, 2022
Cloth	586.00	894.18
Fabrics	5,316.00	-
Total	**5,902.00**	**894.18**

38. Changes in inventories

Particulars	As at March 31, 2023	As at March 31, 2022
Finished Goods	(1,821.05)	(5,215.29)
Work-in-progress	(162.76)	(3,295.11)
Stock-in-Trade	(517.58)	-
Stores and Spares	-	(622.00)
Waste/Scrap (Net Realisable Value)	-	(38.39)
Total	**(2,501.39)**	**(9,222.42)**

39. Employee benefit expenses

Particulars	As at March 31, 2023	As at March 31, 2022
Salaries, bonus and commission	5,609.26	3,924.91
Contribution to Provident and other funds	457.22	370.04
Staff welfare expenses	346.45	174.46
Gratuity Expense	74.36	42.07
Leave Encashment expenses	33.03	42.03
Exgratia	37.90	109.95
Total	**6,558.22**	**4,663.45**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

40. Other Expenses

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Audit Fees (Refer Note A)	40.83	22.82
Conference Expenses	493.87	-
CSR Expenditure (Refer Note B)	20.00	-
Manufacturing Expenses	8,831.12	3,142.51
Franking/ Stamping Charges	-	0.05
Legal & Professional Fees	415.58	278.42
Printing & Stationery	30.58	28.37
ROC Filing fees	1.40	0.35
Conveyance Expenses	172.65	54.68
Donations	-	285.00
Office Expenses	16.38	53.29
Rent	-	58.04
Other Expenses	119.74	88.59
Interest on Profession Tax	0.04	15.02
Provision for Doubtful Debts	158.44	-
Profession Tax	0.05	0.03
Penalty	1.10	-
Stamp Duty and registration	1.28	-
Gratuity and Leave Encashment Provision	-	(0.82)
GST credit on RCM	33.09	34.16
Security Charges	51.23	-
Power & Fuel	336.18	250.13
Packing charges	120.98	12.73
Repairs and maintenance expenses	258.89	131.22
Freight Charges	-	47.11
Rent	0.10	22.59
Guest House maintenance	-	10.16
House Keeping expenses	11.98	5.31
Insurance Expenses	70.16	63.52
Transportation for employees	242.27	148.24
Communication expenses	7.14	2.62
Advertisement and publicity expenses	69.24	52.47
Loss on disposal of Fixed Assets	5.26	-
Lease Expenses	22.39	-
Freight & other Selling Expenses	49.67	-
Miscellaneous Expenses	83.36	39.29
Stores and Spares consumed	176.87	229.14
Processing Expenses	38.73	149.83
Provision for Expenses	49.91	-
Directors Fees	6.75	4.10
Rates & Taxes	106.68	96.08
Brokerage, Rebate, Discount & Commission	126.95	85.28
Foreign Exchange Loss	0.57	0.16
Bank Charges	12.39	2.34
Courier Charges	57.51	0.78
Gst Expenses	29.83	14.87
Internet & Website Expenses	9.12	1.11
Agency Commission – Domestic	1,423.50	174.46
Lodging & Boarding Expenses	55.11	37.09
Sales Promotion, Designing & Books	185.81	7.34
Watch & Ward Expenses	37.67	26.66
Total	**13,982.40**	**5,675.13**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	As at March 31, 2023	As at March 31, 2022
Note A:		
Payment to Auditors	-	-
As auditors	31.00	20.68
For taxation matters	4.75	1.50
Reimbursement of expenses	5.08	0.64
Total	**40.83**	**22.82**

Particulars	As at March 31, 2023	As at March 31, 2022
Note B: - CSR		
i) Amount required to be spent by the parent during the year	19.98	-
ii) Amount of expenditure incurred	20.00	-
iii) Shortfall at the end of the year	-	-
iv)Nature of Activity :-	-	-
Contribution made to a Non-Profit organisation set up with an objective of developing the down trotted especially Dalits, scheduled caste, scheduled tribes, minorities, BPL's and other backward communities, welfare of women, youth and child development through education, economic environment, skill, education, health and cultural programs.	-	-
Total	**40.83**	**22.82**

41. Deferred Taxes

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax expense		
Current tax for the year	-	1,800.52
Tax of earlier year	-	-
Deferred tax	-	-
Net Deferred tax (income) /expense	416.59	(623.14)
Total	**416.59**	**1,177.39**

41.1. Tax Reconciliation

Particulars	As at March 31, 2023	As at March 31, 2022
Loss Before tax	(5,547.71)	2,817.82
Applicable Tax Rate	25.17%	40.38%
Tax amount at the enacted income tax rate	(105.37)	1,137.86
Increase/reduction in taxes on account of:		
Deferred taxes on account of Property, Plant and Equipment	333.31	412.08
Deferred taxes on account of Expenses disallowed u/s 40(a)(ia) of Income tax act	(37.50)	(13.93)
Deferred taxes on account of Un-recognised business losses	(22.77)	(1,525.12)
Deferred taxes on account of Other temporary differences	(20.22)	(16.82)
Expenses not deductible in determining taxable profits	99.39	74.91
Deferred taxes on account of non-creation of DTA in previous periods	-	584.39
Income allowed /Expenses disallowed	(709.78)	(1,600.65)
Income disallowed /Expenses allowed	873.60	2,121.88
Total	**410.67**	**1,174.61**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

42. Statement of other comprehensive income

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Items that will not be reclassified to profit or loss	-	-
Remeasurements of the defined benefit plans	8.58	20.50
Equity Instruments through Other Comprehensive Income	-	-
Others (Specify nature)	-	-
	8.58	**20.50**
(ii) Income tax relating to items that will not be reclassified to profit or loss	5.92	2.83
	5.92	**2.83**
(i) Items that will be reclassified to profit or loss	-	-
Total	**14.49**	**23.33**

43. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit for the year attributable to equity holders of Company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	As at March 31, 2023	As at March 31, 2022
Net profit after tax as per Statement of profit and loss (in lakhs) (A)	(7,258.28)	1,757.66
Weighted average number of equity shares for calculating basic EPS (in lakhs) (B)	319.00	319.00
Weighted average number of equity shares for calculating diluted EPS (in lakhs) (C)	319.00	319.00
Basic earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (B)	(22.75)	5.51
Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (C)	(22.75)	5.51

44. Investment in Subsidiaries AND Associates

The Parent has invested in the following entities:

Name of the Entity	Relationship	Country of Incorporation	Principal Place of Business	Principal Activities	% Equity Interest	
					As at March 31,2023	As at March 31,2022
Krihaan Texchem Private Limited	Subsidiary	India	India	Textile	100%	100%
Digjam Limited	Subsidiary	India	India	Textile	90%	90%

45. Contingent Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
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	132.31	278.66
Total	**132.31**	**278.66**

46. Employee Benefits Plans

A. Defined Contribution Plans

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Employer's Contribution to Provident Fund	355.17	199.74
Employer's Contribution to ESIC	65.33	52.36

B. 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.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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 device 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:

A. Change in present value of obligations

Particulars	As at March 31, 2023	As at March 31, 2022
Liability at the beginning of the year	892.11	897.92
Adjusted through retained earnings	-	-
Transfer in/ (out) obligation	-	-
Current service cost	100.65	75.85
Interest cost	61.06	56.85
Actuarial losses / (gain)	(47.19)	(24.02)
Past service cost	-	-
Benefits paid	(83.17)	(114.49)
Liability at the end of the year	**923.46**	**892.11**

B. Movement in the Fair Value of plan assets are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Plan assets at the beginning of the year, at fair value	**332.72**	**419.50**
Interest Income	22.76	26.55
Return on plan assets excluding interest income	(3.65)	(3.52)
Contribution from the employer	4.67	4.68
Benefits paid	(79.52)	(114.49)
Fair value of plan assets at the end of the year	**276.98**	**332.72**

C. The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of benefit obligation at the end of the year	923.46	892.11
Fair value of plan assets at the end of the year	276.98	332.72
Net Liability arising from defined benefit obligation	**646.48**	**559.39**

D. Expense recognized in the statement of profit and loss.

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	100.65	75.85
Interest cost	61.06	56.85
Past Service Cost		
Net Gratuity Expense	**161.71**	**132.70**

E. Remeasurements recognized in the OCI

Particulars	As at March 31, 2023	As at March 31, 2022
Actuarial (gain) / loss arising from	(22.57)	(24.02)
- experience adjustments	(1.51)	(3.14)
- financial assumptions	(21.06)	(20.88)

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

F. Actuarial Assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.30%	6.10%
Salary escalation rate	7.00%	7.00%
Attrition Rate - Age (Years)	-	-
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

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:

A. Gratuity

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (100/50 bps movement)	91.84	175.07	30.10	118.53
Employee Turnover (100/50 bps movement)	132.45	135.78	72.65	71.62
Salary escalation rate (100/50 bps movement)	175.22	91.03	118.46	29.43

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 appproximation of the sensitivity of the assumption shown.

B. Compensated Absences

Particulars	As at March 31, 2023	As at March 31, 2022
A. Change in present value of obligations		
Liability at the beginning of the year	83.09	70.75
Adjusted through retained earnings	-	-
Transfer in/ (out) obligation	-	-
Current service cost	42.13	37.65
Interest cost	5.68	4.49
Actuarial losses / (gain)	40.90	(16.58)
Past service cost	-	-
Benefits paid	(39.01)	(13.21)
Liability at the end of the year	**132.79**	**83.08**

47. Maturity Analysis of Financial Liabilities

Particulars	As at March 31, 2023			As at March 31, 2022		
	Contractual Cash Flows			Contractual Cash Flows		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Financial liabilities						
Trade Payables	4,136.63	5.67	4,142.30	6,164.05	-	6,164.05
Other Payables	266.12	-	266.12	1,161.50	-	1,161.50
Borrowings	45,343.89	1,389.49	46,733.38	44,616.74	2,176.47	46,793.21
Debt securities	-	21,653.86	21,653.86	-	33,859.17	33,859.17
Lease Liabilities	35.75	23.70	59.45			
Other Financial Liabilities	5,085.53	452.57	5,538.09	1,215.12	422.63	1,637.75

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

48. Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times. Refer note 54.1 for the Company's Capital ratios.

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

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years except those incorporated on account of regulatory amendments. However, they are under constant review by the Board. The Company has complied with the notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards."

49. Related Party Disclosures as per Ind AS 24:

Promotors
Mr. Hardik B Patel
Mr. Ruchit B Patel
Mrs. Minal B Patel

Director & Key Managerial Personnel (KMP)	Nature Of Relationship
Mr. Hardik B. Patel	Managing Director
Mr. Ruchit B Patel	Non-Executive Director
Mr. Parashiva Murthy B S	Non-Executive Director
Mr. Dhiren S. Shah	Independent Director
Ms. Kalyani Sharma	Independent Director
Sri Duraiswamy Gunaseela Rajan	Independent Director (Digjam Limited)
Ms. Sudha Bhushan	Independent Director (Digjam Limited)
Sri Panchapakesan Swaminathan	Independent Director (Digjam Limited)
Sri Ajay Agarwal	Director (from May 26, 2022) (Digjam Limited & Krihaan Texchem Private Limited)

Relative of Key Managerial Personnel (KMP)	Nature of Relationship
Minal B Patel	Director's Relative
Shweta H. Patel	Director's Relative
C.L. Agarwal	Director's Relative

Other Related Parties	Nature of Relationship
Finquest Properties Private Limited	Entities Under Common Control
PAT Financial Consultants Pvt Ltd	Entities Under Common Control
Finquest Securities Private Limited	Entities Under Common Control
Nirmal Realty Pvt Ltd	Entities Under Common Control
Unideep Properties Pvt Ltd	Entities Under Common Control
Sukhwant Properties Private Limited	Entities Under Common Control
Fidelity Multitrade Pvt Ltd	Entities Under Common Control
Pasha Finance Pvt Ltd	Entities Under Common Control

Transactions with Related Parties of Revenue Nature

Interest Income on Loan Given

Particulars	For the Year Ended 31st, March 2023	For the Year Ended 31st, March 2022
Unideep Properties Private Limited	83.89	152.18
PAT Financial Consultants Pvt Ltd	85.92	70.11
JHP Finvest Pvt Ltd	-	191.01
Total	**169.81**	**413.30**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Sitting Fees

Particulars	For the Year Ended 31st, March 2023	For the Year Ended 31st, March 2022
Sri D. G. Rajan	2.25	1.55
Sri P Swaminathan	2.05	0.80
Ms. Sudha Bhushan	2.45	1.75
Parashiva Murthy B S	1.60	-
Kalyani Sharma	0.65	-
Total	**9.00**	**4.10**

Travelling Expenses

Particulars	For the Year Ended 31st, March 2023	For the Year Ended 31st, March 2022
Sri Hardik B. Patel	-	0.08
Sri Ajay Kumar Agarwal	2.13	1.87
Sri Ajay Agarwal	0.06	0.09
Sri Parashiva Murthy B S	0.05	-
Sri Vinayak Hoskote Rao	0.07	-
Total	**2.31**	**2.04**

Remuneration

Particulars	For the Year Ended 31st, March 2023	For the Year Ended 31st, March 2022
Sri Ajay Kumar Agarwal#	40.00	-
Sri Vinayak Hoskote Rao#	1.42	-
Sri Satish Shah#	8.92	-
Sri Punit A. Bajaj#	8.68	6.00
Hardik Patel	8.71	-
Total	**67.73**	**6.00**

Interest Expense on Loan Taken

Particulars	For the Year Ended 31st, March 2023	For the Year Ended 31st, March 2022
Pasha Finance Pvt Ltd	-	127.36
Fidelity Multitrade Pvt Ltd	-	29.61
Sukhwant Properties Pvt Ltd	-	10.50
Total	**-**	**167.48**

Contribution to post employment benefit fund (with LIC)

Particulars	For the Year Ended 31st, March 2023	For the Year Ended 31st, March 2022
Shree Digvijaya Woollen Mills Limited Employees Gratuity Fund	5.00	5.00
Total	**5.00**	**5.00**

Lease Rent

Particulars	For the Year Ended 31st, March 2023	For the Year Ended 31st, March 2022
Finquest Securities Pvt Ltd	3.72	-
Total	**3.72**	**-**

Reimbursement Expenses

Particulars	For the Year Ended 31st, March 2023	For the Year Ended 31st, March 2022
Finquest Securities Pvt Ltd	5.78	
Total	**5.78**	**-**

Professional & Consultancy Fees

Particulars	For the Year Ended 31st, March 2023	For the Year Ended 31st, March 2022
Ajay Agarwal and others HUF	19.75	-
Total	**19.75**	**-**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Compensation and Commission Paid to KMP

Particulars	For the Year Ended 31st, March 2023	For the Year Ended 31st, March 2022
Ajay Agarwal	110.45	70.00
Total	**110.45**	**70.00**

Transactions with Related Parties of Capital Nature

Particulars	Outstanding as on 31st, March 2023	Outstanding as on 31st, March 2022
Loan From Directors (Unsecured)		
Hardik B. Patel	10,023.36	24,764.35
Total	**10,023.36**	**24,764.35**

Loan From Other Related Parties (Unsecured)

Particulars	Outstanding as on 31st, March 2023	Outstanding as on 31st, March 2022
Ruchit Patel	7,175.00	5,423.09
Minal B Patel	19,830.57	5,134.93
Finquest Securities Pvt Ltd	-	29.98
Late. Bharat B. Patel	1,519.34	1,708.50
Fidelity Multitrade Pvt Ltd	1,685.00	1,685.00
Pat Financial Consultants Pvt Ltd	-	-
Total	**30,209.91**	**13,981.50**

Loan To Other Related Parties (Unsecured)

Particulars	Outstanding as on 31st, March 2023	Outstanding as on 31st, March 2022
Nirmal Realty Pvt Ltd	-	27.59
Total	**-**	**27.59**

Sale of Investment

Particulars	For the Year Ended 31st, March 2023	For the Year Ended 31st, March 2022
Shweta H. Patel	19.47	-
Total	**19.47**	**-**

Outstanding Payable Balances at the end of Financial Year

Particulars	Outstanding as on 31st, March 2023	Outstanding as on 31st, March 2022
Contribution Outstanding		
Shree Digvijaya Woollen Mills Limited Employees Gratuity Fund	514.92	487.18
Total	**514.92**	**487.18**

Salary payable to KMP

Particulars	For the Year Ended 31st, March 2023	For the Year Ended 31st, March 2022
Ajay Agarwal	4.95	4.33
Total	**4.95**	**4.33**

Trade Payable

Particulars	For the Year Ended 31st, March 2023	For the Year Ended 31st, March 2022
Ajay Agarwal	4.36	-
Total	**4.36**	**-**

Outstanding Receivable Balances at the end of Financial Year

Particulars	Outstanding as on 31st, March 2023	Outstanding as on 31st, March 2022
Finquest Securities Pvt Ltd	-	4.92
Finquest Properties Pvt Ltd	-	56.00
Total	**-**	**60.92**

The remuneration excludes 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.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

50. Financial Instruments-Fair Value and Risk Management

A. Valuation Model

1) Accounting Classification and Fair Values

As at 31 March 2023

Particulars	FVTPL	Amortised Cost	Others (at cost)	Total
Assets				
Cash and cash equivalents	-	1,095.55	-	1,095.55
Bank Balance other than (a) above	-	3,540.86	25.00	3,565.86
Loans and advances	-	18,317.69	-	18,317.69
Investments	11,075.51	-	4,229.68	15,305.19
Trade receivables	-	-	9,842.77	9,842.77
Other Receivables	-	-	-	-
Other financial assets	-	-	1,484.66	1,484.66
Liabilities				
Payables	-	-	4,408.42	4,408.42
Borrowings (other than debt securities)	-	18,208.47	28,524.91	46,733.38
Debt securities	-	-	-	-
- Non-Convertible Debentures	-	21,653.86	-	21,653.86
Other financial liabilities	-	-	5,538.09	5,538.09

As at 31 March 2022

Particulars	FVTPL	Amortised Cost	Others (at cost)	Total
Assets				
Cash and cash equivalents		6,880.11		6,880.11
Bank Balance other than (a) above			1,726.10	1,726.10
Loans and advances		27,801.66		27,801.66
Investments	18,014.56	1,849.96	10.11	19,874.63
Trade receivables			5,698.51	5,698.51
Other Receivables			56.00	56.00
Other financial assets			1,017.52	1,017.52
Liabilities				
Payables			7,325.55	7,325.55
Borrowings (other than debt securities)		34,526.68	12,266.52	46,793.20
Debt securities				
- Non-Convertible Debentures		33,859.17		33,859.17
Other financial liabilities			1,637.75	1,637.75

2) 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 2023

Particulars	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Assets					
Cash and cash equivalents	1,095.55	-		1,095.55	1,095.55
Bank Balance other than (a) above	3,565.86	-	-	3,565.86	3,565.86
Loans and advances			18,317.69	18,317.69	18,317.69
Investments	11,075.51	4,229.68		15,305.19	15,305.19
Trade receivables	-	-	9,842.77	9,842.77	9,842.77
Other receivables			-	-	-
Other financial assets	-	-	1,484.66	1,484.66	1,484.66
Liabilities					
Payables	-	-	4,408.42	4,408.42	4,408.42
Borrowings (other than debt securities)	-	-	46,733.38	46,733.38	46,733.38
Debt securities	-	-		-	
- Non-Convertible Debentures	-	-	21,653.86	21,653.86	21,653.86
Lease Liabilities			59.45	59.45	59.45
Other financial liabilities	-	-	5,538.09	5,538.09	5,538.09

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

As at 31 March 2022

Particulars	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
Assets					
Cash and cash equivalents	6,880.11	-	-	6,880.11	6,880.11
Bank Balance other than (a) above	1,726.10	-	-	1,726.10	1,726.10
Loans and advances	27,801.66	-	-	27,801.66	27,801.66
Investments	18,014.56	-	1,860.07	19,874.63	19,874.63
Trade receivables	-	-	5,698.51	5,698.51	5,698.51
Other receivables	-	-	56.00	56.00	56.00
Other financial assets	-	-	1,017.52	1,017.52	1,017.52
Liabilities					
Payables	-	-	7,325.54	7,325.54	7,325.54
Borrowings (other than debt securities)	-	-	46,793.20	46,793.20	46,793.20
Debt securities	-	-	-	-	-
- Non-Convertible Debentures	-	-	33,859.17	33,859.17	33,859.17
Lease Liabilities	-	-	-	-	-
Other financial liabilities	-	-	1,637.75	1,637.75	1,637.75

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 1 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.

51. 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.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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, ssector 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 liabilities

Please refer note no. 47 for maturity analysis.

C. Market risk (Currency risk)

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market price. Markets risk comprises three types of risk: currency risk, interest rate risk and other risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes loans and borrowings, deposits, FVTOCI investments and derivative financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Market risk - Foreign Exchange

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Foreign currency risk is that risk in which the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and a portion of its business is transacted in several currencies and therefore the Company is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies.

Foreign currency risk is that risk in which the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and a portion of its business is transacted in several currencies and therefore the Company is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies.

The carrying amount of the Company's foreign currency denominated monetary assets and liabilities as at the end of the reporting period is as follows:

Currencies	Liabilities		Assets	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
US Dollar (USD)	3.44	-	2.19	0.05
EURO	0.04	-	6.33	2.60
British Pound (GBP)	0.20	-	1.04	-
CHF	-	-	0.15	0.11

Foreign Currency Exposure:

Foreign currency exposure as at March 31, 2023	USD	EURO	GBP	JPY	CHF
Trade Receivables	2.19	6.00	1.11	-	-
Trade Receivables (Advance)	3.44	0.04	0.13	-	-
Loans & Other Receivables	-	-	-	-	-
Borrowings	-	-	-	-	-
Trade Payables (Advance)	-	0.33	-	-	0.15

Foreign currency exposure as at March 31, 2022	USD	EURO	GBP	JPY	CHF
Trade Receivables	0.05	2.03	-	-	-
Trade Receivables (Advance)	-	-	-	-	-
Loans & Other Receivables	-	-	-	-	-
Borrowings	-	-	-	-	-
Trade Payables (Advance)	-	0.57	-	-	0.11

Particulars of un-hedged foreign currency asset/liability as at Balance Sheet date

Currency	Nature	As at March 31, 2023		As at March 31, 2022	
		Amount in Foreign Currency	Amount in Rupees	Amount in Foreign Currency	Amount in Rupees
USD	Asset	2.19	182.86	0.05	4.15
GBP	Asset	1.04	103.37	-	-
EURO	Asset	6.33	550.91	2.60	218.23
CHF	Asset	0.15	13.47	0.11	8.98
USD	Liability	3.44	282.40	-	-
GBP	Liability	0.20	20.04	-	-
EURO	Liability	0.04	3.97	-	-

Currency Risk is not material, as the Group's primary business activities are within India and does not have significant exposure in foreign currency except to the extend as stated above with respect to foreign currency exposure.

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:

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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 a 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 2023 and 31 March 2022 are as below:

Particulars	As at March 31, 2023	As at March 31, 2022
Interest bearing assets		
Loans (A)	18,317.69	27,801.66
Interest bearing liabilities	-	-
Borrowings (B)	68,387.24	80,652.37
Variable rate borrowings	-	-
Fixed rate borrowings	68,387.24	80,652.37
Net exposure (A-B)	**(50,069.55)**	**(52,850.71)**

Since the Company provides loan to Customer at fixed interest rate also all the borrowing are at fixed rate hence there is no interest rate risk to the Company on loan exposure & borrowings.

52. Classification of Financial Assets & Liabilities

As at 31 March 2023

Particulars	FVTPL	Amortised Cost	Others (at cost)	Total
Financial Assets				
Cash and cash equivalents	-	1,095.55	-	1,095.55
Bank Balance other than (a) above	-	3,540.86	25.00	3,565.86
Loans and advances	-	18,317.69	-	18,317.69
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Trade receivables	-	-	9,842.77	9,842.77
Other Receivables	-	-	-	-
Other financial assets	-	-	1,484.66	1,484.66
Financial Liabilities				
Payables	-	-	4,408.42	4,408.42
Borrowings (other than debt securities)	-	18,208.47	28,524.91	46,733.38
Debt securities	-	-	-	-
- Non-Convertible Debentures	-	21,653.86	-	21,653.86
Other financial liabilities	-	-	5,538.09	5,538.09

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

As at 31 March 2022

Particulars	FVTPL	Amortised Cost	Others (at cost)	Total
Financial Assets				
Cash and cash equivalents	-	6,880.11	-	6,880.11
Bank Balance other than (a) above	-	-	1,726.10	1,726.10
Loans and advances	-	27,801.66	-	27,801.66
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Other Receivables	-	-	56.00	56.00
Other financial assets	-	-	1,017.52	1,017.52
Financial Liabilities				
Payables	-	-	7,325.55	7,325.55
Borrowings (other than debt securities)	-	34,526.68	12,266.52	46,793.20
Debt securities	-	-	-	-
- Non-Convertible Debentures	-	33,859.17	-	33,859.17
Other financial liabilities	-	-	1,637.75	1,637.75

53. 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:

Particulars	As at 31st March 2023	As at 31st March 2022
The principal amount remaining unpaid to supplier as at the end of the year	17.14	24.33
The interest due thereon remaining unpaid to supplier as at the end of the year	0.01	0.90
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	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

54. Segment Reporting

The Parent is primarily engaged in the business of financing and Investing Activities and there are no separate reportable segments identified as per the Ind AS 108 - Operating Segments. Also the Subsidary's business activity falls within a single business segment in terms of Ind AS 108 on "Operating Segments", the financial statement are reflective of information required by Ind AS 108.

55. Events after reporting date

There have been no events after the reporting date.

56. Items of income and expenditure of exceptional nature

During the year, the Company has discarded Property, Plant and Equipment in the nature of Building amounting to Rs. 390 Lacs classified under the head Exceptional item.

During the year, one of the Subsidary in the Group has identified certain portion of Land and Building as surplus for disposal. Accordingly, the Group has reclassified the surplus Land and Building as "Non-current Asset Held for Sale" as per Ind AS 105 amounting to Rs. 5,388.68 Lakhs. The aforesaid amount comprises of Land amounting to Rs. 5,056.38 lakhs. and Building amounting to Rs. 332.30 Lakhs.

As on date the Group has received an advance amount of Rs. 2,421 Lakhs towards Asset Held for Sale which is classified as Other current liabilities (Refer Note 25).

57. Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications.

The auditors of the Group have expressed an qualified opinion on the revised consolidated financial statements of the Company for the financial years ended March 31, 2023. There is no monetary impact on the financial statement.

The Parent has invested in the Security Receipts of a Trust formed by Asset Reconstruction Company (India) Limited during the current financial year, the value of which is exceeding 15% of its owned funds. Even though the Non- Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 states that the Company cannot exceed this limit but the Management of the Parent Company is of the opinion that, based on the circular issued by RBI dated 22nd October, 2021 applicable w.e.f. 1st October, 2022, Parent falls under the definition of Base Layer NBFC and the said exposure limits are not applicable to it.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

58. 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 Investment Property

The fair value of investment property (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

(c) 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.

(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) Willful defaulter:

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

(g) Relationship with struck off companies:

The subsidiary company Krihaan Texchem Pvt. Ltd. had a transaction with Struck off Company the details of which is given below:

Name of Struck off Company	Nature of Transaction with Struck off Company	Balance Outstanding (Rs. In Lacs)	Relationship with struck off company
Leo Textile Spare India Pvt Ltd	Payable	0.10	Trade Payable

(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) 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.

(k) 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.

(l) 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.

(m) 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.

59. Movement in Provision

Particulars	As at 31st March 2022	Additional Provision made During the year	Utilisation/ Reversal during the year	As at 31st March 2023
Provision for employee benefits				
- Gratuity	72.20	63.01	(3.65)	131.56
- Compensated absences	85.47	88.71	(39.01)	132.79
Provisions for taxation	-	-	-	-
NPA Provisions	5,279.97	2,063.36	-	7,343.33
Standard Assets	98.66	206.01	-	304.68
Provision for expenses	1,010.91	1,983.58	-	2,994.50
Total	**6,547.22**	**4,404.67**	**(42.66)**	**10,906.85**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Particulars	As at 31st March 2021	Additional Provision made During the year	Utilisation/ Reversal during the year	As at 31st March 2022
Provision for employee benefits				
- Gratuity	23.43	-	48.78	72.20
- Compensated absences	31.56	-	53.91	85.47
Provisions for taxation	-	-	-	-
NPA Provisions	2,541.58	2,738.39	-	5,279.97
Standard Assets	257.37	-	(158.70)	98.66
Provision for expenses	-	1,010.91	-	1,010.91
Total	**2,853.94**	**3,749.30**	**(56.02)**	**6,547.22**

60. Disclosure pursuant to Reserve Bank of India notification DOR (NBFC). CC.PD.No.109 /22.10.106/2019-20 dated March 13, 2020 pertaining to Asset classification as per RBI Norms.

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	For the year ended March 31, 2023				
		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	14,859.81	265.22	14,594.59	59.44	205.78
	Stage 2	78.91	39.46	39.46	0.32	39.14
Subtotal		**14,938.72**	**304.68**	**14,634.05**	**59.75**	**244.92**
Non-Performing Assets (NPA's)						
Substandard	Stage 3	1,076.22	1,076.22	-	742.14	334.08
Doubtful - Upto 1 year	Stage 3	2,913.00	2,913.00	-	2,913.00	-
1 to 3 years	Stage 3	284.32	284.32	-	284.32	-
More than 3 years	Stage 3	3,719.78	3,069.78	650.00	2,882.28	187.50
Subtotal for Doubtful		**7,993.33**	**7,343.33**	**650.00**	**6,821.75**	**521.58**
Loss	Stage 3	-	-	-	-	-
Subtotal 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	-	-	-	-	-
Subtotal		-	-	-	-	-
Total		**22932.05**	**7648.01**	**15284.05**	**6881.50**	**766.50**

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	For the year ended March 31, 2023				
		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	24611.16	98.44	24512.72	98.44	-
	Stage 2	-	-	-	-	-
Subtotal		**24611.16**	**98.44**	**24512.72**	**98.44**	**-**
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 years	Stage 3	6517.11	4578.48	1938.63	4578.26	0.22
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for Doubtful		**7218.82**	**5280.19**	**1938.63**	**4648.43**	**631.76**
Loss	Stage 3	-	-	-	-	-
Subtotal 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	-	-	-	-	-
Subtotal		-	-	-	-	-
Total		**31829.98**	**5378.64**	**26451.35**	**4746.87**	**631.76**

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

1. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Restated Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Share in Net Assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	As a % of Restated Consolidated Net Assets	Amount	As a % of Restated Consolidated Net Assets	Amount
Parent Entity:				
Finquest Financial Solution Pvt. Ltd.	43.96%	11,699.97	53.02%	17,592.86
Subsidiaries:				
Krihaan Texchem Pvt. Ltd. (100%)	17.86%	4,754.87	16.87%	5,599.48
Digjam Ltd. (90%)	38.18%	10,160.85	30.11%	9,992.16

Share in Profit & Loss

Particulars	As at March 31, 2023		As at March 31, 2022	
	As a % of Restated Consolidated Net Assets	Amount	As a % of Restated Consolidated Net Assets	Amount
Parent Entity:				
Finquest Financial Solution Pvt. Ltd.	72.92%	(5,292.83)	178.05%	3,129.56
Subsidiaries:				
Krihaan Texchem Pvt. Ltd. (100%)	10.26%	(744.66)	-84.75%	(1,489.59)
Digjam Ltd. (90%)	16.82%	(1,220.79)	6.70%	117.70

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Share in Other Comprehensive Income

Particulars	As at March 31, 2023		As at March 31, 2022	
	As a % of Restated Consolidated Net Assets	Amount	As a % of Restated Consolidated Net Assets	Amount
Parent Entity:				
Finquest Financial Solution Pvt. Ltd.	(1.89%)	(0.27)	6.87%	1.60
Subsidiaries:				
Krihaan Texchem Pvt. Ltd. (100%)	(123%)	(17.75)	(42.94%)	(10.02)
Digjam Ltd. (90%)	224%	32.52	136.07%	31.74

Share in Total Comprehensive Income

Particulars	As at March 31, 2023		As at March 31, 2022	
	As a % of Restated Consolidated Net Assets	Amount	As a % of Restated Consolidated Net Assets	Amount
Parent Entity:				
Finquest Financial Solution Pvt. Ltd.	73.07%	(5,293.10)	175.81%	3,131.16
Subsidiaries:				
Krihaan Texchem Pvt. Ltd. (100%)	10.53%	(762.42)	(84.20%)	(1,499.60)
Digjam Ltd. (90%)	16.40%	(1,188.27)	8.39%	149.44

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 of
Finquest Financial Solutions Private Limited

Raman Hangekar
Partner
Membership No. 030615
Mumbai
Date: 11th July 2023

Hardik B. Patel
MD & CEO
DIN: 00590663
Mumbai
Date: 11th July 2023

B S P Murthy
Director
DIN: 00011584
Mumbai
Date: 11th July 2023

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

Reporting Entity

Finquest Financial Solutions Pvt. Ltd. ('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 subsidiaries of the company are primarily engaged in the business of trading and manufacturing textiles.

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

1. Significant Accounting Policies

i. Statement of compliance

These Consolidated financial statements of the Group 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 Group has consistently applied accounting policies to all the periods.

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The Group has adopted Ind AS from April 1, 2019 with effective transition date as April 1, 2018. These consolidated 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. The Company is classified as Base layer NBFC as defined in annexure to scale based Regulation (SBR): A Revised Regulatory framework for NBFCs.

The Revised Consolidated financial statements of the Company for the year ended March 31, 2023 were approved for issue in accordance with the resolution of the Board of Directors on July 11th, 2023.

ii. Presentation of financial statements

The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated 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 Consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind-AS 7 Statement of Cash Flow.

The Group classifies its assets and liabilities as financial and non-financial and presents them in the order of liquidity. The Consolidated financial statements are presented in Indian Rupees in lakhs (INR lakhs or Rs. in lakhs) which is also the functional currency of the Group and all values are rounded to the nearest lakhs, except when otherwise indicated.

Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

a) The normal course of business
b) The event of default
c) The event of insolvency or bankruptcy of the Group and/or its counterparties

iii. Basis of preparation of Financial Statements

The Consolidated financial statements relate to M/s. Finquest Financial Solutions Pvt. Ltd. ('the Company'), and its subsidiary (together hereinafter referred to as "the Group"). The consolidated financial statements of the group accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under the Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Companies Act, 2013. The consolidated financial statements of the group 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 preparation of consolidated financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in note v - Significant accounting judgements, estimates and assumptions.

iv. Basis of consolidation

a) The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2023 and are prepared based on the accounting policies consistent with those used by the Group.
b) The financial statements of the Group have been prepared in accordance with the Ind AS 110 - 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 ("the Act") and the other relevant provisions of the Act.
c) The consolidated financial statements have been prepared on the following basis:
    1) The financial statements of the Company and its subsidiary has been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised.
    2) The financial statements of subsidiaries acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.
    3) Non-controlling interest, if any, in the net assets of consolidated subsidiary consists of the amount of equity attributable to the non-controlling shareholders at the dates on which investments are made by the Group in the subsidiary and further movements in their share in the equity, subsequent to the dates of investments as stated above.
    4) Investment made by the Company in an associate company is accounted under the equity method, in accordance with the Indian Accounting Standard 28 on 'Investments in Associates and Joint Ventures'.
    5) The policies of the subsidiary and associate company are consistent with those of the Company.
    6) The subsidiary considered in the consolidated financial statements are as below :

Name of the entity	Relationship	Country of incorporation	% Equity interest	
			As at 31st March 2023	As at 31st March 2022
Krihaan Texchem Pvt. Ltd.	Subsidiary	India	100%	100%
Digjam Ltd.	Subsidiary	India	90%	90%

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 consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

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 as follows:

a) Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

b) Defined employee benefit assets and liabilities

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

c) Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary. The impairment loss on loans and advances is disclosed in more detail in Note 6.1(xi) Overview of ECL principles.

e) Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed at each Balance sheet date and revised to take account of changing facts and circumstances.

f) Effective Interest Rate (EIR) method

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

g) Estimating the incremental borrowing rate

The Group uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to for its incremental borrowings.

h) Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc. The Group has determined the useful life of the intangible asset in the nature of branch network acquired through the scheme of amalgamation and started amortising the same over its useful life by making a suitable change in the accounting estimate.

vi. 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:

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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.

vii. Financial Instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet on settlement date when any Company in 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.

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).

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

Business model assessment

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

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.
- 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.

The Solely Payments of Principal and Interest (SPPI) test

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

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

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

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.

B) 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.

C) 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.

D) 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.

E) 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 Group 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.

F) 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 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 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.

G) 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.

H) Impairment of Financial Asset Impairment approach

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.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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.

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.

I) 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.

J) 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 Group 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

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

L) Write-off

Impaired loans and receivables are written off, against the related allowance for loan impairment on completion of the Group's internal processes and when the Group 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 Group 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.

M) 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 Group cannot identify the ECL on the loan commitment separately from those on the drawn component, the Group presents a combined loss allowance for both components under "provisions".

N) 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.

O) 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.

P) 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).

Q) 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).

R) De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. As at the reporting date, the Group does not have any financial liabilities which have been derecognised.

S) 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.

T) 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 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.

viii. 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 Group 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 Group.

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.

ix. 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.

x. Other income and expenses

All other income and expense are recognised in the period they occur.

xi. Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 25), held by the Group on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in 'Net gains on fair value changes' under Revenue from operations and if there is a net loss the same is disclosed under 'Expenses' in the Statement of Profit and Loss. Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt or equity instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Group does not have any debt instruments measured at FVOCI.

xii. 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.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

xiii. Property, plant and equipment

Property, plant and equipment (PPE) acquired by the Group 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 Group and the cost of the item can be measured reliably.

xiv. 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.

xv. 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.

xvi. 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".

xvii. 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
Computer Equipment	3 to 4 years
Vehicles	8 years
Buildings	20 to 50 years
Electric Equipment	10 years
Plant and Equipment	7 to 25 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Intangible Asset	3 to 5 years

xviii. 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.

Depreciation is recognised using written down value so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

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.

xix. 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 is recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

xx. 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.

xxi. 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.

xxii. Retirement and other employee benefits

Short term employee benefit

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

Post-employment employee benefits

a) Defined contribution 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.

b) 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.

i) Short-term employee benefits plans

'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.

ii) Long-term employee benefits plans

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.

iii) 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.

xxiii. 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

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

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.

xxiv. Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax assets and liabilities are 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.

xxv. 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.

xxvi. 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.

xxvii. 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) 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

xviii. Earning Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

xxix. 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.

xxx. Dividend payable

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.

Notes

for the year ended March 31, 2023

(All amounts are in rupees lakhs, except per share data and as stated otherwise)

xxxi. 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 Group has evaluated the amendment and there is no impact on its consolidated 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 labour, 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 Group has evaluated the amendment and the impact is not expected to be material

xxxii. Leases

The Group as a lessee

The Group follows Ind AS 116 'Leases' for all long term and material lease contracts.

A) Measurement of lease liability

At the time of initial recognition, the Group measures lease liability as present value of all lease payments discounted using the Group's incremental cost of borrowing and directly attributable costs.

Subsequently, the lease liability is –

(i) increased by interest on lease liability;

(ii) reduced by lease payments made; and

(iii) remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

B) Measurement of Right-of-use assets

At the time of initial recognition, the Group measures 'Right-of-use assets' as present value of all lease payments discounted using the Group's incremental cost of borrowing w.r.t said lease contract.

Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period.

xxxiii. Revenue from contracts with customers

"The Group derives revenues primarily from sale of products and services. Revenue from sale of goods is recognised net of returns and discounts.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expect to receive in exchange for those products or services."

To recognise revenues, the Group applies the following five step approach:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognise revenues when a performance obligation is satisfied.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group presents revenues net of indirect taxes in its Statement of Profit and Loss.

Performance obligation may be satisfied over time or at a point in time. Performance obligations satisfied over time if any one of the following criteria is met. In such cases, revenue is recognised over time.

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

xxxiv) Inventories

Inventories include stock-in-transit and with others for manufacturing/processing/replacement. Inventories are stated at lower of cost on weighted average basis and net realizable value. Finished goods and process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Valuation of inventories:-

The Group estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

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 of
Finquest Financial Solutions Private Limited

Raman Hangekar
Partner
Membership No. 030615
Mumbai
Date: 11th July 2023

Hardik B. Patel
MD & CEO
DIN: 00590663
Mumbai
Date: 11th July 2023

B S P Murthy
Director
DIN: 00011584
Mumbai
Date: 11th July 2023

Finquest Financial Solutions Pvt. Ltd.
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CIN: U74140MH2004PTC146715

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