


# INDEPENDENT AUDITOR'S REPORT

**To**
The Members,
**Mangal Credit and Fincorp Limited**

**Report on the Audit of the Financial Statements**

**1. Opinion**

We have audited the accompanying Financial Statements of Mangal Credit and Fincorp Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2024 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024 and its profit, total comprehensive income, its cash flows and the changes in equity for the year then ended.

**2. Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements in paragraph 6 below of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

**3. Key Audit Matters**

Key audit matters are those matters which, 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 Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| The Key audit matter | How our audit addressed the key audit matter |
|---|---|
| The Company recognises Expected Credit Losses (ECL) on loan assets under IND AS 109 "Financial Instruments" based on the Expected Credit Loss model developed by the Company. The estimation of expected credit loss on financial instruments involves significant judgement and estimates. Key estimates involve determining Exposure at Default (EAD), Probability of Default and Loss Given Default (LGD) using historical information and Management risk assessment of present underlying financial assets. Hence, we have considered the estimation of ECL as a Key Audit Matter. | Our audit incorporated the following procedures with regard to ECL: -<br>• Assessed the accounting policy for impairment of financial assets and its compliance with IND AS 109.<br>• Obtained an understanding of the Company's Expected Credit Loss (ECL) calculation and the underlying assumptions.<br>• Tested the design and effectiveness of internal controls over the completeness and accuracy information used in the estimation of Probability of Default (PD) and Loss Given Default (LGD).<br>• Sample testing of the accuracy and appropriateness of information used in the estimation of Probability of Default (PD) and Loss Given Default (LGD).<br>• Tested the arithmetical accuracy of the computation of PD and LGD and also performed analytical procedures to verify the reasonableness of the computation.<br>• Reconciled the total financial assets considered for ECL estimation with the books of accounts to ensure the completeness.<br>• Assessed the adequacy and appropriateness of the presentation and disclosures in compliance with the applicable Ind AS. |

**4. Information Other than the Financial Statements and Auditor's Report thereon**

The Company's Management and Board of Directors are responsible for other information. Other information comprises the information included in the Annual Report, but does not include the Financial

Statements and our auditor's report thereon. Other information comprises the information included in the Annual Report are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read other information comprises the information included in the Annual Report, if we concluded that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**5. Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

**6. Auditor's responsibilities for the audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control with respect to Financial Statements 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

**7. Report on other Legal and Regulatory Requirements**

(i) As required by Section 143(3) of the Act, based on our audit we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive loss), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31$^{st}$ March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31$^{st}$ March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure "A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control with reference to Financial Statements.

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

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

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

i) The Company has disclosed the impact, if any, of pending litigations as at 31$^{st}$ March, 2024 on its financial position in its Financial Statements – Refer Note 34 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) The Company was not required to transferred any amount to the Investor Education and Protection Fund during the year.

iv) (a) The management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to accounts, no funds have been 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 it's knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on such audit procedures as 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 (iv) (a) and (b) above, contain any material mis-statement.

(v) (a) The dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

(vi) Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of accounts (to the extent records maintained in electronic mode) for the financial year ended 31st March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated through the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail features being tampered with.

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

**For Bhagwagar Dalal & Doshi**
Chartered Accountants
Firm Registration No. 128093W

Sd/-
Jatin V. Dalal
Partner
Membership No. 124528

UDIN: 24124528BKCXGA9812
Place: Mumbai
Date: 07th May, 2024



# ANNEXURE "A"

## to the independent auditor's report

**Referred to in paragraph (i) (f) under the "Report on other Legal and Regulatory Requirements" in the Independent Auditor's Report of even date to the members of Mangal Credit and Fincorp Limited.**

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

We have audited the internal financial controls with reference to Financial Statements of Mangal Credit and Fincorp Limited ("the Company") as of 31st March, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

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

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 Act.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls with reference to Financial Statements. 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 with reference to Financial Statements 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 with reference to Financial Statements.

### 4. Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to Financial Statements 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 controls with reference to Financial Statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### 5. Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, 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 with reference to Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial control with reference to Financial Statements were operating effectively as at 31st March, 2024 based on criteria with reference to Financial Statements 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 Bhagwagar Dalal & Doshi**
Chartered Accountants
Firm Registration No. 128093W

Sd/-
Jatin V. Dalal
Partner
Membership No. 124528

UDIN: 24124528BKCXGA9812
Place: Mumbai
Date: 07th May, 2024



# ANNEXURE "B"
## to the independent auditor's report

**Referred to in paragraph (ii) under "Report on Other Legal and Regulatory Requirements" in the Independent Auditor's Report of even date to the members of Mangal Credit and Fincorp Limited**

(i) (a) (1) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(2) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) As explained to us, Property, Plant and Equipment have been physically verified at the end of the year by the Management, which in our opinion is reasonable, having regard to the size of the Company and nature of its property, plant and equipment. No material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us and on the basis of examination of the records of the Company including registered title deeds, we report that, the title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the Lease Agreements are duly executed in favour of the Company) disclosed in the Financial Statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including right of use assets) or Intangible Assets or both during the year.

(e) According to the information and explanations given to us and on the basis of examination of the records of the Company, no proceeding has been initiated or is pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) (a) The Company is Non-Banking Financial Company (NBFC) providing loans and its business does not require maintenance of inventories. Accordingly, sub clause (a) of clause 3(ii) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has been sanctioned working capital limits in excess of rupees five crore in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly statements or returns filed by the Company with such banks are in agreements with the books of account of the Company.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments in, provided guarantee or security to companies, firms, limited liability partnership and other parties during the year. The principal business of the Company is to give loans. Accordingly, sub clause (a) of clause 3 (iii) of the Order is not applicable to the Company;

(b) According to the information and explanations given to us and based on the audit procedure conducted by us, we are of the opinion that the terms and conditions of the grant of all loans and advances in the nature of loans, during the year are not prejudicial to the interest of the Company. During the year the Company has not made investments, provided guarantee or given security;

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated. The Company, being NBFC registered under the provisions of the Reserve Bank of India and in the principal business of giving loans, there are instances where the repayment of principal and payment of interest are not as per the stipulated terms;

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of overdue amount for more than ninety days in respect of loans and advances in the nature of loans given as at 31st March, 2024 are as below:

(₹ in Lakhs)

| Loans | No of Cases | Principal Amount overdue | No of Cases | Interest Amount Overdue |
|---|---|---|---|---|
| Secured | 18 | 15.38 | 130 | 38.96 |
| Unsecured | 26 | 37.49 | 8 | 0.97 |

In our opinion and according to information and explanations given to us, reasonable steps have been taken by the Company for recovery of the principal and interest.

(e) The principal business of the Company is to give loans, hence sub clause (e) of clause 3 (iii) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, sub clause (f) clause 3 (iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the provisions of section 185 of the Act are not applicable to the Company, and the provisions of section 186 of the Act as applicable, are complied with.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit or amount which are deemed to be deposits. Accordingly, clause 3(v) of the Order is not applicable to the Company.

(vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of statutory dues:

(a) the Company has generally been regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Custom, Cess and any other statutory dues applicable to it with appropriate authorities except advance Income Tax.

there were no undisputed arrears of outstanding statutory dues in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Cess and other statutory dues in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable except advance Income Tax of Rs 141.39 Lakhs.

the Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 01 July 2017, these statutory dues has been subsumed into Goods and Services Tax.

(b) relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues which have not been deposited on account of any dispute are as follows:

(₹ in Lakhs)

| Name of the Statue | Forum where matter is pending | Period to which the amount relates | Nature of Dues | Amount |
|---|---|---|---|---|
| Income Tax Act, 1961 | Commissioner (Appeals) | 2017-18 | Income Tax | 99.42 |
| | | 2021-22 | Income Tax | 0.53 |

(viii) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not surrendered or disclosed any transaction, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has applied term loans for the purpose for which term loans were obtained.

(d) According to the information and explanations given to us and the procedure performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short- term basis have been utilised for the long-term purpose.

(e) According to information and explanations given to us and on the basis of examinations of the records of the Company, the Company has no subsidiary, associate or joint venture. Accordingly, sub clauses (e) & (f) of clause 3 (ix) of the Order are not applicable to the Company.

(x) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, sub clause (a) of clause 3 (x) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has made allotment of equity shares and convertible equity warrants on preferential basis in compliance with the provisions of the section 62 of the Act during the year and the funds raised thereon have been applied for the purpose for which it was raised. The Company has not made any private placement of shares or convertible debentures (fully, partially or optionally convertible) during the 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, no instance of fraud on or by the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies, Act 2013 has been filed in Form ADT -4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to representation given to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us and on the basis of examination of the books and records of the Company carried out by us, all the transactions with the related parties are in compliance with the provisions of section 177 and 188 of the Act, where applicable. The details thereof have been disclosed in the Financial Statements as required by Indian Accounting Standards.

(xiv) (a) According to the information and explanations given to us, in our opinion, the Company has internal audit system commensurate with the size and the nature of its business.

(b) We have considered the reports of the Internal Auditors, issued till date, for the period under audit.

(xv) In our opinion and according to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with such directors and hence, provisions of section 192 of the Act are not applicable.

(xvi) (a) The Company is Non- Banking Financial Company and is required to obtain Registration under section 45IA of the Reserve Bank of India Act, 1934 and such registration has been obtained.

(b) The Company has a valid Certificate of Registration (CoR) from Reserve Bank of India (RBI) for conducting Non- Banking Financial activities and no business has been conducted by the Company without a valid CoR.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, sub clause (c) of clause 3(xvi) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, there are no core investment companies as defined in the regulations made by Reserve Bank of India as a part of its group. Accordingly, sub clause (d) of clause 3 (xvi) is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of examination of the financial ratios, ageing and expected date of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and the management plan and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of the audit report that company is 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 liability of the Company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor 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) In our opinion and according to the information and explanation given to us the Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a fund specified in Schedule-VII to the Act or special account in compliance with the provision of sub-section (6) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

**For Bhagwagar Dalal & Doshi**
Chartered Accountants
Firm Registration No. 128093W

Sd/-
Jatin V. Dalal
Partner
Membership No. 124528

UDIN: 24124528BKCXGA9812
Place: Mumbai
Date: 07th May, 2024

THIS PAGE IS INTENTIONALLY LEFT BLANK

# BALANCE SHEET
## as at March 31,2024

(₹ in Lakhs)

| Particulars | Note no. | As at March 31,2024 | As at March 31,2023 |
|---|---|---|---|
| **Assets** | | | |
| **1 Financial Assets** | | | |
| a) Cash and cash equivalents | 4 | **631.17** | 1,131.12 |
| b) Bank balances other than cash and cash equivalents | 5 | **919.24** | 18.76 |
| c) Receivables | | **-** | |
| i) Trade receivables | | **-** | - |
| ii) Other receivables | 6 | **47.49** | 28.40 |
| d) Loans | 7 | **22,632.71** | 15,879.51 |
| e) Investments | 8 | **1,427.92** | 1,560.36 |
| f) Other financial assets | 9 | **77.37** | 62.57 |
| | | **25,735.90** | 18,680.72 |
| **2 Non-Financial Assets** | | | |
| a) Income tax assets (Net) | 10 | **28.96** | 29.08 |
| b) Deferred tax assets (Net) | 11 | **74.74** | 40.91 |
| c) Investment property | 12 | **1,316.11** | 1,316.11 |
| d) Property, plant and equipment | 13(A) | **57.18** | 43.46 |
| e) Intangible asset under development | 13(B) | **24.11** | 3.00 |
| f) Right of use assets | 13(C) | **124.31** | 128.46 |
| g) Intangible assets | 13(D) | **1.30** | 2.36 |
| h) Other non-financial assets | 14 | **16.35** | 63.35 |
| | | **1,643.06** | 1,626.73 |
| | | **27,378.96** | 20,307.45 |
| **LIABILITIES AND EQUITY** | | | |
| **1 Financial Liabilities** | | | |
| a) Payables | 15 | | |
| i) Trade payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | **3.86** | 0.39 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | **71.33** | 36.71 |
| ii) Other payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | **4.67** | 1.28 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | **12.38** | 3.25 |
| b) Debt securities | 16 | **-** | 705.99 |
| c) Borrowings(other than debt securities) | 17 | **13,664.02** | 7,885.15 |
| d) Lease liabilities | 18 | **135.77** | 138.93 |
| e) Other financial liabilities | 19 | **237.70** | 20.08 |
| | | **14,129.73** | 8,791.78 |
| **2 Non-Financial Liabilities** | | | |
| a) Current tax liabilties (Net) | 20 | **314.19** | 221.32 |
| b) Provisions | 21 | **41.21** | 14.33 |
| c) Other non- financial liabilities | 22 | **158.85** | 85.69 |
| | | **514.25** | 321.34 |
| **3 Equity** | | | |
| | | | |
| a) Equity share capital | 23(A) | **1,956.40** | 1,931.40 |
| b) Other equity | 23(B) | **10,778.58** | 9,262.93 |
| | | **12,734.98** | 11,194.33 |
| | | **27,378.96** | 20,307.45 |
| See accompanying notes to Financial Statements | 1 to 49 | | |

**As per our Report of even date**
**For Bhagwagar Dalal & Doshi**
**Chartered Accountants**
**FRN: 128093W**

**For and on behalf of the board of directors**
**Mangal Credit And Fincorp Limited**

**Sd/-**
**Jatin V. Dalal**
**Partner**
**M.No. 124528**

**Sd/-**
**Meghraj Jain**
**Managing Director**
**DIN:- 01311041**

**Sd/-**
**Nilesh Jain**
**Director & CFO**
**DIN:- 08788781**

**Sd/-**
**Chirag Parmar**
**Company Secretary**
**M. No. A66852**

**Place: Mumbai**
**Date : 7th May, 2024**

**Place: Mumbai**
**Date : 7th May, 2024**



# STATEMENT OF PROFIT AND LOSS
## for the year ended March 31, 2024

(₹ in Lakhs)

| Particulars | Note No. | 2023-24 | 2022-23 |
|---|---|---|---|
| **Revenue from operations** | | | |
| Interest income | 24 | **3,215.28** | 1,996.49 |
| Fees and commission income | 25 | **104.23** | 96.14 |
| Other operating revenue | 26 | **-** | 33.25 |
| **Total Revenue from operations** | | **3,319.51** | 2,125.88 |
| **Other income** | 27 | **7.98** | 14.10 |
| **Total Income (I)** | | **3,327.49** | 2,139.98 |
| **Expenses** | | | |
| Finance costs | 28 | **949.51** | 457.62 |
| Impairment on financial instruments | 29 | **74.18** | 34.99 |
| Employee benefits expense | 30 | **515.91** | 318.48 |
| Depreciation and amortization expenses | 13 | **71.37** | 52.77 |
| Other expenses | 31 | **284.02** | 198.28 |
| **Total Expenses (II)** | | **1,894.99** | 1,062.14 |
| **Profit before tax (I - II)** | | **1,432.50** | 1,077.84 |
| **Tax Expense** | | | |
| Current tax | | **396.00** | 295.98 |
| Short provision for tax relating to prior years | | **2.14** | 5.70 |
| Deferred tax | | **(20.23)** | (15.19) |
| **Profit for the year** | | **1,054.59** | 791.35 |
| **Other Comprehensive Income** | | | |
| Items that will not be reclassified to profit or loss | | **-** | - |
| a) Remeasurement benefit of defined benefit plans | | **0.27** | - |
| b) Fair value (loss) on Investment in Equity instruments through OCI | | **(132.44)** | (120.34) |
| Income tax relating to items that will not be reclassified to profit or loss | | **13.60** | 27.53 |
| **Total Other Comprehensive Income** | | **(118.57)** | (92.81) |
| | | | |
| **Total Comprehensive Income for the year** | | **936.02** | 698.54 |
| | | | |
| **Earning Per equity share** | 32 | | |
| Equity shares of par value ₹10/- each | | | |
| (1) Basic (₹) | | **5.45** | 4.10 |
| (2) Diluted (₹) | | **5.45** | 4.10 |
| Nominal value of each ordinary share is ₹.10/- | | | |
| See accompanying notes to Financial Statements | 1 to 49 | | |

**As per our Report of even date**
**For Bhagwagar Dalal & Doshi**
**Chartered Accountants**
**FRN: 128093W**

**For and on behalf of the board of directors**
**Mangal Credit And Fincorp Limited**

**Sd/-**
**Jatin V. Dalal**
**Partner**
**M.No. 124528**

**Sd/-**
**Meghraj Jain**
**Managing Director**
**DIN:- 01311041**

**Sd/-**
**Nilesh Jain**
**Director & CFO**
**DIN:- 08788781**

**Sd/-**
**Chirag Parmar**
**Company Secretary**
**M. No. A66852**

**Place: Mumbai**
**Date : 7th May, 2024**

**Place: Mumbai**
**Date : 7th May, 2024**

# CASH FLOW STATEMENT

**for the year ended March 31, 2024**

(₹ in Lakhs)

| | Particulars | 2023-24 | 2022-23 |
|---|---|---|---|
| **A.** | **Cash flows from operating activities** | | |
| | Profit before tax | **1,432.50** | 1,077.84 |
| | **Adjustments for:** | | |
| | Depreciation and amortisation | **71.37** | 52.77 |
| | Interest income on loans | **(3,196.69)** | (1,987.14) |
| | Finance cost | **949.50** | 457.62 |
| | Dividend income | **-** | - |
| | Impairment on financial instruments | **74.18** | 34.99 |
| | Interest on fixed deposit | **(12.03)** | (4.42) |
| | **Operating profit before working capital changes** | **(681.17)** | (368.34) |
| | **Adjustment for working capital changes** | | |
| | (Increase)/ Decrease in trade and other receivables | **(19.09)** | 1.10 |
| | (Increase) in loans | **(6,752.28)** | (5,408.34) |
| | (Increase) in other financial asset | **(14.80)** | (10.40) |
| | Decrease/(Increase) in non- financial asset | **47.00** | (38.26) |
| | Increase in trade and other payables | **37.24** | 16.99 |
| | Increase in other financial liabilities | **9.45** | 3.44 |
| | Increase in Provisions | **27.15** | 14.33 |
| | Increase in non financial liabilities | **73.16** | 57.36 |
| | Interest received | **3,121.58** | 1,831.02 |
| | Finance cost paid | **(941.52)** | (451.63) |
| | **Cash flow from operating activities** | **(5,093.28)** | (4,352.73) |
| | Income taxes paid | **(305.16)** | (257.96) |
| | **Net cash generated from operating activities (A)** | **(5,398.44)** | (4,610.69) |
| **B.** | **Cash flows from investing activities** | | |
| | Purchase of property, plant and equipment and capital advance | **(41.63)** | (29.96) |
| | Advance for sale of investment | **208.17** | - |
| | Interest income from fixed deposit | **5.95** | 4.42 |
| | Movement in earmarked balances with bank | **(894.41)** | (3.12) |
| | **Net cash used in investing activities (B)** | **(721.92)** | (28.66) |
| **C.** | **Cash flows from financing activities** | | |
| | Proceeds from issue of equity share capital | **275.00** | - |
| | Proceeds from money received against share warrants | **426.25** | - |
| | Net Proceeds from borrowings | **5,764.90** | 5,058.97 |
| | (Repayment)/Proceeds of debt securities | **(700.00)** | 700.00 |
| | Payment of lease liability | **(49.17)** | (32.84) |
| | Dividend paid | **(96.57)** | (96.57) |
| | **Net cash generated from financing activities (C)** | **5,620.41** | 5,629.56 |
| | **Net (decrease)/increase in cash and cash equivalents (A+B+C)** | **(499.95)** | 990.21 |
| | **Cash and cash equivalents at the beginning of the year** | **1,131.12** | 140.91 |
| | **Cash and cash equivalents at end of the year** | **631.17** | 1,131.12 |

**Note**

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

b) Cash and Cash equivalent comprises of

(₹ in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Cash on hand | **148.13** | 50.98 |
| Balance with banks (including cheques on hand) | **483.04** | 1,080.14 |
| | **631.17** | 1,131.12 |

**As per our Report of even date**
**For Bhagwagar Dalal & Doshi**
**Chartered Accountants**
**FRN: 128093W**

**Sd/-**
**Jatin V. Dalal**
**Partner**
**M.No. 124528**

**Place: Mumbai**
**Date : 7th May, 2024**

**For and on behalf of the board of directors**
**Mangal Credit And Fincorp Limited**

| | | |
|---|---|---|
| **Sd/-**<br>**Meghraj Jain**<br>**Managing Director**<br>**DIN:- 01311041** | **Sd/-**<br>**Nilesh Jain**<br>**Director & CFO**<br>**DIN:- 08788781** | **Sd/-**<br>**Chirag Parmar**<br>**Company Secretary**<br>**M. No. A66852** |

**Place: Mumbai**
**Date : 7th May, 2024**

# STATEMENT OF CHANGES IN EQUITY

## for the year ended March 31, 2024

### A. Equity share capital

(₹ in Lakhs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Balance at the beginning of the year** | **1,931.40** | 1,931.40 |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated balance as at beginning of the year | - | - |
| Changes in equity share capital during the year | **25.00** | - |
| **Balance as at end of the year** | **1,956.40** | **1,931.40** |

### B. Other equity

(₹ in Lakhs)

| Particulars | Reserves and Surplus | | | | | | | Equity Instruments Through OCI | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium | General Reserve | Statutory Reserve | Contingency Reserve | Investment Reserve | Retained Earnings | | |
| Balance as at April 01, 2022 (A) | 150.46 | 3,588.19 | 365.00 | 1,021.61 | 25.00 | 7.00 | 3,364.38 | 139.32 | 8,660.96 |
| Additions during the year | | | | | | | | | |
| Profit for the year | | | | | | | 791.35 | | 791.35 |
| Add/(Less): Items of OCI for the year, net of tax: | | | | | | | | | |
| Remeasurement benefit of defined benefit plans | | | | | | | | | |
| Net fair value (loss)/gain on Investment in equity instruments through OCI | | | | | | | | (92.81) | (92.81) |
| Total Comprehensive Income for the year 2022-23 (B) | - | - | - | - | - | - | 791.35 | (92.81) | 698.54 |
| Additions/(Reductions) during the year | | | | | | | | | |
| Dividends | | | | | | | (96.57) | | (96.57) |
| Transferred to Statutory Reserve Fund | | | | 158.27 | | | (158.27) | | - |
| Total (C) | - | - | - | 158.27 | - | - | (254.84) | - | (96.57) |
| **Balance as at March 31, 2023 (D) = (A+B+C)** | **150.46** | **3,588.19** | **365.00** | **1,179.88** | **25.00** | **7.00** | **3,900.89** | **46.51** | **9,262.93** |
| Additions during the year | | | | | | | | | |
| Profit for the year | | | | | | | **1,054.59** | | **1,054.59** |
| Add/(Less): Items of OCI for the year, net of tax: | | | | | | | | | |
| Remeasurement benefit of defined benefit plans | | | | | | | **0.20** | | **0.20** |
| Net fair value (loss)/gain on Investment in equity instruments through OCI | | | | | | | | **(118.77)** | **(118.77)** |
| Total Comprehensive Income for the year 2023-24 (E) | **-** | **-** | **-** | **-** | **-** | **-** | **1,054.79** | **(118.77)** | **936.02** |
| Additions/(Reductions) during the year | | | | | | | | | |
| Securities premium on account of issue of equity shares | **-** | **250.00** | **-** | **-** | **-** | **-** | **-** | **-** | **250.00** |
| Expense on Investments | | | | | | | **(0.05)** | | **(0.05)** |
| Dividends | | | | | | | **(96.57)** | **-** | **(96.57)** |
| Transferred to Statutory Reserve Fund | | | | **210.92** | | | **(210.92)** | **-** | **-** |
| Total (F) | **-** | **250.00** | **-** | **210.92** | **-** | **-** | **(307.54)** | **-** | **153.38** |
| **Balance as at March 31, 2024 (D+E+F)** | **150.46** | **3,838.19** | **365.00** | **1,390.80** | **25.00** | **7.00** | **4,648.14** | **(72.26)** | **10,352.33** |

### Other equity- Money Received against share warrant

(₹ in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Balance at the beginning of the year** | **-** | **-** |
| Add/(Less) : Changes during the year | 426.25 | - |
| **Balance as at March 31, 2024** | **426.25** | **-** |

Pursuant to the resolution passed in the meeting of the shareholders of the Company held on February 15, 2024, the Company has issued and allotted on a preferential basis to a Promoter Director of the Company 15,50,000 convertible equity warrants of a nominal value of ₹ 10/- each at a premium of ₹ 100/- aggregating to ₹ 1705 Lakhs in compliance with all the applicable statutory regulations and enactments. The Company has received ₹ 426.25 Lakhs, being 25% of the aggregate consideration upon allotment of 15,50,000 convertible equity warrants. The equity warrant holder shall, in terms of issue and subject to the SEBI (ICDR) Regulations and other applicable rules, regulations and laws, be entitled to exercise the equity warrants in one or more tranches within a period of 18 (Eighteen) months from the date of allotment of the equity warrants upon payment of balance 75% of the consideration. The Company shall accordingly issue and allot the corresponding number of Equity Shares of face value of ₹ 10/- (Rupees Ten only) each to the warrant holder.

**As per our Report of even date**
**For Bhagwagar Dalal & Doshi**
**Chartered Accountants**
**FRN: 128093W**

**Sd/-**
**Jatin V. Dalal**
**Partner**
**M.No. 124528**

**Place: Mumbai**
**Date : 7th May, 2024**

**For and on behalf of the board of directors**
**Mangal Credit And Fincorp Limited**

| | | |
|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** |
| **Meghraj Jain** | **Nilesh Jain** | **Chirag Parmar** |
| **Managing Director** | **Director & CFO** | **Company Secretary** |
| **DIN:- 01311041** | **DIN:- 08788781** | **M. No. A66852** |

**Place: Mumbai**
**Date : 7th May, 2024**

# Notes

## forming part of financial statement for the year ended March 31, 2024

**1. Corporate Information**

Mangal Credit & Fincorp Limited ("the Company") is a public company limited by shares incorporated and domiciled in India having Corporate Identity No. is L65990MH1961PLC012227 with its registered office in Mumbai, Maharashtra. The Company is Non-Banking Financial Company registered under section 45-IA of the Reserve Bank of Indian Act, 1934 (the RBI Act) vide Registration No 13.00329. The Company is presently classified as Base Layer Non-Banking Financial Company (NBFC- BL) as per Scale Base Regulation for NBFCs and Non-Systemically Important Non-Deposit Taking NBFC (NBFC-ND-Non-SI). Equity shares of the Company is listed on Bombay Stock Exchange (BSE) Limited. The Company is engaged in business of providing various type of loans to different type of customers.

**2. BASIS OF PREPERATION, KEY ACCOUNITNG ESTIMATES & JUDGEMNETS AND MATERIAL ACCOUNTING POLICIES**

**(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

**i) Statement of Compliance**

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") as amended from time to time. The Financial statements may require further adjustments, if any, that may be required by the guidelines/ clarifications/ directions issued in future by Reserve Bank of India, Ministry of Corporate Affairs or other regulators, which will be implemented as and when same are issued and made applicable.

The Financial Statements includes Balance Sheet as at 31st March, 2024, the Statement of Profit & Loss including Other Comprehensive Income, Statement of Change in Equity and Cash Flows Statement for the year ended 31st March, 2024 and notes to the Financial Statements, including a summary of material accounting policies and other explanatory information.

**ii) Basis of preparation and measurement of accounts**

The Financial Statements have been prepared and presented under the historical cost convention except for certain financial assets and financial liabilities which are measured at fair value / amortised cost / transaction price as stated in respective accounting policies / notes.

The financial statements are presented in Indian Rupees, and all values are rounded off in lakhs to the nearest two decimal points except otherwise stated.

The Financial Statements have been prepared on accrual and going concern basis.

**iii) Presentation of Financial Statement**

The Financial Statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 (the Act) applicable to NBFCs, as notified by the Ministry of Corporate Affairs. 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:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

Cash flows are reported using the indirect method where by the profit after tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short- term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

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

The functional and presentation currency of the Company is Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates.



# Notes

## forming part of financial statement for the year ended March 31, 2024

**(b) Use of estimates and judgments and Estimation uncertainty**

The preparation of the financial statements in conformity with Ind AS, requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. The estimates and the associated assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognised prospectively.

Significant judgements and estimates have been made by the Company relating to

- Effective Interest Rate (EIR) method

  The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given 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, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

- **Impairment of loans portfolio**

  The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

- Useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

  The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods. Impairment of property, plant and equipment and intangible assets.

- Provision for employee benefits and other provisions

  The costs of providing employment benefit plans are charged to the statement of profit and loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rate, expected rate of return on assets and mortality rates. The assumptions have been disclosed under employee benefits note.

- Provision for Income Tax including payment of advance Tax and deferred tax assets

  The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

- Fair Value Measurements of Financial Instruments

  When the fair value 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 valuation techniques including the Discounted Cash Flow model. The inputs to these models are

# Notes

## forming part of financial statement for the year ended March 31, 2024

taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements 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.

- Lease

  The Company assesses whether a contract is qualifies to be a lease as per the requirements of Ind As 116. Identification of lease requires significant judgment including judgement to assess the lease terms (including anticipated renewals) and the applicable discount rate. The Company determines the lease terms as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease, if the Company is reasonably certain to excise that option; and period covered by an option to terminate the lease, if the Company is reasonably certain not to exercise that option. In assessing, whether the Company is reasonably certain to exercise the option to extend a lease, or not to exercise an option to terminate a lease, the Company consider all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revise the lease term if there is a change in the non-cancellable period of lease terms.

- Commitments and contingencies.

  A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements.

### (c) MATERIAL ACCOUNTING POLICIES

### i) Revenue recognition

The Company drives its revenue primarily from the financing business and ancillary activities. The Company follows Ind AS 109 -Financial Instruments for revenue recognition for the income on the financial assets. In case of revenue from other ancillary activities the Company recognised its revenue based on five step model prescribed in Ind AS 115- Revenue from Contracts with Customers.

- Identify the contract(s) with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into the account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into the account all the contractual terms of the instrument.

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. the gross carrying amount less the allowance for ECLS). If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest on loan levied on customer for delay in repayment/non-payment of contractual cash flows is recognized on accrual basis whereas penal interest is recognized on realization basis.

Interest Income on Non- Performing Loans are recognized on realization basis.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the Statement of profit and loss.

#### a) Fees and commission income:

Fee based income are recognized when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognized as and when they are due.





# Notes

## forming part of financial statement for the year ended March 31, 2024

#### b) Interest income on deposits:

Interest income from deposits is recognized when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

#### c) Other Income:

Office sharing expenses reimbursement is recognized on accrual basis.

### ii) Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discount or rebate is deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met.

PPE is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.

The Company has elected to measure property, plant and equipment at its Previous GAAP carrying amount and use that Previous GAAP carrying amount as its deemed cost at the date of transition to Ind AS.

### iii) Intangibles assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets comprise of computer software license and/or rights under the license agreement are measured on initial recognition at cost. Costs comprise of license fees and cost of system integration services and development.

The carrying amount of an intangible asset is derecognized when no future economic benefits are expected from its use.

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

### iv) Depreciation on Property, Plant and Equipment and Amortisation of intangible Assets

Depreciation on **Property, Plant and Equipment** is provided on pro rata basis using the written down value method based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013 in consideration with useful life of the assets as estimated by the management.

Intangible Assets with finite lives are amortized on a written down value method based on the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

The estimated useful lives, residual values and methods of depreciation of property, plant & equipment are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate and adjusted prospectively, if any.

The estimated useful lives used for computation of depreciation are as follows:

| Asset | Useful life (in years) |
|---|---|
| Plant and equipment | 15 |
| Furniture and fixtures | 10 |
| Servers and Networking | 6 |
| Computer peripherals and Office equipment | 3 |
| Computer Software and Licenses | 5 |

### v) Impairment of tangible, intangible and right to use assets:

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

An impairment loss is on such assessment will be recognised wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value

# Notes

## forming part of financial statement for the year ended March 31, 2024

of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, 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 such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset in prior years. The reversal of an impairment loss is recognized in the Statement of profit and loss.

**vi) Financial instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs 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. Where the fair value of financial assets and financial liabilities at initial recognition is different from its transaction price, the difference between the fair value and transaction price is recognised in the statement of profit and loss. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of profit and loss.

**a) Recognition and Measurement**

**(i) Financial Assets**

All financial assets are recognised initially at fair value when the Company becomes party to the contractual provisions of the financial asset. In case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

- **Cash and bank balances**

  Cash and bank balances consist of:

  **Cash and cash equivalents** - Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

  **Other bank balances -** Other bank balances include balances and deposits with banks that are restricted for withdrawal and usage.

**Subsequent measurement**

- **Financial assets carried at amortised cost**

  A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding using the Effective Interest Rate (EIR) method less impairment, if any and the amortisation of EIR and loss arising from impairment, if any is recognised in the statement of profit and loss.

- **Financial assets at fair value through other comprehensive income**

  A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- If it is held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell these financial assets, and

- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Fair value movements are recognised in the other comprehensive income.

  For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognized in Statement of profit and loss.

- **Financial assets at fair value through profit or loss**

  A financial asset which is not classified as either amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

**(ii) Financial liabilities**

All financial liabilities are recognized initially at fair value when the company become party to the contractual provisions of the financial liability. In case of financial liability which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liabilities, are adjusted to the fair value on initial recognition. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

**Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

- **Equity Instrument**

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

  **Subsequent measurement**

- **Financial Liability**

  Financial liabilities other than financial liabilities at fair value through profit and loss are subsequently measured at amortized cost using the effective interest method.

**b) Derecognition:**

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

**c) Impairment of financial instruments**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' model (ECL), for the financial assets which are not fair valued through profit or loss. For all financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit and loss.

**Overview of the ECL principles:**

Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

- At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

- At an amount equal to 12-month expected credit losses, if the credit risk on a financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses (LTECLs) means expected credit losses that result from all possible default events over the expected life of a financial asset.

12-month expected credit losses ((12mECLs) means the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company records allowance for expected credit losses for all loans, other debt financial assets, together with loan commitments (in this section all referred to as 'financial instruments'). The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). Both LTECLs and 12mECLs are calculated on either an

# Notes

## forming part of financial statement for the year ended March 31, 2024

individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company performs an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses.

Based on the above process, the Company has established an internal model to evaluate ECL based on nature of Financial Assets. Based on the above process, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

**Stage 1**:

Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk since initial recognition. When loans are first recognized, the Company recognizes an allowance based on 12mECLs. A 12mECLs provision is made for stage 1 financial assets. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.

Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

**Stage 2**:

Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognises lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12mECLs provision.

**Stage 3**:

Financial assets are classified as Stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans.

**The key elements of the ECL are summarized below:**

**Exposure at Default (EAD)**:

The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account, expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

**Probability of Default (PD)**:

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

**Loss Given Default (LGD):**

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

**d) Write offs**

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor/ 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 under the Company's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognized in the Statement of profit and loss.

**vii) Employee benefits**

**a) Short-term employee benefits**

Short-term employee benefits are expensed as



Notes
forming part of financial statement for the year ended March 31, 2024

the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably.

**b) Post-Employment Benefits**

- **Defined contribution plans**

  A Defined Contribution Plan is plan under which the Company makes contribution to Employee's Provident Fund administrated by the Central Government and Employee State Insurance administrated by Employee State Insurance Corporation. The Company's contribution is charged to the statement of profit and loss.

- **Defined benefit plans**

  A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The company's gratuity scheme is a defined benefit plan and in accordance with Payment of Gratuity Act, 1972. As per the plan, the employee is entitled to 15 days of basic salary for each completed year of service with a condition of minimum tenure of 5 years subject to a maximum amount of INR 20,00,000.

  Gratuity liability is recognised based on actuarial valuation using the projected unit credit method. The Company is presnetly not maintinaing any fund or making any contribution toward the same.

**viii) Finance cost**

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Finance costs are charged to the Statement of profit and loss.

**ix) Taxation- Current and deferred tax:**

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

**Current tax:**

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**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. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**x) Provisions, contingent liabilities and contingent assets:**

Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

(a) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

(b) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are disclosed where an inflow of economic benefit is probable.

# Notes

## forming part of financial statement for the year ended March 31, 2024

**xi) Leases:**

A contract is, or contains, a lease, if the contract conveys the right to control the use of an assets for a period of time in exchange for consideration.

**Company as a lessee:**

The Company's lease asset classes primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

However, company is having lease with term of 12 months or less (short term leases). the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet. Interest expense on lease liability is reported as finance cost in the statement of profit and loss account and lease payments have been classified as financing cash flows.

**xii) Earnings Per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose calculating Diluted Earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**3. Standards issued but not yet effective:**

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. For the year ended 31st March, 20224, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Notes

## forming part of financial statement for the year ended March 31, 2024

**Note '4': Cash and cash equivalents**

(₹ in Lakhs)

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| | | |
| Cash on hand | 148.13 | 50.98 |
| Balances with banks | | |
| Current Accounts | 483.04 | 645.14 |
| Cheques on hand | - | 435.00 |
| | 631.17 | 1,131.12 |

**Note '5': Bank balances other than cash and cash equivalents**

(₹ in Lakhs)

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| Balances with banks | | |
| Term deposits held as margin money or security against borrowing, guarantees or other commitments | 899.76 | - |
| In earmarked accounts (Note 5.1) | 19.48 | 18.76 |
| | 919.24 | 18.76 |

5.1 Balances with banks in earmarked accounts pertains to unclaimed dividend and the Company can utilise these balances only towards settlement of unclaimed dividend. (Note 19.2)

(₹ in Lakhs)

| Note '6': Receivables | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| Trade Receivables | - | - |
| Other Receivables | | |
| Unsecured, considered good | 47.49 | 28.40 |
| | 47.49 | 28.40 |

6.1 The following table summarises receivables due from:

(₹ in Lakhs)

| Particulars | Trade Receivables | | Other Receivables | |
|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Directors or other officers of the Company | - | - | - | - |
| A Private Company in which Director of the Company is Director/Member | - | - | - | - |
| A Firm or LLP in which Director is a partner | - | - | - | - |

# Notes
## forming part of financial statement for the year ended March 31, 2024

6.2 The following table summarises the change in impairment allowance measured using lifetime expected credit loss model:

| Particulars | Trade Receivables | | Other Receivables | |
|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| At the beginning of the year | - | - | - | - |
| Add/(Less):Allowance/(Reversal) for expected credit loss for the year (Net) | - | - | - | - |
| Less: Amount written off | - | - | - | - |
| | - | - | - | - |

6.3 Trade receivables Nil (P.Y. Nil), hence ageing schedule of the trade receivable is not provided.

**Note '7': Loans**

(₹ in Lakhs)

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| (At amortised cost) | | |
| - Term Loans | 22,870.46 | 16,043.07 |
| - Other Loan | - | - |
| | 22,870.46 | 16,043.07 |
| Less: Impairment loss allowance | (237.75) | (163.56) |
| | 22,632.71 | 15,879.51 |

7.1 The following table summarizes secured and unsecured loans.

(₹ in Lakhs)

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| (i) Secured by tangible assets | 12,680.50 | 7,896.58 |
| (ii) Unsecured | 10,189.96 | 8,146.49 |

7.2 The Loans are given in India to parties other than Public sectors.

7.3 Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (Note 47.3)

7.4 Details of investments made and outstanding are given in Note 8.

7.5 Loans or advances to Promoters, Directors & KMPs : NIL (P.Y. NIL).

7.6 The Company, as part of its normal business, grants loans and advances to its customers, other entities and persons and borrows money from banks, financial institutions, other entities and persons. These transactions are part of Company's normal non-banking finance business, which is conducted ensuring adherence to all regulatory requirements.

7.7 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 person or entities identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security of the like to or on behalf of the Ultimate Beneficiaries.

7.8 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 whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



# Notes
## forming part of financial statement for the year ended March 31, 2024

**Note '8' Investments**

(₹ in Lakhs)

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| **Unquoted Equity Instruments (fully paid)** | | |
| - Unquoted Equity Shares | 1,427.92 | 1,560.36 |
| | 1,427.92 | 1,560.36 |
| Aggregate amount of quoted investments at fair value | - | - |
| Aggregate amount of unquoted investments at fair value | 1,427.92 | 1,560.36 |
| Aggregate value of impairment in value of investments | - | - |

8.1 Fair value of Equity Investment is based on the valuation report of a registered valuer as defined under Rule 2 of the Companies (Registered Valuers & Valuation) Rules, 2017 except for the investment in equity shares of Satco Capital Markets Limited as stated in Note 8.4.

8.2 Investments are held in the name of the Company. The company has not pledged its investments to raise loans.

8.3 Investments are made within India

8.4 In terms of an agreement for sale dated October 26, 2023 the Company has agreed to transfer 15,98,878 fully paid equity shares of ₹ 10/- each of Satco Capital Markets Limited for a total consideration of ₹ 208.17 lakhs and accordingly, same is considered as fair value of the investments as on March 31, 2024. Pending the shares transfer due to some issue in the opening of a demat account by other party, advance of ₹ 208.17 lakhs received, being the full consideration has been reported under Note 19 "Other Financial Liabilities".

8.5 The Company has no subsidiary hence compliance with the provision of section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of Layer) Rules, 2017 is not applicable to the Company.

**Note '9' Other financial assets**

(₹ in Lakhs)

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| Security deposits* | 69.87 | 54.61 |
| Deposit- others | 7.50 | 7.96 |
| | 77.37 | 62.57 |

* Includes ₹ 42.44 Lakhs (P.Y. ₹ 38.24 Lakhs) security deposit given to related party (Note 47)

**Note '10' Income tax assets (Net)**

(₹ in Lakhs)

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| Advance payment of Income tax (Net) | 28.96 | 29.08 |
| | 28.96 | 29.08 |

**Note '11' Deferred tax assets (Net)**

(₹ in Lakhs)

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| Deferred tax asset | 74.74 | 40.91 |
| | 74.74 | 40.91 |

# Notes

## forming part of financial statement for the year ended March 31, 2024

11.1

(₹ in Lakhs)

| The major components of deferred tax assets/(liabilities) are as follows: | As at April 01,2023 | Recognized in | | As at March 31, 2024 |
|---|---|---|---|---|
| | | Profit and Loss | OCI | |
| **Deferred tax assets** | | | | |
| Impairment loss allowance on financial assets | 9.20 | **4.55** | | **13.75** |
| Difference between written down value/ capital work in progress of property, plant & equipment and intangible assets as per the books of accounts & Income Tax Act,1961 | 13.33 | **1.46** | | **14.79** |
| Provision for expenses allowed for tax purpose on payment basis (Net) | | **2.03** | | **2.03** |
| Remeasurement benefit of defined benefit plans | | | **(0.07)** | **(0.07)** |
| Difference in right-of-use asset and lease liabilities | 2.64 | **0.25** | | **2.89** |
| Difference in carrying value and tax based of financial assets and liabilities | 17.00 | **11.94** | | **28.94** |
| **Deferred tax (liabilities)** | | | | |
| Difference in carrying value and tax base of investments in equity measured at FVOCI | (1.26) | | **13.67** | **12.41** |
| | | | | |
| Deferred tax (income)/expenses | | **20.23** | **13.60** | |
| Net deferred tax assets/(liabilities) | 40.91 | | | **74.74** |

(₹ in Lakhs)

| The major components of deferred tax assets/(liabilities) are as follows: | As at April 01,2022 | Recognized in | | As at March 31, 2023 |
|---|---|---|---|---|
| | | Profit and Loss | OCI | |
| **Deferred Tax Assets** | | | | |
| Impairment loss allowance on financial assets | 11.30 | (2.10) | | 9.20 |
| Difference between written down value/ capital work in progress of property, plant & equipment and intangible assets as per the books of accounts & Income Tax Act,1961 | 12.82 | 0.51 | | 13.33 |
| Provision for expenses allowed for tax purpose on payment basis (Net) | - | - | | - |
| Difference in right-of-use asset and lease liabilities | 1.59 | 1.05 | | 2.64 |
| Difference in carrying value and tax based of financial assets and liabilities | 1.27 | 15.73 | | 17.00 |
| **Deferred Tax (Liabilities)** | | | | |
| Difference in carrying value and tax base of investments in equity measured at FVOCI | (28.79) | | 27.53 | (1.26) |
| Deferred Tax (income)/expenses | | 15.19 | 27.53 | |
| Net Deferred Tax Assets/(Liabilities) | (1.81) | | | 40.91 |





# Notes

## forming part of financial statement for the year ended March 31, 2024

**Note '12' Investment property**

(₹ in Lakhs)

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| **Carried at cost** | | |
| Freehold land | **1,316.11** | 1,316.11 |
| | **1,316.11** | 1,316.11 |
| *Fair Market Value | **1,487.82** | 1,479.76 |

12.1 The Title deeds of all immovable properties are in the name of Company.

12.2 Fair value of Investment Properties is based on the valuation report of a registered valuer/obtained from the public domain of the concerned government authorities.

12.3 Revaluation of Investment Properties: NIL (P.Y. NIL).

**Note 13(A) - Property, plant and equipment**

(₹ in Lakhs)

| Description of assets | Plant and Equipment | Furniture and Fixtures | Vehicles | Computer Peripherals | Total |
|---|---|---|---|---|---|
| **I. Cost** | | | | | |
| Balance as at April 01, 2022 | 30.59 | 164.14 | 0.60 | 71.08 | 266.41 |
| Additions | 1.61 | 7.35 | | 16.80 | 25.76 |
| Deduction/Adjustments | | | | | - |
| Balance as at March 31, 2023 | 32.20 | 171.49 | 0.60 | 87.88 | 292.17 |
| Additions | **1.62** | **10.82** | **-** | **21.44** | **33.88** |
| Deduction/Adjustments | | | **0.60** | | **0.60** |
| **Balance as at March 31, 2024** | **33.82** | **182.31** | **-** | **109.32** | **325.45** |
| **II. Accumulated depreciation/impairment** | | | | | |
| Balance as at April 01, 2022 | 23.40 | 147.66 | 0.57 | 62.65 | 234.28 |
| Depreciation for the year | 1.51 | 5.08 | | 7.84 | 14.43 |
| Deduction/Adjustments | | | | | - |
| Balance as at March 31, 2023 | 24.91 | 152.74 | 0.57 | 70.49 | 248.71 |
| Depreciation for the year | **1.46** | **4.80** | **0.02** | **13.88** | **20.16** |
| Deduction/Adjustments | | | **0.60** | | **0.60** |
| **Balance as at March 31, 2024** | **26.37** | **157.54** | **(0.01)** | **84.37** | **268.27** |
| **Net block (I-II)** | | | | | |
| **Balance as at March 31, 2024** | **7.45** | **24.77** | **0.01** | **24.95** | **57.18** |
| Balance as at March 31, 2023 | 7.29 | 18.75 | 0.03 | 17.39 | 43.46 |

**Note 13(B) - Intangible assets under Development**

(₹ in Lakhs)

| Description of assets | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| Software | **24.11** | 3.00 |
| | **24.11** | 3.00 |

# Notes

## forming part of financial statement for the year ended March 31, 2024

The ageing for Intangible assets under development as below

(₹ in Lakhs)

| Particulars | Amount in Intangible Assets under development for a period of | | | | As at March 31, 2024 |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Project in progress | 21.11 | 3.00 | - | - | 24.11 |
| | 21.11 | 3.00 | - | - | 24.11 |

| Particulars | Amount in Intangible Assets under development for a period of | | | | As at March 31, 2023 |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Project in progress | 3.00 | - | - | - | 3.00 |
| | 3.00 | - | - | - | 3.00 |

**Note 13(C) - Right-of-use assets**

(₹ in Lakhs)

| Particulars | Office Premises | Total |
|---|---|---|
| Balance as at April 01, 2022 | 135.28 | 135.28 |
| Additions | 65.41 | 65.41 |
| Deductions/Adjustments | - | - |
| Balance as at March 31, 2023 | 200.69 | 200.69 |
| Additions | **46.00** | **46.00** |
| Deductions/Adjustments | **-** | **-** |
| **Balance as at March 31, 2024** | **246.69** | **246.69** |
| **II. Accumulated amortization/impairment** | | |
| Balance as at April 01, 2022 | 35.22 | 35.22 |
| | | - |
| Amortization for the year | 37.01 | 37.01 |
| Deductions/Adjustments | - | - |
| Balance as at March 31, 2023 | 72.23 | 72.23 |
| | | - |
| Amortization for the year | **50.15** | **50.15** |
| Deductions/Adjustments | **-** | **-** |
| **Balance as at March 31, 2024** | **122.38** | **122.38** |
| **Net block (I-II)** | | |
| **Balance as at March 31, 2024** | **124.31** | **124.31** |
| Balance as at March 31, 2023 | 128.46 | 128.46 |



# Notes

## forming part of financial statement for the year ended March 31, 2024

**Note 13(D) - Intangible assets**

(₹ in Lakhs)

| Description of asset | Software | License | Total |
|---|---|---|---|
| **I. Cost** | | | |
| Balance as at April 01, 2022 | 9.27 | 1.03 | 10.30 |
| Additions | 1.12 | 0.08 | 1.20 |
| Deduction/Adjustments | - | - | - |
| Balance as at March 31, 2023 | 10.39 | 1.11 | 11.50 |
| Additions | **-** | **-** | **-** |
| Deduction/Adjustments | **-** | **-** | **-** |
| **Balance as at March 31, 2024** | **10.39** | **1.11** | **11.50** |
| **II. Accumulated impairment losses** | | | |
| Balance as at April 01, 2022 | 7.01 | 0.80 | 7.81 |
| Amortization for the year | 1.20 | 0.13 | 1.33 |
| Deduction/Adjustments | | | - |
| Balance as at March 31, 2023 | 8.21 | 0.93 | 9.14 |
| Amortization for the year | **0.98** | **0.08** | **1.06** |
| Deduction/Adjustments | **-** | **-** | **-** |
| **Balance as at March 31, 2024** | **9.19** | **1.01** | **10.20** |
| **Net block (I-II)** | | | |
| **Balance as at March 31, 2024** | **1.20** | **0.10** | **1.30** |
| Balance as at March 31, 2023 | 2.18 | 0.18 | 2.36 |

13.1 All Property, Plant & Equipment are held in the name of the Company. The Title deeds of all immovable properties are in the name of Company.

13.2 All lease agreements are duly executed in favour of the company

13.3 Capital-work-in progress ageing schedule NIL (P.Y. NIL)

13.4 Capital Work-in-Progress, whose completion is overdue or has exceeded its cost compare to its original plan : NIL (P.Y. NIL).

13.5 Capital Work-in-Progress, project temporarily suspended : NIL (P.Y. NIL).

13.6 Revaluation of Property Plant & Equipment, Rights to Use Assets and Intangible Assets : NIL (P.Y. NIL).

13.7 The amount of Foreign Exchange Difference & Interest capitalised : NIL (P.Y. NIL).

13.8 No Proceeding against the Company has been initiated or are pending against the Company for holding any benami property under the Benami Transactions ( Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**Note '14' Other non-financial assets**

(₹ in Lakhs)

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| Prepaid expenses | 15.50 | 55.79 |
| Advance receivable in cash or kind | 0.85 | 7.56 |
| | 16.35 | 63.35 |

# Notes
## forming part of financial statement for the year ended March 31, 2024

**Note'15' Payables**

(₹ in Lakhs)

| | | As at March 31,2024 | As at March 31,2023 |
|---|---|---|---|
| **Trade Payables** | | | |
| (i) | Total outstanding dues of micro enterprises and small enterprises | 3.86 | 0.39 |
| (ii) | Total outstanding dues of creditors other than micro enterprises and small enterprises | 71.33 | 36.71 |
| **Other Payables** | | | |
| (i) | Total outstanding dues of micro enterprises and small enterprises | 4.67 | 1.28 |
| (ii) | Total outstanding dues of creditors other than micro enterprises and small enterprises | 12.38 | 3.25 |
| | | 92.24 | 41.63 |

**Ageing Schedule of Trade Payables**

(₹ in Lakhs)

| Particulars | Unbilled | Not Due | Outstanding for following periods from due date of payment | | | | As at March 31,2024 |
|---|---|---|---|---|---|---|---|
| | | | Less than 6 months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed dues of micro enterprises and small enterprises | - | - | 3.86 | - | - | - | - | 3.86 |
| Undisputed dues of creditors other than micro enterprises and small enterprises | 7.65 | 42.86 | 20.82 | - | - | - | - | 71.33 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - | - | - |
| | | | | | | | | 75.19 |

(₹ in Lakhs)

| Particulars | Unbilled | Not Due | Outstanding for following periods from due date of payment | | | | | As at March 31,2023 |
|---|---|---|---|---|---|---|---|---|
| | | | Less than 6 months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed dues of micro enterprises and small enterprises | - | - | 0.39 | - | - | - | - | 0.39 |
| Undisputed dues of creditors other than micro enterprises and small enterprises | 4.75 | 26.31 | 5.65 | - | - | - | - | 36.71 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - | - | - |
| | | | | | | | | 37.10 |



# Notes
## forming part of financial statement for the year ended March 31, 2024

15.1 Trade payables includes payable to related parties ₹ 7.77 Lakhs (P.Y. ₹ 5.12 Lakhs)

15.2 Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) (Note 35)

**Note'16' Debt Securities**

(₹ in Lakhs)

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| **(At amortised cost)** | | |
| **Secured** | | |
| Redeemable Non-Convertible Debentures | - | 705.99 |
| | - | 705.99 |

16.1 Debt Securities were issued within India.

16.2 Terms of repayment, nature of security & rate of interest in respect of Redeemable Non Convertible Debentures

16.2.1 Redeemable non convertible debentures are secured by exclusive charge on receivables of the Company under financing activities to the extent 110% of the outstanding amount.

16.2.2 Debt securities were fully repaid/redeemed during the financial year ended March 31, 2024, in terms of resolution dated March 20, 2024

16.2.3 Terms of debt securities as under:

(₹ in Lakhs)

| Name of Security | Maturity date | Terms of repayment | Coupon/ Interest rate | As at March 31,2024 | As at March 31,2023 |
|---|---|---|---|---|---|
| Series II | 25-02-2024 | Bullet payment on maturity | 10.00% | - | 475.00 |
| Series IV | 23-02-2025 | Bullet payment on maturity | 10.60% | - | 225.00 |
| | | | | - | 700.00 |

# Notes

**forming part of financial statement for the year ended March 31, 2024**

**Note'17' Borrowings (other than debt securities)**

(₹ in Lakhs)

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| **(At amortised cost)** | | |
| **Secured Loans** | | |
| **(i) From Banks** | | |
| Term loans | 4,969.25 | 2,679.25 |
| Short term loans | 2,511.18 | 999.09 |
| **(ii) From Banks** | | - |
| Loan repayable on demand | 3,393.62 | 2,417.81 |
| **Unsecured Loan** | | |
| Inter-Corporate Loans | 289.97 | - |
| Loan from Directors | 2,500.00 | 1,789.00 |
| | 13,664.02 | 7,885.15 |

17.1 Terms of Loan and maturity profile based on principal amount :

(₹ in Lakhs)

| Nature of Facility of Secured Loan | Maturity Range | Interest Range | As at March 31,2024 | As at March 31,2023 |
|---|---|---|---|---|
| Term loans | Note 17.2 | 10.15% - 11.50% | 5,025.57 | 2,664.00 |
| Short term loans | Note 17.2 | 9.70% - 9.80% | 2,451.95 | 963.11 |
| Loan repayable on demand | Note 17.2 | 9.90% - 10.25% | 3,374.28 | 2,411.01 |
| | | | 10,851.80 | 6,038.12 |

17.2 Maturity analysis

(₹ in Lakhs)

| Particulars | 0-12 months | 12-24 months | 24-36 months | 36-48 months | 48-60 months | Total |
|---|---|---|---|---|---|---|
| Term Loans | 2,363.07 | 1,829.16 | 833.34 | - | - | 5,025.57 |
| Short term loans | 2,451.95 | - | - | - | - | 2,451.95 |
| Loan repayable on demand | 3,374.28 | - | - | - | - | 3,374.28 |

**Security**

(i) Term Loans are secured by hypothecation of exclusive charge of unencumbered standard receivable of the Company to the extent of 125% of the outstanding amount and further fixed deposits of ₹ 899.76 Lakhs (P.Y. NIL) have been lien as a margin money.

(ii) Term Loans from State Bank of India are further secured by mortgage of two immovable properties of the Managing Director of the Company.

(iii) Term Loan from Indian Overseas Bank is further secured by mortgage of an immovable property of the Managing Director of the Company.

(iv) Short Term loans and loan repayable on demand are secured by re-pledge of gold ornaments of the customers of the Company. Further, short term loans from Catholic Syrian Bank is secured by exclusive charge of receivable of the Company to the extent of 125% of the outstanding amount.

(v) Personal guarantees have been given by Managing Director and/or Executive Directors of the Company (Note 47)



# Notes

**forming part of financial statement for the year ended March 31, 2024**

(vi) Unsecured Inter corporate loans carry interest rate from 10.00% p.a. to 12.00% p.a. with maximum tenor of 12 months.

(vii) Unsecured loan from Directors are out of their owned funds and carry interest rate of 9.00% p.a. without any stipulations as regards to terms of repayment.

(viii) All the charges created/modified or satisfied were registered with the Registrar of Company within the statutory period from the date of creation/modification/satisfaction of security except in respect of charge for term loan of ₹ 700 Lakhs which has been registered within a period of 60 days from the date of creation as per proviso to section 77 of the Act after paying prescribed additional fees. Further in respect of the charge created for said term loan of ₹ 700 lacs and thereafter modified for increase in the said term loan to ₹ 1500 , the Company has not selected " Book debts" ( on which charge is required to be created) in both forms CHG -1 filed with the registrar. However, the Company is regularly submitting certificate to the banker confirming the bookdebts under lien againt the loan liability.

(ix) Loans availed during the year have been applied for the purpose for which they have availed. The Company has not taken any loan from any entity or person on account of or to meet the obligation of its subsidiaries and joint venture

(x) Quarterly Returns / statements of the current assets filed by the Company with its bankers are in agreement with the books of accounts.

(xi) Fund raised on short term basis have not been utilised for long term purpose

(xii) Default in terms of repayment of Principal and Interest - NIL (P.Y. NIL)

(xiii) The Company has not been declared as Wilful Defaulter by bank or financial institution or other lender or government authority.

**Note'18' Lease liabilities**

(₹ in Lakhs)

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| Lease liabilities | 135.77 | 138.93 |
| | 135.77 | 138.93 |

18.1 The Maturity analysis of lease liabilities is disclosed in Note 37

**Note'19' Other financial liabilities**

(₹ in Lakhs)

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| Unpaid dividends (Note 19.1 & 19.2) | 19.54 | 18.82 |
| Security deposits | 5.04 | - |
| Auction surplus refundable | 4.95 | 1.26 |
| Advance against sale of equity instrument (Note 8.4) | 208.17 | - |
| | 237.70 | 20.08 |

19.1 There is no amount due and outstanding to be transferred to the Investor Education & Protection Fund (IEPF) as at 31st March, 2024. Unclaimed Dividends, shall be transferred to IEPF as and when they become due.

19.2 Balance in unclaimed dividend accounts are subject to reconciliation. (Note 5.1)

# Notes
## forming part of financial statement for the year ended March 31, 2024

**Note'20' Current tax liabilities (Net)**

**(₹ in Lakhs)**

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| Provision for tax | 314.19 | 221.32 |
| | 314.19 | 221.32 |

20.1

(A) The major components of income tax expenses for the year are as under:

**(₹ in Lakhs)**

| (a)Income Tax expenses recognised in the statement of profit and loss: | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| (i) Current tax: | | |
| - In respect of current year | 396.00 | 295.98 |
| - Short/(Excess) provision of earlier years | 2.14 | 5.70 |
| (ii) Deferred tax: | | |
| - In respect of current year | (20.23) | (15.19) |
| | 377.91 | 286.49 |
| **(b) Income tax expenses recognised in Other comprehensive income (OCI):** | | |
| (i) Current tax: | | |
| - In respect of current year | - | - |
| - Short/(Excess) provision of earlier years | - | - |
| (ii) Deferred tax: | | |
| - In respect of current year | (13.60) | (27.53) |
| | 364.31 | 258.96 |

(B) Reconciliation of estimated income tax expenses and the accounting profit for the year is as under

**(₹ in Lakhs)**

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| **Profit before tax** | 1,432.50 | 1,077.84 |
| Applicable tax rate | 25.17% | 25.17% |
| Computed tax expense | 360.53 | 271.27 |
| Add:- Effect of expenses that is non-deductible in determining taxable profit / accounting profit (net) | 35.47 | 24.71 |
| **Income tax expense recognised in statement of profit and loss** | 396.00 | 295.98 |
| **Effective tax rate** | 27.64% | 27.46% |

20.2 Details of transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961 : Nil (P.Y. Nil)

20.3 The Company does not have any unrecorded income and assets related to previous years which are required to be recorded during the year.




# Notes
## forming part of financial statement for the year ended March 31, 2024


**Note'21' Provisions**

**(₹ in Lakhs)**

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| Provision for employee benefits (Note 40) | 7.80 | 7.00 |
| Provision for expenses | 33.41 | 7.33 |
| | 41.21 | 14.33 |

**Note'22' Other non-financial liabilities**

**(₹ in Lakhs)**

| | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| Unearned interest income | 130.22 | 63.85 |
| Other payables | 3.66 | 5.73 |
| Statutory dues | 24.97 | 16.11 |
| | 158.85 | 85.69 |

**Note '23(A)' - Equity share capital**

| | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | Number of Shares | ₹ in Lakhs | Number of Shares | ₹ in Lakhs |
| **(a) Authorised** | | | | |
| Equity Shares of ₹10/- each | 2,50,00,000 | 2,500.00 | 2,50,00,000 | 2,500.00 |
| | 2,50,00,000 | 2,500.00 | 2,50,00,000 | 2,500.00 |
| **(b) Issued, Subscribed and Paid up** | | | | |
| Equity Shares of ₹10/- each | 1,95,63,986 | 1,956.40 | 1,93,13,986 | 1,931.40 |
| | 1,95,63,986 | 1,956.40 | 1,93,13,986 | 1,931.40 |

23 (A).1 Terms/Rights attached to equity shares

The Company has only one class of Share referred to as Equity Share having a Par Value of ₹10/- per share. Each Shareholder of Equity share is entitled to one vote per Share.

In the event of liquidation of the Company, the shareholder of Equity Share will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholder, after distribution of all preferential amounts.

23 (A).2 There were no Buyback of shares or issue of bonus shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years immediately preceding the reporting date.

23 (A).3 The company declares and pays dividend in Indian Rupees (₹). The dividend proposed by the Board of Directors is subject to the approval of shareholders in ensuing Annual General Meeting, except in case of Interim dividend. The distribution will be proportional to the number of Equity Shares held by the shareholders.

The Board of Directors of the Company have proposed dividend of ₹ 0.60/- per Equity Shares of ₹ 10/- each for the year ending 31st March, 2024 (P.Y. ₹ 0.50/- per Equity Share) subject to approval of the members at the forthcoming Annual General Meeting.

# Notes

## forming part of financial statement for the year ended March 31, 2024

23 (A).4 Reconciliation of the number of shares outstanding at the beginning and at the end of the year :

| Particulars | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | Number of Shares | ₹ in Lakhs | Number of Shares | ₹ in Lakhs |
| At the beginning of the year | **1,93,13,986** | **1,931.40** | 1,93,13,986 | 1,931.40 |
| Add/(Less) : Change during the year | **2,50,000** | **25.00** | - | - |
| **Outstanding at the end of the year** | **1,95,63,986** | **1,956.40** | 1,93,13,986 | 1,931.40 |

23 (A).5 Details of shares held by each shareholder holding more than 5% equity shares^

| Name of Shareholder | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | Number of Shares | % of Holding | Number of Shares | % of Holding |
| Meghraj S Jain | **47,86,565** | **24.47%** | 47,86,565 | 24.78 |
| Ajit S Jain HUF | **24,84,240** | **12.70%** | 24,84,240 | 12.86 |
| M/s E-ally Consulting (I) Pvt. Ltd. | **16,79,700** | **8.59%** | 16,79,700 | 8.70 |
| M/s Dhakad Properties and Financial Services Pvt. Ltd. | **12,59,205** | **6.44%** | 12,59,205 | 6.52 |
| Chandanmal Hasmukh | **3,14,212** | **1.61%** | 12,50,000 | 6.47 |

^As per the records of the Company including its registers of members

23 (A).6 Pursuant to the resolution passed in the meeting of the shareholders of the Company held on February 15, 2024, the Company has issued and allotted on a preferential basis to a Promoter Director of the Company 2,50,000 fully paid up equity share of ₹ 10 each at a premium of ₹ 100 aggregating to ₹ 275 Lakhs.

23 (A).7 Details of shares held by promoters

| Promoters' Name | As at March 31, 2023 | | Change during the year | As at March 31, 2024 | | % change during the year |
|---|---|---|---|---|---|---|
| | No of Equity Shares | % of holding | | No of Equity Shares | % of holding | |
| Meghraj Sohanlal Jain | 47,86,565 | 24.78 | - | **47,86,565** | **24.47%** | - |
| Ajit S Jain HUF | 24,84,240 | 12.86 | - | **24,84,240** | **12.70%** | - |
| Ajit Sohanlal Jain | 3,99,696 | 2.07 | - | **3,99,696** | **2.04%** | - |
| Hardik Meghraj Jain | 5,77,394 | 2.99 | **2,50,000** | **8,27,394** | **4.23%** | 43.30% |
| Bhavika Meghraj Jain | 86,898 | 0.45 | - | **86,898** | **0.44%** | - |
| Indra Meghraj Jain | 63,036 | 0.33 | - | **63,036** | **0.32%** | - |
| Seema Ajit Jain | 1,06,626 | 0.55 | **18,650** | **1,25,276** | **0.64%** | 17.49% |
| Dhakad Properties Pvt. Ltd. | 12,59,205 | 6.52 | - | **12,59,205** | **6.44%** | - |
| Shree Jaisal Electronics And Industries Ltd. | 9,29,400 | 4.81 | **Note 23 (A).7.1** | **-** | **0.00%** | - |
| Swarn Bhavya Mangal Jewels Pvt. Ltd. | - | - | **65,259** | **65,259** | **0.33%** | 100.00% |

23 (A).7.1 Shareholder has been reclassified from promoter category to public category during the year ended March 31, 2024.





# Notes

## forming part of financial statement for the year ended March 31, 2024

**Note '23(B)' - Other equity**

(₹ in Lakhs)

| **Particulars** | **Reserves and Surplus** | | | | | | | **Equity Instruments Through OCI** | **Total** |
|---|---|---|---|---|---|---|---|---|---|
| | **Capital Reserve** | **Securities Premium** | **General Reserve** | **Statutory Reserve** | **Contingency Reserve** | **Investment Reserve** | **Retained Earnings** | | |
| Balance as at April 01, 2022 (A) | 150.46 | 3,588.19 | 365.00 | 1,021.61 | 25.00 | 7.00 | 3,364.38 | 139.32 | 8,660.96 |
| Additions during the year | | | | | | | | | |
| Profit for the year | | | | | | | 791.35 | | 791.35 |
| Add/(Less): Items of OCI for the year, net of tax: | | | | | | | | | |
| Remeasurement benefit of defined benefit plans | | | | | | | | | |
| Net fair value (loss)/gain on Investment in equity instruments through OCI | | | | | | | | (92.81) | (92.81) |
| Total Comprehensive Income for the year 2022-23 (B) | - | - | - | - | - | - | 791.35 | (92.81) | 698.54 |
| Additions/(Reductions) during the year | | | | | | | | | |
| Dividends** | | | | | | | (96.57) | | (96.57) |
| Transferred to Statutory Reserve Fund | | | | 158.27 | | | (158.27) | | - |
| Total (C) | - | - | - | 158.27 | - | - | (254.84) | - | (96.57) |
| **Balance as at March 31, 2023 (D) = (A+B+C)** | **150.46** | **3,588.19** | **365.00** | **1,179.88** | **25.00** | **7.00** | **3,900.89** | **46.51** | **9,262.93** |
| Additions during the year | | | | | | | | | |
| Profit for the year | | | | | | | **1,054.59** | | **1,054.59** |
| Add/(Less): Items of OCI for the year, net of tax: | | | | | | | | | |
| Remeasurement benefit of defined benefit plans | | | | | | | **0.20** | | **0.20** |
| Net fair value (loss)/gain on Investment in equity instruments through OCI | | | | | | | | **(118.77)** | **(118.77)** |
| Total Comprehensive Income for the year 2023-24 (E) | **-** | **-** | **-** | **-** | **-** | **-** | **1,054.79** | **(118.77)** | **936.02** |
| Additions/(Reductions) during the year | | | | | | | | | |
| Securities premium on account of issue of equity shares | **-** | **250.00** | **-** | **-** | **-** | **-** | **-** | **-** | **250.00** |
| Expense on Investments | | | | | | | **(0.05)** | | **(0.05)** |
| Dividends** | | | | | | | **(96.57)** | **-** | **(96.57)** |
| Transferred to Statutory Reserve Fund | | | | **210.92** | | | **(210.92)** | **-** | **0.00** |
| Total (F) | **-** | **250.00** | **-** | **210.92** | **-** | **-** | **(307.54)** | **-** | **153.38** |
| **Balance as at March 31, 2024 (D+E+F)** | **150.46** | **3,838.19** | **365.00** | **1,390.80** | **25.00** | **7.00** | **4,648.14** | **(72.26)** | **10,352.33** |

# Notes
## forming part of financial statement for the year ended March 31, 2024

**B. Other equity- Money Received against share warrant**

(₹ in Lakhs)

| Particulars | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | No of Warrants | ₹ in lakhs | No of Warrants | ₹ in lakhs |
| At the beginning of the year | - | - | - | - |
| Add/(Less) : Change during the year | 15,50,000 | 426.25 | - | - |
| **Outstanding at the end of the year** | 15,50,000 | 426.25 | - | - |

**Capital reserve**

This reserve is created out of amount received against equity share warrants (first tranche i.e. 25% of total value of warrants) due to non exercising of options of conversion and the said amount is forfeited.

**Securities premium reserve**

The amount received in excess of face value of the equity shares is recognised in Securities premium reserve. This reserve is utilised in accordance with the provisions of the Companies Act 2013.

**General reserve**

This reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

**Statutory fund reserve**

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of profit for the period is transferred to the fund for the year.

**Contingency reserve & Investment reserves**

These reserves are of erstwhile company as per the statutory provisions as applicable at that point in time.

**Retained earnings**

Retained earnings represent the accumulated earnings net of losses, if any, made by the Company over the years.

**Money Received against share warrant**

Pursuant to the resolution passed in the meeting of the shareholders of the Company held on February 15, 2024, the Company has issued and allotted on a preferential basis to a Promoter Director of the Company 15,50,000 convertible equity warrants of a nominal value of ₹ 10/- each at a premium of ₹ 100/- aggregating to ₹ 1705 Lakhs in compliance with all the applicable statutory regulations and enactments. The Company has received ₹ 426.25 Lakhs, being 25% of the aggregate consideration upon allotment of 15,50,000 convertible equity warrants. The equity warrant holder shall, in terms of issue and subject to the SEBI (ICDR) Regulations and other applicable rules, regulations and laws, be entitled to exercise the equity warrants in one or more tranches within a period of 18 (Eighteen) months from the date of allotment of the equity warrants upon payment of balance 75% of the consideration. The Company shall accordingly issue and allot the corresponding number of Equity Shares of face value of ₹ 10/- (Rupees Ten only) each to the warrant holder.

**Other Comprehensive Income (OCI)**

Other Comprehensive Income includes fair value on investment through OCI, net of taxes that will not be reclassified to profit & loss.



# Notes
## forming part of financial statement for the year ended March 31, 2024

**Note '24' Interest income**

(₹ in Lakhs)

| | 2023-24 | 2022-23 |
|---|---|---|
| **On financial assets measured at Amortised cost** | | |
| Interest on : | | |
| Loans | 3,196.69 | 1,987.14 |
| Deposits with banks | 12.03 | 4.42 |
| Others | 6.56 | 4.93 |
| **Total** | 3,215.28 | 1,996.49 |

**Note '25' Fees and commission income**

(₹ in Lakhs)

| | 2023-24 | 2022-23 |
|---|---|---|
| Fees on corporate guarantee | 0.92 | 3.66 |
| Service charges and other fees on loan transaction | 93.55 | 49.54 |
| Loan foreclosure charges - income | 9.76 | 7.94 |
| Financial consultancy fees | - | 35.00 |
| **Total** | 104.23 | 96.14 |

**Note '26' Other operating revenue**

(₹ in Lakhs)

| | 2023-24 | 2022-23 |
|---|---|---|
| Bad debts recovered | - | 33.25 |
| **Total** | - | 33.25 |

**Note '27' Other income**

(₹ in Lakhs)

| | 2023-24 | 2022-23 |
|---|---|---|
| Office administrative services | 7.98 | 14.10 |
| **Total** | 7.98 | 14.10 |

**Note '28' Finance costs**

(₹ in Lakhs)

| | 2023-24 | 2022-23 |
|---|---|---|
| Interest on financial liabilities carried at amortized cost | | |
| Interest on borrowings from : | | |
| Inter corporate loans | 15.80 | 10.10 |
| Banks | 602.53 | 312.07 |
| Directors | 146.56 | 68.01 |
| Interest on debt securities | | |
| Redeemable Non - Convertible Debentures | 66.06 | 7.24 |
| Interest on lease liability | 13.10 | 12.11 |
| Other borrowing costs | 79.39 | 25.15 |
| Interest on income tax | 26.07 | 22.94 |
| **Total** | 949.51 | 457.62 |

# Notes
## forming part of financial statement for the year ended March 31, 2024

**Note '29' Impairment of financial instruments**

(₹ in Lakhs)

| | 2023-24 | 2022-23 |
|---|---|---|
| **On financial instruments measured at Amortised cost** | | |
| Loans | 74.18 | 34.99 |
| | 74.18 | 34.99 |

**Note '30' Employee benefits expenses**

(₹ in Lakhs)

| | 2023-24 | 2022-23 |
|---|---|---|
| Salaries, bonus and allowances | 450.98 | 269.06 |
| Directors' remuneration | 61.50 | 40.50 |
| Contribution to provident and other funds | 2.36 | 1.71 |
| Gratuity expenses | 1.07 | 7.00 |
| Staff welfare expenses | - | 0.21 |
| Total | 515.91 | 318.48 |

**Note '31' Other expenses**

(₹ in Lakhs)

| | 2023-24 | 2022-23 |
|---|---|---|
| Commission expense | 51.46 | 42.09 |
| Directors' sitting fees | 7.00 | 4.25 |
| Advertisement expenses | 4.05 | 4.24 |
| Auditors' Remuneration (Note-33) | 5.85 | 2.75 |
| Internal audit fees | 1.50 | 1.50 |
| Secretarial audit fees | 0.50 | 0.50 |
| Legal & professional charges | 72.13 | 31.55 |
| Repair & maintenance | 2.50 | 0.84 |
| Printing & stationery | 5.39 | 2.10 |
| Insurance premium | 5.68 | 3.10 |
| Rent, rates and taxes | 7.27 | 7.63 |
| Travelling expenses | 4.18 | 2.27 |
| Telephone & internet charges | 8.50 | 6.41 |
| Corporate social responsibility (Note-39) | 19.31 | 15.69 |
| GST expenses | 22.39 | 19.50 |
| Electrical charges | 22.67 | 21.44 |
| Software expenses | 9.13 | 4.38 |
| Miscellaneous expenses | 34.51 | 28.04 |
| Total | 284.02 | 198.28 |



# Notes
## forming part of financial statement for the year ended March 31, 2024

**Note '32' - Calculation of Earnings per share**

| | 2023-24 | 2022-23 |
|---|---|---|
| Profit after tax for the year attributable to the equity shareholders (₹ in Lakhs) | 1,054.59 | 791.35 |
| No of Equity Shares Outstanding at the end of the year | 1,95,63,986 | 1,93,13,986 |
| Weighted average number of equity shares outstanding for basic earning per share(Nos.) | 1,93,41,308 | 1,93,13,986 |
| Weighted average number of shares outstanding for diluted earning per share (Nos.) | 1,93,41,308 | 1,93,13,986 |
| Face value per share (In ₹) | 10 | 10 |
| Basic earnings per share (in ₹) | 5.45 | 4.10 |
| Diluted earnings per share (in ₹)* | 5.45 | 4.10 |

**Note '33' - Auditors' remuneration (excluding GST)**

(₹ in Lakhs)

| | 2023-24 | 2022-23 |
|---|---|---|
| Statutory Audit fees (including limited review) | 5.50 | 2.50 |
| Tax Audit fees | - | 0.25 |
| Others | 0.30 | - |
| Reimbursement of expenses | 0.05 | - |
| | 5.85 | 2.75 |

**Note '34' - Contingent liabilities and commitments (to the extent not provided for)**

(₹ in Lakhs)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(i)** | **Contingent Liabilities** | | |
| (a) | Claims against company not acknowledged as debt (Note 34.1) | | |
| | - Income Tax | 99.95 | |
| (b) | Guarantees- - Counter Guarantees Provided to Bank (Note 34.3) | - | 732.00 |
| | | 99.95 | 732.00 |
| **(ii)** | **Commitments** | | |
| (a) | Estimated amount of contracts remaining to be executed on capital account and not provided for | 9.60 | - |
| (b) | Lease Commitments (Note 37) | | |
| (c) | Other commitments | - | - |
| | | 9.60 | - |

34.1 The Company is contesting the demands and the management believes that the Company's position is likely to be upheld in the appellate process and accordingly, no provision has been made in the financial statements for the tax demands raised. The management believes that the ultimate outcome of these proceedings will not have material adverse effect on the Company's financial position and results of operations.

34.2 Outstanding demand pending necessary rectification/short tax credit by the Income Tax authorities - ₹ 154.50 Lakhs (P.Y. - 138.26 Lakhs).

34.3 Outstanding of counter guarantee is NIL (P.Y. - ₹ 633 Lacs). (Note 47.1)

# Notes
## forming part of financial statement for the year ended March 31, 2024

**Note '35' - Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

(₹ in Lakhs)

| | 2023-24 | 2022-23 |
|---|---|---|
| Principal amount remaining unpaid to suppliers as at the end of the accounting year | 8.53 | 1.67 |
| Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | - | - |
| The amount of interest paid along with the amounts of the payment made to the suppliers beyond the appointed due day during the year | - | - |
| The amount of interest due and payable for the year | - | - |
| The amount of interest accrued and remaining unpaid at the end of the accounting year | - | - |
| The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | - | - |

35.1 Dues to Micro and Small Enterprises (Suppliers) have been determined to the extent such parties have been identified on the basis of information collected by the Company. This has been relied upon by the auditors.

(₹ in Lakhs)

| Summary of Principal amount remaining unpaid to Suppliers | As At 31.03.2024 | As At 31.03.2023 |
|---|---|---|
| Trade Payables | 3.86 | 0.39 |
| Other Payables | 4.67 | 1.28 |
| | 8.53 | 1.67 |

**Note '36' - Dividend**

(₹ in Lakhs)

| | 2023-24 | 2022-23 |
|---|---|---|
| Dividend on equity shares paid during the year at ₹ 0.50/- (P.Y. ₹ 0.50/-) per equity share of ₹ 10/- each | 96.57 | 96.57 |
| | 96.57 | 96.57 |

**36.1 Proposed Dividend :**

The Board of Directors at its meeting held on May 07, 2024 have recommended a payment of dividend of ₹ 0.60/- (P.Y. ₹ 0.50/- ) per equity share of face value of ₹ 10/- each for the financial year ended March 31, 2024, aggregate to ₹ 117.38 Lakhs(PY ₹ 96.57 Lakhs). The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

**36.2** The proposed dividend is in compliance with regulatory restrictions and limit.

**Note 37- Disclosure as per requirement of Ind AS 116 - Leases:**

Lease Contracts entered into by the Company are mainly in respect for office premises taken on the lease in the ordinary course of business. Lease Contracts are for the period of 3- 5 years.



Notes
forming part of financial statement for the year ended March 31, 2024

Below are the carrying amounts of lease liabilities and movement during the period :

(₹ in Lakhs)

| Particulars | Office premises | Total |
|---|---|---|
| **As at April 01, 2022** | 106.37 | 106.37 |
| Additions | 65.41 | 65.41 |
| Accretion of interest | 12.11 | 12.11 |
| Payments | (44.96) | (44.96) |
| **As at March 31, 2023** | 138.93 | 138.93 |
| Additions | **46.01** | **46.01** |
| Accretion of interest | **13.10** | **13.10** |
| Payments | **(62.27)** | **(62.27)** |
| **As at March 31, 2024** | **135.77** | **135.77** |

(₹ in Lakhs)

| Particulars | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| Non- current financial liability | 81.18 | 95.10 |
| Current financial liability | 54.59 | 43.83 |

The following are the amounts recognised in profit and loss account :

(₹ in Lakhs)

| Particulars | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| Depreciation expense of right-of-use assets | 50.15 | 37.01 |
| Interest expense on lease liabilities | 13.10 | 12.11 |
| **Total amount recognised in profit or loss** | 63.25 | 49.12 |

The table below provides details regarding the contractual maturities of lease liabilities under Ind AS 116 as at March 31, 2024, on an undiscounted basis:

(₹ in Lakhs)

| Tenure | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| Less than 1 year | 54.59 | 43.83 |
| 1-5 years | 81.18 | 95.10 |

**Note '38' - Operating Segment**

a) The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Thus, the Company operates in one segment and there is no separate reportable segment.

b) There are no operation outside India and hence there is no external revenue or assets which require disclosures.

c) All the assets of the Company are located in India.

d) There are no transaction with single external customer which amount to 10% or more of the Company's revenue.

# Notes
## forming part of financial statement for the year ended March 31, 2024

**Note '39' - Expenditure on corporate social responsibility initiatives**

(₹ in Lakhs)

| | 2023-24 | 2022-23 |
|---|---|---|
| Gross amount required to be spent by the Company during the year as per the provisions of section 135 of the Act | | |
| -2% of the average net profit for last three financial years, calculated as per section 198 of the Act | 19.31 | 15.69 |
| Add/(Less): Unspent/(Excess) of preceding years | | |
| Less: Amount spent during the year | | |
| i) Construction/acquisition of any asset of the Company | | |
| ii) On purposes other than (i) above | | |
| - Promotion of Education* | 19.31 | 15.69 |
| - Promotion of Sports | | |
| - Hostels for Orphanage | | |
| - Upliftment of tribal areas | | |
| | - | - |

* Contribution to a charitable trust in which Managing Director and his relative are trustee (Note 47.2)

**Note '40' - Employee Benefits:**

a) **Defined Benefit Plan - Gratuity (Not funded)**

The Company is liable to pay to every employee gratuity on departure at 15 days of last drawn salary for each completed year of service. The Present Value of obligation determined based on actuarial valuation using the Projected Unit Credit Method for the year is as below. The Company has not maintained any fund for the said liability.

(₹ in Lakhs)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| **i) Change in Defined Benefit Obligation** | | |
| Obligation at the beginning of the year | 4.10 | - |
| Current Service Cost | 3.67 | 4.10 |
| Interest Cost | 0.30 | - |
| Past Service Cost | - | - |
| Benefits Paid | - | - |
| Remeasurement (gains)/losses | (0.27) | - |
| Defined Benefit Obligation at the end of the year | 7.80 | 4.10 |
| | | |
| **ii) Change in Plan Assets** | | |
| Fair value of plan assets at the beginning of the year | - | - |
| Expected Return on plan assets | - | - |
| Employer Contributions | - | - |
| Benefits Paid | - | - |
| Remeasurement (losses)/gains | | |
| Fair Value of Plan Assets at the end of the year | - | - |



# Notes
## forming part of financial statement for the year ended March 31, 2024

(₹ in Lakhs)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| **iii) Amount recognized in the Balance Sheet** | | |
| Present Value of Benefit Obligation at the end of the Period | 7.80 | 4.10 |
| Fair value of plan assets at the end of the year | - | - |
| Amount not recognized due to asset limit | - | - |
| Amount Recognized in the Balance Sheet | 7.80 | 4.10 |
| | | |
| **iv) Expenses recognized in the Statement of Profit and Loss** | | |
| Employee Benefits Expense | | |
| Current Service Cost | 3.67 | 4.10 |
| Past Service Cost | - | - |
| Interest Cost including interest on value of asset ceiling | 0.30 | - |
| Expected Return on plan assets | - | - |
| (Less)/Add : Excess provision in the previous year | (2.90) | 2.90 |
| (A) | 1.07 | 7.00 |
| | | |
| Other Comprehensive Income | | |
| Loss/(gain) on plan assets less interest on plan assets | - | - |
| Actuarial loss/(gain) arising from changes in financial assumption | 0.06 | - |
| Actuarial loss/(gain) arising from changes in demographic assumption | | |
| Actuarial loss/(gain) arising on account of experience changes | (0.33) | - |
| Actuarial loss/(gain) arising on account of adjustment to recognize the effect of asset ceiling | | |
| (B) | (0.27) | - |
| Expenses recognised in the statement of profit and loss (A+B) | 0.80 | 7.00 |
| **v) Investment details** | - | - |
| **vi) Principal assumption used in determining defined benefit obligation** | | |
| Discount rate (per annum) | 7.19% | 7.35% |
| Salary escalation rate (per annum) | 8.00% | 8.00% |
| **vii) Sensitivity Analysis** | | |
| Increase in 100bps on DBO | | |
| Change in discounting rate | (0.73) | (0.40) |
| Change in Salary Escalation | 0.84 | 0.46 |
| Decrease in 100bps on DBO | | |
| Change in discounting rate | 0.85 | 0.46 |
| Change in Salary Escalation | (0.73) | (0.40) |
| **viii) Maturity profile of defined benefit obligation** | | |
| Within the next 12 months (next annual reporting period) | 0.02 | 0.01 |
| Between 2 and 5 years | 2.03 | 0.82 |
| Between 5 and 10 years | 3.97 | 2.27 |

# Notes

## forming part of financial statement for the year ended March 31, 2024

**b) Defined Contribution Plan - Provident Fund**

The Company makes its contribution alongwith the share of employees' contribution deducted from salary on monthly basis to Employees' Provident Fund administered by the Central Government. The Company's Contribution is charged to Statement of Profit & Loss. The Company has no obligation for any further contribution in case of any shortfall. The details of contribution are as under :-

(₹ in Lakhs)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Contribution to Provident Fund | 2.36 | 1.71 |

**c) Other Employee benefits - Leave Encashment**

The employees are not entitled for compensation in respect of unavailed leaves as per the policy of the Company

**Note '41' - Capital Management**

The primary objective of the capital management is to ensure that Company complies with capital adequacy requirement of Reserve Bank of India (RBI), maintain strong credit rating and healthy capital ratios in order to manage capital base to cover risk inherent in the business, support business and maximise shareholder value. The adequacy of the Company's capital is continuously monitored by the Management using, among other measures, the regulations issued by RBI.

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.

The Company has complied in full with the capital requirements prescribed by RBI over the reported period. Disclosure of capital adequacy as per applicable RBI regulations (Note no. 44).

**Note '42'- Financial Risk Management Framework**

The Company is committed to create value for its stakeholders through sustainable business growth and with that intent has put in place a robust risk management framework to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. Given the nature of the business the company is engaged in, the risk framework recognizes that there is uncertainty in creating and sustaining such value as well as in identifying opportunities. Risk management is therefore made an integral part of the company's effective management practice.

The Company's principal financial liabilities comprises of borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include loans, investments, cash and cash equivalents and other receivables that are derived directly from its operations. As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

The Company is generally exposed to credit risk, liquidity risk, market risk and operational risk:-

**(i) Credit Risk**

The 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. Credit Risk arises principally from the risk of loss that may occur from the default of Company's customers under loan agreements. Customer defaults and inadequate collateral may lead to loan losses.

The Company is exposed to the risk that its customers defaults in repayment of loan or advances granted by the Company. Customers may default on their obligations owed to the Company due to insolvency, lack of liquidity, operational failure etc. Significant failures by the customers to timely perform their obligations owed could materially and adversely affect the company's financial position, and ability to borrow incremental funds and ability to meet business expenses and to repay, make the payment to its lenders and creditors in timely manner.

The credit risk may also arise due to the business, operational, technological parameters and business environment in which the company operates. Due to some challenges that may be specific to the customer, there may be failure on the part of the Customer to meet its performance obligations and pose a credit risk to the Company. On the operational side, there could be a slippage in operational procedure and execution of policies leading to credit risk. Similarly technological redundancy and obsoleteness may also pose credit risk.



# Notes

## forming part of financial statement for the year ended March 31, 2024

**(i) (A) Management of credit risk**

The Company lends both secured and unsecured loans to its customer. To mitigate the credit risk, the Company has implemented various policies and mechanisms, including credit policy to define the broad principles which the Company follows to accept lending proposals, to manage loan portfolio and recover its dues in adherence to RBI Regulations to protect the business assets of the Company.

Credit risk on Gold loan is considerably reduced as collateral is in the form of Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the Credit risk is normally low. Further, established process for customer verification, ornament valuation and purity checks, maximum loan value and auction of ornaments as per RBI stipulations with delegated powers at branch level and continuous monitoring by the Management of the Company helps to manage the credit risk. Similarly risk in respect of other secured loans are considerably reduced considering the available collateral securities.
To reduce the credit risk for other loans, the Company performs a detail credit assessment on the prospective borrower, seek security over some assets of the borrower and/or a guarantee from a third party. The Company takes all reasonable and business precautions through policies and procedure to mitigate and manage the credit risk in respect of such other loans.

The Company employs all recovery procedures including follow up with the customer for payment, legal remedies for recovery, invocation and sale of collateral as per the policies of the Company and guidelines issued by Reserve Bank of India.

The Senior management in the Company is responsible for evaluation of internal financial controls and risk management systems. In addition to continuous monitoring by the Senior Management, the Company conducts regular internal audits through in-house team of various branches to identify scope of improvement/enhancement in the Company's processes, quality control, fraud prevention and compliance with law & regulations. In addition, the internal audit reports of external agency are reviewed by the Audit committee and placed before the Board.

At the portfolio level, the Company manages credit risk through limiting concentration of credit at individual borrower level, group levels, etc. The loan proposals are assessed based on various factors like repayment capacity, credit worthiness, repayment history, business/ professional profile, future business prospects, field investigation, quality & value of security, etc.

The credit risk is managed by a robust control framework by the risk and collection department which continuously align credit and collection policies and resourcing, obtaining external data from credit bureaus, reviews of portfolios and review of loan delinquency by senior and middle management team comprising of risk, analytics, collection and fraud containment along with business. The same is periodically reviewed by Risk Management Committee.

Despite all measures being taken by the Management of the Company, the financing business has an inherent risk of default by the customer in the repayment of the loan.

**(i) (A)(a) Credit Exposure:**

The carrying amount of financial assets represents the maximum credit exposure to credit risk at the reporting date was:

(₹ in Lakhs)

| Particulars | As at March 31,2024 | As at March 31,2023 |
|---|---|---|
| Trade receivable and other receivables | 47.49 | 28.40 |
| Loans (gross carrying amount) | 22,870.46 | 16,043.07 |
| Other financial assets | 77.37 | 62.57 |
| **Total** | **22,995.32** | 16,134.04 |

# Notes
## forming part of financial statement for the year ended March 31, 2024

(i) (A)(b) Credit quality if the loan assets and provision against the same

(₹ in Lakhs)

| Particulars | | As at March 31,2024 | | |
|---|---|---|---|---|
| | | Gross carrying amount | Provision | Net Carrying amount |
| **Performing Assets** | | | | |
| Standard | Stage 1 | 21,624.49 | 61.28 | 21,563.21 |
| | Stage 2 | 612.78 | 11.84 | 600.94 |
| | Stage 3 | 337.53 | 4.67 | 332.86 |
| **Non-Performing Assets (NPA)** | | | | |
| Substandard | Stage 3 | 217.47 | 81.77 | 135.70 |
| Doubtful - Upto 1 year | Stage 3 | - | - | - |
| 1 to 3 years | Stage 3 | - | - | - |
| More Than 3 Years | Stage 3 | 3.17 | 3.17 | - |
| **Subtotal for Doubtful** | Stage 3 | 3.17 | 3.17 | - |
| Loss | Stage 3 | 75.02 | 75.02 | - |
| **Subtotal for NPA** | | 295.66 | 159.96 | 135.70 |
| Other items such as guarantees, loan, commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage 1 | - | - | - |
| | Stage 2 | - | - | - |
| | Stage 3 | - | - | - |
| **Subtotal** | | | | |
| **Total** | **Stage 1** | 21,624.49 | 61.28 | 21,563.21 |
| | **Stage 2** | 612.78 | 11.84 | 600.94 |
| | **Stage 3** | 633.19 | 164.63 | 468.56 |
| | **Total** | 22,870.46 | 237.75 | 22,632.71 |

(₹ in Lakhs)

| Particulars | | As at March 31,2023 | | |
|---|---|---|---|---|
| | | Gross carrying amount | Provision | Net Carrying amount |
| **Performing Assets** | | | | |
| Standard | Stage 1 | 15,336.64 | 64.46 | 15,272.18 |
| | Stage 2 | 349.12 | 5.00 | 344.12 |
| | Stage 3 | 137.82 | 3.65 | 134.17 |
| **Subtotal** | | - | - | - |
| **Non-Performing Assets (NPA)** | | | | |
| Substandard | Stage 3 | 136.41 | 14.03 | 122.38 |
| Doubtful - Upto 1 year | Stage 3 | - | - | - |
| 1 to 3 years | Stage 3 | 11.68 | 5.02 | 6.66 |
| More Than 3 Years | Stage 3 | - | - | - |
| **Subtotal for Doubtful** | Stage 3 | 11.68 | 5.02 | 6.66 |
| Loss | Stage 3 | 71.40 | 71.40 | - |
| **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, under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage 1 | - | - | - |
| | Stage 2 | - | - | - |
| | Stage 3 | - | - | - |
| **Subtotal** | | | | |
| **Total** | Stage 1 | 15,336.64 | 64.46 | 15,272.18 |
| | Stage 2 | 349.12 | 5.00 | 344.12 |
| | Stage 3 | 357.31 | 94.10 | 263.21 |
| | Total | 16,043.07 | 163.56 | 15,879.51 |

**(i)(A)(c) Impairment Assessment**

The Company is engaged in business of providing loan against jewellery with a maximum tenure of 24 months, unsecured business, personal loan and secured loan against property with the tenure of 12 months to 60 months and upto 144 months respectively. The Company makes provision for credit loss allowance/impairment loss based on expected credit loss method as detailed out in material accounting policies and after considering provisioning requirement as provided in prudential regulations of Scale Based Regulations issued by Reserve Bank of India and read with erstwhile Non-Banking Financial Company Non-Systematically important Non-Deposit taking (Reserve Bank) Directions, 2016, as amended from time to time.

**Reconciliations of the provision for impairment of loans**

(₹ in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Opening Balance at the beginning of the year | 163.56 | 132.42 |
| Add/(Less):- Addition/(reversal) during the year | 74.18 | 34.99 |
| Less:- Write off during the year | - | 3.85 |
| **Closing balance at the end of the year** | 237.75 | 163.56 |

**(ii) Liquidity Risk**

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity on a daily basis. The Company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required. The maturity profile of financial assets and financial liabilities at undiscounted values is as under :

# Notes
## forming part of financial statement for the year ended March 31, 2024

(₹ in Lakhs)

| Particulars | Maturity within 12 months | Maturity after 12 months | Total contracted cash flows | Carrying value |
|---|---|---|---|---|
| **As at March 31, 2024** | | | | |
| Trade and other payables and other financial liabilities | **329.94** | **-** | **329.94** | **329.94** |
| Debt securities | **-** | **-** | **-** | **-** |
| Borrowings (Other than debt securities) | **8,557.84** | **5,106.18** | **13,664.02** | **13,664.02** |
| Lease liability | **54.59** | **81.18** | **135.77** | **135.77** |
| **Total** | **8,942.37** | **5,187.36** | **14,129.73** | **14,129.73** |
| **As at March 31, 2023** | | | | |
| Trade and other payables and other financial liabilities | 61.71 | - | 61.71 | 61.71 |
| Debt securities | 480.99 | 225.00 | 705.99 | 705.99 |
| Borrowings (Other than debt securities) | 4,424.90 | 3,460.25 | 7,885.15 | 7,885.15 |
| Lease liability | 43.83 | 95.10 | 138.93 | 138.93 |
| **Total** | 5,011.43 | 3,780.35 | 8,791.78 | 8,791.78 |

**(iii) Market risk**

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The objective of market risk management is to avoid excessive exposure of our earnings and equity to loss and reduce our exposure to the volatility inherent in financial instruments. The company continuously monitors these risks and manages them through appropriate risk limits. The Management of the company reviews market-related trends and risks and adopts various strategies related to assets and liabilities, in line with the company's risk management framework. The Company is exposed to four types of market risk as follows:

**a) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk, since there is a mismatch between borrowing and lending vis-a-vis fixed and floating rate interest and maturity period. The Company is exposed to interest rate risk on short-term and long-term floating rate interest bearing liabilities. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings, maturity period and the proportion of fixed and floating rate debt is determined by prevailing interest rates. These exposures are reviewed by the management on a periodic basis.

The exposure of the Company's financial liabilities to interest rate risk based on liabilities as at reporting date is as follows :

(₹ in Lakhs)

| Particulars | Impact on profit before tax | |
|---|---|---|
| | **2023-24** | **2022-23** |
| Increase in interest rate by 100 basis points | **84.00** | 50.75 |
| Decrease in interest rate by 100 basis points | **(84.00)** | (50.75) |

**b) Price Risk**

Sudden fall in the gold price and fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part mitigated by a minimum 25% margin retained on the value of gold jewellery for the purpose of calculation of the loan amount. Further, we appraise the gold jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will not increase price risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

**c) Equity Price Risk**

Equity price risk relates to change in fair value of investments in the equity instruments measured at fair value through OCI. As at March 31, 2024 the carrying value of such equity instruments recognised at fair value through OCI amounts to ₹ 1,427.92 Lakhs (P.Y. ₹ 1,560.36 Lakhs).

A sensitivity analysis demonstrating the impact of change in the carrying value of investment in equity instrument as at reporting date is given below:

(₹ in Lakhs)

| Particulars | Impact on OCI before tax | |
|---|---|---|
| | **2023-24*** | 2022-23 |
| Increase by 5% | **60.99** | 78.02 |
| Decrease by 5% | **(60.99)** | (78.02) |

*excludes Equity Investment of Satco Capital Markets Limited (Note 8.4)

**d) Prepayment Risk**

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier than expected, such as fixed rate loans when interest rates fall.

**e) Foreign currency risk**

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. However the company is not exposed to the risk of fluctuations on change in exchange rates as company does not have any foreign transaction.

**(ii) Operational Risk**

Operational risk is the risk of loss arising from inadequate or failed internal process, human error, fraud, systems failure or from external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through comprehensive internal control systems, procedures and data back up processes. In order to further strengthen the control framework and effectiveness, the Company has established risk control self-assessment at branches to identify process lapses by way of exception reporting which enables the management of the Company to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing and timely basis. The Company also undertakes risk based audits on a regular basis across all branches/functions. While examining the effectiveness of control framework through self-assessment, the risk-based audit would assure effective implementation of self certification and internal financial controls adherence, thereby, reducing Company's operational risk.

# Notes

## forming part of financial statement for the year ended March 31, 2024

**Note '43'- Fair Value Measurement**

**(a) Fair value hierarchy and categories of financial instruments**

(₹ in Lakhs)

| | Level | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|---|
| | | Carrying amount | Fair value | Carrying amount | Fair value |
| **A Financial assets** | | | | | |
| **i) Measured at fair value through OCI** | | | | | |
| Investment | 3 | 1,427.92 | 1,427.92 | 1,560.36 | 1,560.36 |
| **ii) Measured at amortised cost** | | | | | |
| Cash and cash equivalents | 1 | 631.17 | 631.17 | 1,131.12 | 1,131.12 |
| Bank balances other than above | 1 | 919.24 | 919.24 | 18.76 | 18.76 |
| Loan | 3 | 22,632.71 | 22,632.71 | 15,879.51 | 15,879.51 |
| Other receivables | 3 | 47.49 | 47.49 | 28.40 | 28.40 |
| Other financial assets | 3 | 77.37 | 77.37 | 62.57 | 62.57 |
| **Total** | | 25,735.90 | 25,735.90 | 18,680.71 | 18,680.71 |
| **B Financial liabilities** | | | | | |
| **i) Measured at amortised cost** | | | | | |
| Debt Securities | | - | - | 705.99 | 705.99 |
| Borrowings | 2 | 13,664.02 | 13,664.02 | 7,885.15 | 7,885.15 |
| Trade and other payables | 3 | 92.24 | 92.24 | 41.63 | 41.63 |
| Lease liabilities | 3 | 135.77 | 135.77 | 138.93 | 138.93 |
| Other financial liabilities | 3 | 237.70 | 237.70 | 20.08 | 20.08 |
| **Total** | | 14,129.73 | 14,129.73 | 8,791.78 | 8,791.78 |

**Financial instruments measured at amortised cost**

The fair value of the financial assets and liabilities is included the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All the financial assets and liabilities of the Company are measured at amortised cost except for investments in equity instruments, which are classified at fair value through other comprehensive income and based on fair valuation report.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

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



# Notes

## forming part of financial statement for the year ended March 31, 2024

**Note '44'- Reconciliation of liabilities arising from financing activities**

(₹ in Lakhs)

| Particulars | As at April 1, 2023 | Cash flows/ (used) | Other | As at March 31, 2024 |
|---|---|---|---|---|
| Debt Securities | 705.99 | (700.00) | (5.99) | - |
| Borrowings other than debt securities | 7,885.15 | 5,764.90 | 13.97 | 13,664.02 |
| **Total liabilities from financing activities** | 8,591.14 | 5,064.90 | 7.98 | 13,664.02 |

(₹ in Lakhs)

| Particulars | As at April 1, 2022 | Cash flows/ (used) | Other | As at March 31, 2023 |
|---|---|---|---|---|
| Debt Securities | - | 700.00 | 5.99 | 705.99 |
| Borrowings other than debt securities | 2,826.16 | 5,058.99 | - | 7,885.15 |
| Total liabilities from financing activities | 2,826.16 | 5,758.99 | 5.99 | 8,591.14 |

**Note '45' - Disclosures as per Reserve Bank of India Master Direction (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 and Non-Banking Financial Company - Non-Systematically Important Non-Deposit taking (Reserve Bank) Directions, 2016, as amended.**

In terms of framework for Scale Based Regulations for Non-Banking Financial Company considering size, activity and perceived riskiness, the Company falls into base layer i.e. (NBFC-BL). The following disclosures are as applicable to NBFC-BL.

**Note '45(i)'-**

The leverage ratio of the Company is less than 7.

**Note '45(ii)'-**

The company has complied with norms prescribed as per Reserve Bank of India Master Direction (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 and Non-Banking Financial Company - Non-Systematically Important Non-Deposit taking (Reserve Bank) Directions, 2016.

**Note '45(iii)'- Capital to Risk Assets Ratio (CRAR)**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| CRAR (percent) | 47.23% | 57.93% |
| CRAR - Tier I Capital (percent) | 47.23% | 57.93% |
| CRAR - Tier II Capital (percent) | - | - |

**Note '45(iv)'-**

**Liquidity Coverage Ratio** (LCR)

The computation of LCR is not applicable to the company in terms of applicable RBI regulations, as amended.

# Notes

## forming part of financial statement for the year ended March 31, 2024

**Note '45(v)'-**

**Loan portfolio classification and provision**

(₹ in Lakhs)

| Particulars | As at March 31, 2024 | | |
|---|---|---|---|
| | Gross Loan Outstanding | Provision For Assets | Net Loan Outstanding |
| Standard Asset | 22,573.78 | 55.82 | 22,517.96 |
| Sub Standard Asset | 218.49 | 49.10 | 169.39 |
| Doubtful Asset | 3.17 | 3.17 | - |
| Loss Asset | 75.02 | 75.02 | - |
| | 22,870.46 | 183.11 | 22,687.35 |

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | | |
|---|---|---|---|
| | Gross Loan Outstanding | Provision For Assets | Net Loan Outstanding |
| Standard Asset | 15,838.79 | 39.06 | 15,799.73 |
| Sub Standard Asset | 129.26 | 12.93 | 116.33 |
| Doubtful Asset | 5.02 | 5.02 | - |
| Loss Asset | 70.00 | 70.00 | - |
| | 16,043.07 | 127.01 | 15,916.06 |

The loan portfolio classification and provisioning is based on NPA classification norms of 150 days overdue (P.Y. - 180 days overdue) in terms of glide path provided by Reserve Bank of India.

The glide path for NPA classification for future periods is as under:

| NPA Norms | Timeline |
|---|---|
| >120 days overdue | By March 31, 2025 |
| >90 days | By March 31, 2026 |

**Classification of assets as special mention account as per category specified below**

(₹ in Lakhs)

| SMA sub-category | Basis for classification- Principal or interest payment or any other amount wholly or partly overdue | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| SMA-0 | Upto 30 days | 21,623.47 | 15,350.88 |
| SMA-1 | More than 30 days and upto 60 days | 316.58 | 227.57 |
| SMA-2 | More than 60 days and upto 150 days* | 633.73 | 260.34 |

* subject to change in future in line with glide path for NPA




# Notes

## forming part of financial statement for the year ended March 31, 2024


**Note '45(vi)'- Schedule to the Balance Sheet of Non-Deposit Taking Non-Banking Financial Company**

(₹ in Lakhs)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Amount Outstanding | Amount Overdue | Amount Outstanding | Amount Overdue |
| **Liability side:** | | | | |
| **1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:** | | | | |
| (a) Debenture : Secured | - | - | 705.99 | - |
| Unsecured | - | - | - | - |
| (Other than falling within the meaning of public deposits*) | | | | |
| (b) Deferred Credits | | - | | - |
| (c) Term Loans | 7,480.43 | - | 3,678.34 | - |
| (d) Inter-Corporate Loans and Borrowings | 289.97 | - | - | - |
| (e) Commercial Paper | - | - | - | - |
| (f) Public Deposits* | - | - | - | - |
| (g) Other Loans; | | | | |
| - Working capital Demand Loan Facility | 3,393.62 | - | 2,417.81 | - |
| - Loan from Directors | 2,500.00 | - | 1,789.00 | - |
| *Please see **Note (a)** Below | | | | |
| **2. Break up of (1)(f) above (Outstanding Public Deposits inclusive of Interest accrued thereon but not paid):** | | | | |
| (a) In the form of Unsecured Debenture | - | - | - | - |
| (b) In the form of Partly Secured Debenture i.e. debenture where there is a shortfall in the value of securities. | - | - | - | - |
| (c) Other Public Deposits* | - | - | - | - |

*Please see **Note (a)** Below

(₹ in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| | Amount Outstanding | Amount Outstanding |
| **Assets Side :** | | |
| **3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below ] :** | | |
| (a) Secured | 12,680.50 | 7,896.58 |
| (b) Unsecured | 10,189.96 | 8,146.49 |
| **4. Break-up of Leased Assets and stock on hire and other assets counting towards Asset Financing Activities :** | | |
| (i) Lease assets including lease rentals under sundry debtors: | | |
| (a) Financing Lease | - | - |
| (b) Operating Lease | - | - |
| (ii) Stock on hire including hire charges under sundry debtors: | | |
| (a) Asset on hire | - | - |
| (b) Repossessed Asset | - | - |
| (iii) Other loans counting towards Asset Financing activities | | |
| (a) Loans where asset have been repossessed | - | - |
| (b) Loans other than (a) above | - | - |

# Notes

## forming part of financial statement for the year ended March 31, 2024

(₹ in Lakhs)

| Particulars | As at March 31, 2024 Amount Outstanding | As at March 31, 2023 Amount Outstanding |
|---|---|---|
| **5. Break-up of Investments :** | | |
| **Current Investments :** | | |
| 1. Quoted | | |
| (i) Shares : (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | | |
| (iii) Units of mutual funds | | |
| (iv) Government Securities | | |
| (v) Others | - | - |
| 2. Unquoted | - | - |
| (i) Shares : (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of mutual funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others | - | - |
| **Long Term Investments :** | | |
| 1. Quoted | | |
| (i) Shares : (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of mutual funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others | - | - |
| 2. Unquoted | | |
| (i) Shares : (a) Equity | 1,427.92 | 1,560.36 |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of mutual funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others | 1,316.11 | 1,316.11 |

# Notes

## forming part of financial statement for the year ended March 31, 2024

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

(₹ in Lakhs)

| Category | As at March 31, 2024 Amount Net Of Provision as per Prudential Norms Secured | Unsecured | TOTAL |
|---|---|---|---|
| 1. Related Parties | | | |
| (a) Subsidiaries | - | - | - |
| (b) Companies in the same group | - | - | - |
| (c) Other related parties | | - | - |
| 2. Other than related parties | 12,680.36 | 10,006.99 | 22,687.35 |
| | 12,680.36 | 10,006.99 | 22,687.35 |

(₹ in Lakhs)

| Category | As at March 31, 2023 Amount Net Of Provision as per Prudential Norms Secured | Unsecured | TOTAL |
|---|---|---|---|
| 1. Related Parties | | | |
| (a) Subsidiaries | - | - | - |
| (b) Companies in the same group | - | - | - |
| (c) Other related parties | 133.24 | - | 133.24 |
| | | | |
| 2. Other than related parties | 7,821.12 | 7,961.70 | 15,782.82 |
| | 7,954.36 | 7,961.70 | 15,916.06 |

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

(₹ in Lakhs)

| Category | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Market Value Break up or fair value or NAV | Book Value (Net of Provisions) | Market Value Break up or fair value or NAV | Book Value (Net of Provisions) |
| 1. Related Parties | | | | |
| (a) Subsidiaries | - | - | - | - |
| (b) Companies in the same group | - | - | - | - |
| (c) Other related parties | - | - | - | - |
| 2. Other than related parties# | 1,427.92 | 1,427.92 | 1,560.36 | 1,560.36 |
| | 1,427.92 | 1,427.92 | 1,560.36 | 1,560.36 |

# Note 8.4

# Notes
## forming part of financial statement for the year ended March 31, 2024

**(8) Other Information:**

(₹ in Lakhs)

| Category | 2023-24 Amount | 2022-23 Amount |
|---|---|---|
| (i) Gross Non-Performing Assets | | |
| (a) Related Parties | - | - |
| (b) Other than related parties | 296.68 | 204.28 |
| (ii) Net Non-Performing Assets | | |
| (a) Related Parties | - | - |
| (b) Other than related parties | 169.39 | 116.33 |
| Assets acquired in satisfaction of debt | - | - |

**Note '45(vii)'-**

(1) Exposure

1.1) Exposure to Real Estate Sector

(₹ in Lakhs)

| Category | As at March 31, 2024 Amount | As at March 31, 2023 Amount |
|---|---|---|
| i) 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. | - | - |
| 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. | 1,588.23 | 759.45 |
| c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures – | | |
| - Residential | - | - |
| - Commercial Real Estate | - | - |
| ii) Indirect Exposure | | |
| Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies. | - | - |
| Total Exposure to Real Estate Sector | 1,588.23 | 759.45 |


# Notes
## forming part of financial statement for the year ended March 31, 2024


1.2) Exposure to Capital Market

(₹ in Lakhs)

| Particulars | As at March 31, 2024 Amount | As at March 31, 2023 Amount |
|---|---|---|
| i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt | 208.17 | 287.79 |
| ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds | - | - |
| iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security | - | - |
| iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances | - | - |
| v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers | - | - |
| vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources | - | - |
| vii) Bridge loans to companies against expected equity flows / issues | - | - |
| viii) 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 | - | - |
| ix) Financing to stockbrokers for margin trading | - | - |
| x) All exposures to Alternative Investment Funds: | | |
| - Category I | - | - |
| - Category II | - | - |
| - Category III | - | - |
| Total Exposure to capital market | 208.17 | 287.79 |

# Notes

## forming part of financial statement for the year ended March 31, 2024

1.3) Sectoral exposure

(₹ in Lakhs)

| Advances to Individuals against Gold | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | 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 |
| i) Agriculture and Allied Activities | 87.38 | - | 0.00% | 116.47 | - | - |
| ii) Industry | | | | | | |
| Micro and small | 1,429.33 | - | 0.00% | 206.80 | - | - |
| Medium | 486.02 | - | 0.00% | 396.99 | - | - |
| Large | - | - | | - | - | |
| Others | 1,448.87 | - | 0.00% | 1,124.51 | - | - |
| Total of industry | 3,364.22 | - | 0.00% | 1,728.30 | - | - |
| iii) Services | | | | | | |
| Transport operators | 217.08 | - | 0.00% | 292.07 | - | - |
| Tourism, Hotel and Restaurants | 420.68 | 1.60 | 0.38% | 416.05 | - | - |
| Professional Services | 886.73 | - | 0.00% | 797.75 | - | - |
| Trade | 463.50 | 16.06 | 3.46% | 396.71 | 21.96 | 0.06 |
| Commercial Real Estate | 1,588.23 | - | 0.00% | 1,190.16 | - | - |
| NBFCs | 161.86 | - | 0.00% | 112.94 | - | - |
| Others | 4,815.00 | 82.57 | 1.71% | 4,066.66 | 5.26 | 0.00 |
| Total of services | 8,553.09 | 100.23 | 1.17% | 7,272.34 | 27.22 | 0.00 |
| iv) Personal Loans | | | | | | |
| Advances to Individuals against Gold | 7,988.36 | 92.91 | 1.16% | 4,056.27 | 99.01 | 0.02 |
| Others | 2,877.41 | 103.54 | 3.60% | 2,869.69 | 78.05 | 0.03 |
| v) Others | - | - | | | | |
| Total Advances | 22,870.46 | 296.68 | | 16,043.07 | 204.28 | |

1.4) Intra-group exposure

(₹ in Lakhs)

| Particulars | As at March 31, 2024 Amount | As at March 31, 2023 Amount |
|---|---|---|
| Total amount of intra group exposures | - | 132.50 |
| Total amount of top 20 intra-group exposures | - | 132.50 |
| Percentage of intra- group exposures to total exposure of the NBFC on borrowers/customers | - | 0.01 |
| | - | - |

1.5) Unhedged Foreign currency exposure

(₹ in Lakhs)

| Particulars | 2023-24 Amount | 2022-23 Amount |
|---|---|---|
| Unhedged Foreign Currency Exposure | - | - |




# Notes

## forming part of financial statement for the year ended March 31, 2024


(2) Related Party Disclosure

(₹ in Lakhs)

| Particulars | As at March 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Directors | Relatives of Directors | Key Management | Relatives of Key Management Personnel | Others | Total |
| Borrowings | 2,500.00 | - | - | - | - | 2,500.00 |
| Deposits | - | - | - | - | - | - |
| Placement of Deposits | - | - | - | - | - | - |
| Advances | - | - | - | - | - | - |
| Investments | - | - | - | - | - | - |

(₹ in Lakhs)

| Particulars | As at March 31, 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Directors | Relatives of Directors | Key Management | Relatives of Key Management Personnel | Others | Total |
| Borrowings | 1,789.00 | 160.00 | 10.00 | - | - | 1,959.00 |
| Deposits | - | - | - | - | - | - |
| Placement of Deposits | - | - | - | - | - | - |
| Advances | - | - | - | - | 132.50 | 132.50 |
| Investments | - | - | - | - | - | - |

(₹ in Lakhs)

| Maximum Outstanding | 2023-24 | | | | | |
|---|---|---|---|---|---|---|
| | Directors | Relatives of Directors | Key Management | Relatives of Key Management Personnel | Others | Total |
| Borrowings | 2,917.00 | 160.00 | 10.00 | - | - | 3,087.00 |
| Deposits | - | - | - | - | - | - |
| Placement of Deposits | - | - | - | - | - | - |
| Advances | - | - | - | - | 132.50 | 132.50 |
| Investments | - | - | - | - | - | - |

# Notes
## forming part of financial statement for the year ended March 31, 2024

(₹ in Lakhs)

| Maximum Outstanding | 2022-23 | | | | | |
|---|---|---|---|---|---|---|
| | Directors | Relatives of Directors | Key Management | Relatives of Key Management Personnel | Others | Total |
| Borrowings | 1,789.00 | 160.00 | 10.00 | - | - | 1,959.00 |
| Deposits | - | - | - | - | - | - |
| Placement of Deposits | - | - | - | - | - | - |
| Advances | - | - | - | - | 192.50 | 192.50 |
| Investments | - | - | - | - | - | - |

(₹ in Lakhs)

| Particulars | 2023-24 | | | | | |
|---|---|---|---|---|---|---|
| | Directors | Relatives of Directors | Key Management | Relatives of Key Management Personnel | Others | Total |
| Purchase of fixed/other assets | - | - | - | - | 2.99 | 2.99 |
| Sale of fixed/other assets | - | - | - | - | - | - |
| Interest Paid | 163.00 | - | 0.91 | - | - | 163.91 |
| Interest Received | - | - | - | - | 16.34 | 16.34 |
| Others | 72.70 | - | 81.35 | - | 12.07 | 166.12 |

(₹ in Lakhs)

| Particulars | 2022-23 | | | | | |
|---|---|---|---|---|---|---|
| | Directors | Relatives of Directors | Key Management | Relatives of Key Management Personnel | Others | Total |
| Purchase of fixed/other assets | | | | | 3.13 | 3.13 |
| Sale of fixed/other assets | | | | | | - |
| Interest Paid | 68.01 | 1.72 | 0.10 | | | 69.83 |
| Interest Received | | | | | 28.98 | 28.98 |
| Others | 48.95 | | 51.16 | | 27.07 | 127.18 |
| Company has no Parent, Subsidiaries, Associates or Joint Ventures | | | | | | |



# Notes
## forming part of financial statement for the year ended March 31, 2024

(3) Disclosure of complaints

3.1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| Complaints received by the NBFC from its customers | | |
| 1. Number of complaints pending at beginning of the year | - | - |
| 2. Number of complaints received during the year | 2 | - |
| 3. Number of complaints disposed during the year | 2 | - |
| 3.1 Of which, number of complaints rejected by the NBFC | - | - |
| 4. Number of complaints pending at the end of the year | - | - |
| Maintainable complaints received by the NBFC from Office of Ombudsman | | |
| 5. Number of maintainable complaints received by the NBFC from Office of Ombudsman | 2 | - |
| 5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman | 2 | - |
| 5.2 Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman | - | - |
| 5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC | - | - |
| 6. Number of Awards unimplemented within the stipulated time (other than those appealed) | - | - |

3.2) Top five grounds of complaints received by NBFCs from customers

| 2023-24 | | | | | |
|---|---|---|---|---|---|
| Grounds of complaints, (i.e. complaints relating to) | Number of complaints pending at the beginning of the year | Number of complaints received during the year | % increase/ decrease in the number of complaints received over the previous year | Number of complaints pending at the end of the year | Of 5, number of complaints pending beyond 30 days |
| 1 | 2 | 3 | 4 | 5 | 6 |
| Loans & Advances | - | 2 | 100% | - | - |
| Staff behaviour | - | - | - | - | - |
| Others | - | - | - | - | - |

| 2022-23 | | | | | |
|---|---|---|---|---|---|
| Grounds of complaints, (i.e. complaints relating to) | Number of complaints pending at the beginning of the year | Number of complaints received during the year | % increase/ decrease in the number of complaints received over the previous year | Number of complaints pending at the end of the year | Of 5, number of complaints pending beyond 30 days |
| 1 | 2 | 3 | 4 | 5 | 6 |
| Loans & Advances | - | - | - | - | - |
| Staff behaviour | - | - | - | - | - |
| Others | - | - | - | - | - |

# Notes

## forming part of financial statement for the year ended March 31, 2024

**Note 45(viii): Disclosure required as per Reserve Bank of India Notification No. DOR (NBFC). CC . PD. No.109/ 22.10.106/2019-20 dated March 13, 2020**

In accordance with the regulatory guidance on implementation of Ind AS issued by RBI on March 13, 2020, the company has computed provisions as per Income Recognition Asset Classification and Provisioning (IRACP) norms issued by RBI solely for comparative purposes as specified therein. A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 is given below:

**a. Provision under prudential norms of income recognition, asset classification (IRAC) as at March 31,2024**

(₹ in Lakhs)

| Assets Classification as per RBI normsw | Assets Classification as per IND AS 109 | Gross Carrying Amounts as per IND AS 109 | Loss Allowances (Provisions) as required under Ind AS 109(ECL) | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5)=(3)-(4) | (6) | (7)=(4)-(6) |
| **Performing Assets** | | | | | | |
| Standard | Stage 1 | 21,624.49 | 61.28 | 21,563.21 | 50.17 | 11.11 |
| | Stage 2 | 612.78 | 11.84 | 600.94 | 4.91 | 6.93 |
| | Stage 3 | 337.53 | 4.67 | 332.86 | 0.74 | 3.93 |
| **Subtotal** | | 22,574.80 | 77.79 | 22,497.01 | 55.82 | 21.97 |
| **Non-Performing Assets (NPA)** | | | | - | | |
| Substandard | Stage 3 | 217.47 | 81.77 | 135.70 | 49.10 | 32.67 |
| Doubtful - Upto 1 year | Stage 3 | - | - | - | - | - |
| 1 to 3 years | Stage 3 | - | | - | | - |
| More Than 3 Years | Stage 3 | 3.17 | 3.17 | - | 3.17 | - |
| **Subtotal for Doubtful** | | 3.17 | 3.17 | - | 3.17 | - |
| Loss | Stage 3 | 75.02 | 75.02 | - | 75.02 | |
| **Subtotal for NPA** | | 295.66 | 159.96 | 135.70 | 127.29 | 32.67 |
| Other items such as guarantees, loan, commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage 1 | - | - | - | | - |
| | Stage 2 | - | - | - | | - |
| | Stage 3 | - | - | - | | - |
| | | - | - | | | - |
| **Subtotal** | | - | - | - | - | - |
| **Total** | **Stage 1** | 21,624.49 | 61.28 | 21,563.21 | 50.17 | 11.11 |
| | **Stage 2** | 612.78 | 11.84 | 600.94 | 4.91 | 6.93 |
| | **Stage 3** | 633.19 | 164.63 | 468.56 | 128.03 | 36.60 |
| | **Total** | 22,870.46 | 237.75 | 22,632.71 | 183.11 | 54.64 |







# Notes

## forming part of financial statement for the year ended March 31, 2024



b. Provision under prudential norms of income recognition, asset classification (IRAC) as at March 31,2023

(₹ in Lakhs)

| Assets Classification as per RBI norms | Assets Classification as per IND AS 109 | Gross Carrying Amounts as per IND AS 109 | Loss Allowances (Provisions) as required under Ind AS 109(ECL) | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5)=(3)-(4) | (6) | (7)=(4)-(6) |
| **Performing Assets** | | | | | | |
| Standard | Stage 1 | 15,336.64 | 64.46 | 15,272.18 | 37.97 | 26.49 |
| | Stage 2 | 349.12 | 5.00 | 344.12 | 0.80 | 4.20 |
| | Stage 3 | 137.82 | 3.65 | 134.17 | 0.30 | 3.35 |
| Subtotal | | 15,823.58 | 73.11 | 15,750.47 | 39.07 | 34.04 |
| Non-Performing Assets (NPA) | | | | - | | |
| Substandard | Stage 3 | 136.41 | 14.03 | 122.38 | 12.93 | 1.11 |
| Doubtful - Upto 1 year | Stage 3 | - | - | - | - | - |
| 1 to 3 years | Stage 3 | 11.68 | 5.02 | 6.66 | 5.02 | - |
| More Than 3 Years | Stage 3 | - | - | - | - | - |
| Subtotal for Doubtful | | 11.68 | 5.02 | 6.66 | 5.02 | - |
| Loss | Stage 3 | 71.40 | 71.40 | - | 70.00 | |
| Subtotal for NPA | | 219.49 | 90.45 | 129.04 | 87.94 | 1.11 |
| Other items such as guarantees, loan, commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage 1 | - | - | - | | - |
| | Stage 2 | - | - | - | | - |
| | Stage 3 | - | - | - | | - |
| | | - | - | | | - |
| Subtotal | | - | - | - | - | - |
| Total | Stage 1 | 15,336.64 | 64.46 | 15,272.18 | 37.97 | 26.49 |
| | Stage 2 | 349.12 | 5.00 | 344.12 | 0.80 | 4.20 |
| | Stage 3 | 357.31 | 94.10 | 263.21 | 88.24 | 4.46 |
| | Total | 16,043.07 | 163.56 | 15,879.51 | 127.01 | 35.15 |

The aggregate impairment loss on application of expected credit loss method (ECL) as per Ind AS, as stated above, is more than the provisioning required under IRACP norms (including standard asset provisioning).

# Notes

**forming part of financial statement for the year ended March 31, 2024**

**Note 45(ix):- Public Disclosure on Liquidity Risk pursuant to RBI Guidelines on Liquidity Risk Management framework as provided in Reserve Bank of India Master Direction (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 and Non-Banking Financial Company - Non-Systematically Important Non-Deposit taking (Reserve Bank) Directions, 2016**

**i. Funding Concentration based on significant counterparty (both deposits and borrowings)**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Number of Significant Counter parties | 6 | 5 |
| Amount (₹ in Lakhs) | 11,511.81 | 7,885.15 |
| % of Total Deposits | NA | NA |
| % of Total Liabilities | 78.61% | 86.53% |

**ii. Top 20 large deposits**

Not applicable, the Company being a Non-Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

**iii. Top 10 borrowings**

| Particular | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Amount (₹ Lakhs) of Borrowings from Top 10 Lenders | 13664.02 | 8591.14 |
| % of Total Borrowings | 100% | 100% |

**iv. Funding Concentration based on significant instrument / product**

| Name of Instrument / Product | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | Amount (₹ lakhs) | % of Total Liabilities | Amount (₹ lakhs) | % of Total Liabilities |
| Loan from Bank | 10,874.05 | 74.26% | 6,096.15 | 66.89% |
| Loan from Directors | 2,500.00 | 17.07% | 1,789.00 | 19.63% |
| Loans from NCD | - | - | 705.99 | 7.75% |
| Loans from ICD | 289.97 | 1.98% | - | - |

**v. Stock Ratios**

| Particulars | March 31, 2024 | | | March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | As a % of Total Public Funds | As a % of Total Liabilities | As a % of Total Assets | As a % of Total Public Funds | As a % of Total Liabilities | As a % of Total Assets |
| Commercial Papers* | NA | NA | NA | NA | NA | NA |
| Non-convertible debentures (NCD's) (original maturity of less than a year)* | NA | NA | NA | NA | NA | NA |
| Other short-term liabilities | 76.66% | 58.44% | 31.26% | 72.10% | 53.77% | 24.13% |

*No Commercial Papers and NCD's with original Maturity not less than a year are not issued during current financial year and are outstanding as on reporting date, hence not applicable.

Note

a) Public fund represent debt securities, borrowings other than debt securities and exclude loans from directors and relatives

b) Total Liabilities represent Total Liabilities and Equity as per Balance Sheet less Equity



Notes

forming part of financial statement for the year ended March 31, 2024

c) Other Short Term Liabilities represent all liabilities (excluding Commercial Paper) maturing within a year.

The Company has not issued during the year or in the previous year and there are no outstanding as on the reporting dates (a) Commercial paper (b) Non-convertible Debenture (original maturity of less than 1 year) and hence stock ratios are not applicable in respect of the same.

**vi. Institutional set-up for liquidity risk management**

In compliance with liquidity circular, the Board of Directors has approved constitution of Asset Liability Committee (ALCO) which reviews and monitors Asset Liability Management (ALM) mismatch on regular basis. The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the balance sheet.

**45(x) - Disclosure in respect of loans against security of gold jewellery**

(a) Percentage of loans granted against collateral of gold jewellery to total assets

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Gold Loans granted against collateral of gold jewellery (₹ in Lakhs) | 7,988.36 | 4056.27 |
| Total assets of the Company (₹ in Lakhs) | 27,378.96 | 20,307.45 |
| Percentage of Gold Loans to Total Assets | 29.18 | 19.97 |

(b) Details of the Auction conducted with respect to Gold Loan

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Number of Loan Accounts | 114 | 19 |
| Amount due (₹ in Lakhs) | 260.91 | 16.02 |
| Amount realised (₹ in Lakhs) | 264.60 | 16.50 |
| Sister Concern participated in auction | - | - |

**45(xi) - Loans to Directors, Senior Officers and Relatives of Directors**

**(₹ in Lakhs)**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Directors and their relatives | - | - |
| Entities associated with directors and their relatives | - | 132.50 |
| Senior Officers and their relatives | - | - |

# Notes

## forming part of financial statement for the year ended March 31, 2024

### Note '46'- Maturity analysis of Assets and Liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled

(₹ in Lakhs)

| Particulars | | March 31, 2024 | | | March 31, 2023 | | |
|---|---|---|---|---|---|---|---|
| | | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| **ASSETS** | | | | | | | |
| **1** | **Financial Assets** | | | | | | |
| a) | Cash and cash equivalents | 631.17 | - | 631.17 | 1,131.12 | - | 1,131.12 |
| b) | Bank balances other than (a) above | - | 919.24 | 919.24 | 18.76 | - | 18.76 |
| c) | Receivables | | | | | | |
| | i) Trade receivables | - | - | - | - | - | - |
| | ii) Other receivables | 47.49 | - | 47.49 | 28.40 | - | 28.40 |
| d) | Loans | 15,510.09 | 7,122.62 | 22,632.71 | 7,812.95 | 8,066.56 | 15,879.51 |
| e) | Investments | - | 1,427.92 | 1,427.92 | - | 1,560.36 | 1,560.36 |
| f) | Other financial assets | - | 77.37 | 77.37 | - | 62.57 | 62.57 |
| **2** | **Non- Financial Assets** | | | | | | |
| a) | Income tax assets (net) | - | 28.96 | 28.96 | - | 29.08 | 29.08 |
| b) | Deferred tax assets (net) | - | 74.74 | 74.74 | - | 40.91 | 40.91 |
| c) | Investment property | - | 1,316.11 | 1,316.11 | - | 1,316.11 | 1,316.11 |
| d) | Property, plant and equipment | - | 57.18 | 57.18 | - | 43.46 | 43.46 |
| e) | Intangible Asset under development | - | 24.11 | 24.11 | 3.00 | - | 3.00 |
| f) | Right of use asset | 54.15 | 70.16 | 124.31 | 45.26 | 83.20 | 128.46 |
| g) | Intangible Assets | - | 1.30 | 1.30 | - | 2.36 | 2.36 |
| h) | Other non-financial assets | 11.45 | 4.90 | 16.35 | 53.89 | 9.46 | 63.35 |
| | **TOTAL ASSETS** | 16,254.35 | 11,124.61 | 27,378.96 | 9,093.38 | 11,214.07 | 20,307.45 |
| **LIABILITIES** | | | | | | | |
| **1** | **Financial Liabilities** | | | | | | |
| a) | Payables | | | | | | |
| | Trade payables | | | | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | 3.86 | | 3.86 | 0.39 | | 0.39 |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 71.33 | | 71.33 | 36.71 | | 36.71 |
| | Other payables | | | | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | 4.67 | - | 4.67 | 1.28 | - | 1.28 |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 12.38 | - | 12.38 | 3.25 | - | 3.25 |
| b) | Debt Securities | - | - | - | 480.99 | 225.00 | 705.99 |
| c) | Borrowings(Other than debt securities) | 8,557.84 | 5,106.18 | 13,664.02 | 4,424.90 | 3,460.25 | 7,885.15 |
| d) | Lease liability | 54.59 | 81.18 | 135.77 | 43.83 | 95.10 | 138.93 |
| e) | Other financial liabilities | 237.70 | - | 237.70 | 20.08 | - | 20.08 |
| **2** | **Non-Financial Liabilities** | | | | | | |
| a) | Current tax liabilities (net) | 314.19 | - | 314.19 | 221.32 | - | 221.32 |
| b) | Provisions | 41.21 | - | 41.21 | 14.33 | - | 14.33 |
| c) | Other non- financial liabilities | 158.85 | - | 158.85 | 85.69 | - | 85.69 |
| | **TOTAL LIABILITIES** | 9,456.62 | 5,187.36 | 14,643.98 | 5,332.77 | 3,780.35 | 9,113.12 |



# Notes

## forming part of financial statement for the year ended March 31, 2024

(₹ in Lakhs)

| Particulars | March 31, 2024 | | | March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| NET | 6,797.73 | 5,937.25 | 12,734.98 | 3,760.61 | 7,433.72 | 11,194.33 |

### 47 Disclosure in respect of related parties pursuant to Ind AS - 24 "Related Party Disclosures"

List of Related Parties with whom transactions have taken place - (as certified by Management)

| | | |
|---|---|---|
| **a)** | **Key Management Personnel (KMPs) :** | |
| | Shri Meghraj Sohanlal Jain | - Chairman & Managing Director |
| | Shri Nilesh Jain | - Chief Financial Officer & Executive Director |
| | Shri Hardik Meghraj Jain | - Executive Director (appointed w.e.f. January 10, 2024) |
| | Shri Chirag Narendra Parmar | - Company Secretary (appointed w.e.f. November 07, 2023) |
| | Shri Manish Rathi | - Chief Executive Officer (resigned w.e.f. September 30. 2023) |
| | Smt. Bhavika Mehta | - Company Secretary (resigned w.e.f. September 25,2023) |
| | **Non executive directors** | |
| | Shri Sujan Sinha | Shri Sriram Sankaranarayanan |
| | Shri Subramanyam Ganesh | Smt. Vineeta Piyush Patel (appointed w.e.f. January 10, 2024) |
| | Shri Ramanathan Annamalai | Smt. Nirupama Charuhas Khandke (resigned w.e.f. December 27, 2023) |
| **b)** | **Close family members of KMPs :** | |
| | Shri Hardik Meghraj Jain | - Son of Shri Meghraj Sohanlal Jain (appointed as Executive Director w.e.f. January 10, 2024) |
| | Shri Ajit Sohanlal Jain | - Brother of Shri Meghraj Sohanlal Jain |
| | Smt. Indra Meghraj Jain | - Wife of Shri Meghraj Sohanlal Jain |
| | Smt. Bhavika Meghraj Jain | - Daughter of Shri Meghraj Sohanlal Jain |
| **c)** | **Entities over which key management personnel and their close family members are able to exercise significant influence** | |
| | Mangal Compusolution Ltd. (erstwhile Mangal Compusolution Pvt. Ltd.) | Dhakad Properties Pvt. Ltd. |
| | Chakshu Realtors Pvt. Ltd. | Digital Edge Technology |

# Notes

## forming part of financial statement for the year ended March 31, 2024

| | |
|---|---|
| Shree Mangal Jewels Pvt. Ltd. | Ajit S. Jain (HUF) |
| Shree Ratna Mangal Jewels Pvt. Ltd. | Mangal Charitable Trust |
| Swarna Bhavya Mangal Jewels Pvt. Ltd. | |
| Mangal Royal Jewels Pvt. Ltd. | |

**Transactions with the related parties in the ordinary course of business**

(₹ in Lakhs)

| Particulars | Referred in (a) above | | Referred in (b) above | | Referred in (c) above | |
|---|---|---|---|---|---|---|
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| **Purchases : Fixed Assets** | | | | | | |
| Mangal Compusolution Ltd. | - | - | - | - | 2.99 | 3.13 |
| **Income :** | | | | | | |
| **Interest on loans given *** | | | | | | |
| Mangal Royal Jewels Pvt. Ltd. | - | - | - | - | - | 3.88 |
| Shree Mangal Jewels Pvt. Ltd. | - | - | - | - | 5.43 | 8.11 |
| Shree Ratna Mangal Jewels Pvt. Ltd. | - | - | - | - | 5.82 | 8.49 |
| Shree Bhavya Mangal Jewels Pvt. Ltd. | - | - | - | - | 5.09 | 8.49 |
| Office administrative services | | | | | 5.94 | 9.99 |
| Mangal Buildhome Pvt. Ltd. | | | | | 3.47 | 4.72 |
| Chakshu Realtors Pvt. Ltd. | | | | | 2.22 | 4.10 |
| Digital Edge Technology | | | | | 0.25 | 1.17 |
| Guarantee commission income: Mangal Compusolution Ltd. | - | - | - | - | 0.92 | 3.66 |
| **Expenses :** | | | | | | |
| **Interest on Debt Securities and Loans** | | | | | | |
| Shri Meghraj Sohanlal Jain | 146.50 | 68.01 | - | - | - | - |
| Shri Hardik Meghraj Jain | 16.50 | 1.72 | - | - | - | - |
| Shri Manish Rathi | 0.91 | 0.10 | - | - | - | - |
| **Office Rent** | | | | | | |
| Chakshu Realtors Pvt. Ltd. * | - | - | - | - | 4.50 | 9.00 |
| Computer rent and services | | | | | | |
| Mangal Compusolution Ltd. | | | | | 0.71 | 0.33 |
| Computer Rental Expenses: Mangal Compusolution Ltd. | - | - | - | - | 0.63 | 0.29 |
| Computer Repair Expenses: Mangal Compusolution Ltd. | - | - | - | - | 0.08 | 0.04 |
| Website Design Charges: Digital Edge Technology | - | - | - | - | - | 0.50 |
| Business Promotion Expenses: Mangal Royal Jewels Pvt. Ltd. | - | - | - | - | - | 3.60 |
| Professional fees: Shri Sujan Sinha | 4.20 | 4.20 | - | - | - | - |
| **Directors & KMPs :** | | | | | | |
| Sitting Fees | 7.00 | 4.25 | - | - | - | - |
| **Remuneration :** | | | | | | |
| Shri Meghraj Sohanlal Jain | 30.00 | 30.00 | - | - | - | - |



# Notes

## forming part of financial statement for the year ended March 31, 2024

(₹ in Lakhs)

| Particulars | Referred in (a) above | | Referred in (b) above | | Referred in (c) above | |
|---|---|---|---|---|---|---|
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| Shri Hardik Meghraj Jain | 12.00 | - | - | - | - | - |
| Shri Manish Rathi | 73.82 | 47.54 | - | - | - | - |
| Shri Nilesh Jain | 19.50 | 10.50 | - | - | - | - |
| Shri Chirag Parmar | 4.63 | - | - | - | - | - |
| Shri Bhavika Mehta | 2.90 | 3.62 | - | - | - | - |
| **Dividend :** | | | | | | |
| Dividend Paid | 26.82 | 26.68 | 2.06 | 2.06 | 18.72 | 18.72 |
| **Loans given received back * :** | | | | | | |
| Shree Mangal Jewels Pvt. Ltd. | - | - | - | - | 42.50 | 20.00 |
| Shree Ratna Mangal Jewels Pvt. Ltd. | - | - | - | - | 45.00 | 20.00 |
| Swarna Bhavya Mangal Jewels Pvt. Ltd. | - | - | - | - | 45.00 | 20.00 |
| Mangal Royal Jewels Pvt. Ltd. | - | - | - | - | - | 32.50 |
| **Loans accepted :** | | | | | | |
| Shri Meghraj Sohanlal Jain | 4,359.50 | 5,319.10 | - | - | - | - |
| Shri Hardik Meghraj Jain | 25.00 | - | - | - | - | - |
| **Debt securities / loans repaid :** | | | | | | |
| Shri Meghraj Sohanlal Jain | 3,648.50 | 4,305.10 | - | - | - | - |
| Shri Hardik Meghraj Jain | 185.00 | - | | | | |
| Shri Manish Rathi | 10.00 | - | - | - | - | - |
| **Issue of equity shares:** | | | | | | |
| Shri Hardik Meghraj Jain | 275.00 | - | - | - | - | - |
| **Issue of equity share warrants** | | | | | | |
| Shri Hardik Meghraj Jain | 426.25 | - | - | - | - | - |
| **Outstanding as at:** | | | | | | |
| **Trade and Others - Net (Payable) / Receivable :** | | | | | | |
| Shri Manish Rathi | - | (13.32) | - | - | - | - |
| MEW Electricals Ltd. | - | - | - | - | - | - |
| Shri Meghraj Sohanlal Jain | (2.48) | - | - | - | - | - |
| Shri Hardik Meghraj Jain | (3.20) | (160.00) | - | - | - | - |
| Shri Nilesh Jain | (0.83) | (1.40) | - | - | - | - |
| Shri Sujan Sinha | (0.32) | - | - | - | - | - |
| Shri Chirag Narendra Parmar | (0.82) | - | - | - | - | - |
| Smt. Bhavika Mehta | - | (0.40) | - | - | - | - |
| Mangal Compusolution Ltd. | - | - | - | - | (0.14) | - |
| **Interest accrued & due on Loans :** | | | | | | |
| Shri Hardik Meghraj Jain | - | (1.44) | - | - | - | - |
| Shri Manish Rathi | - | (0.85) | - | - | - | - |
| Shree Mangal Jewels Pvt. Ltd. | - | - | - | - | - | 0.34 |
| Shree Ratna Mangal Jewels Pvt. Ltd. | - | - | - | - | - | 0.36 |
| Swarna Bhavya Mangal Jewels Pvt. Ltd. | - | - | - | - | - | 0.36 |
| **Security deposit :** | | | | | | |
| Chakshu Realtors Pvt. Ltd (Rented premises) | | | | | 50.00 | 50.00 |

# Notes
## forming part of financial statement for the year ended March 31, 2024

(₹ in Lakhs)

| Particulars | Referred in (a) above | | Referred in (b) above | | Referred in (c) above | |
|---|---|---|---|---|---|---|
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| **Loans given :** | | | | | | |
| Mangal Royal Jewels Pvt. Ltd. | - | - | - | - | - | - |
| Shree Mangal Jewels Pvt. Ltd. | - | - | - | - | - | 42.50 |
| Shree Ratna Mangal Jewels Pvt. Ltd. | - | - | - | - | - | 45.00 |
| Swarna Bhavya Mangal Jewels Pvt. Ltd. | - | - | - | - | - | 45.00 |
| **Debt securities / loans outstanding :** | | | | | | |
| Shri Hardik Meghraj Jain | - | 160.00 | | | | |
| Shri Manish Rathi | - | 10.00 | | | | |
| Shri Meghraj Sohanlal Jain | 2,500.00 | 1,789.00 | - | - | - | - |
| **Corporate guarantee given :** | | | | | | |
| Mangal Compusolution Ltd. | - | - | - | - | - | 732.00 |
| **Personal guarantee :** | | | | | | |
| **Term Loans : ( to the extent amount outstanding)** | | | | | | |
| **Secured :** | | | | | | |
| Shri Meghraj Sohanlal Jain | 4,969.25 | 2,679.25 | - | - | - | - |
| Shri Nilesh Jain | 1,660.54 | 2,679.25 | - | - | - | - |
| Shri Hardik Meghraj Jain | 854.66 | - | - | - | - | - |
| **Short Term Loans:** | | | | | | |
| **Secured :** | | | | | | |
| Shri Meghraj Sohanlal Jain | 1,500.00 | - | | | | |
| **Loan Repayable on Demand :** | | | | | | |
| **Secured** | | | | | | |
| Shri Meghraj Sohanlal Jain | 2,000.00 | 1,550.00 | - | - | - | - |

*Undiscounted Value

47.1 The Company had issued corporate guarantee aggregate to ₹ 732 lakhs for loans availed by M/s Mangal Compusolution Ltd. (erstwhile Mangal Compusolution Pvt. Ltd.), a company in which a director of the Company is a director and shareholder, in favour of two Non Banking Financial Companies. Outstanding Loan amount is ₹ Nil (P.Y. 633 lakhs).

47.2 Contribution to a charitable trust in which one of the director and his relatives are trustees :

(₹ in Lakhs)

| Particulars | As at 31.03.2024 | As at 31.03.2023 |
|---|---|---|
| Contribution towards Corporate Social Responsibility | 19.31 | 15.69 |

47.3 Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

(₹ in Lakhs)

| Name of Company | Loans & Advances | | Loans & Advances | |
|---|---|---|---|---|
| | Amount O/s as on March 31, 2024 | Maximum Balance as on March 31, 2024 | Amount O/s as on March 31, 2023 | Maximum Balance as on March 31, 2023 |
| **Companies Under Common Control** | | | | |
| Shree Mangal Jewels Pvt Ltd | - | 42.50 | 42.50 | 62.50 |
| Shree Ratna Mangal Jewels Pvt Ltd | - | 45.00 | 45.00 | 65.00 |
| Swarna Bhavya Mangal Jewels Pvt Ltd | - | 45.00 | 45.00 | 65.00 |
| | - | 132.50 | 132.50 | 192.50 |



# Notes
## forming part of financial statement for the year ended March 31, 2024

**Note 48 - Additional regulatory information under division III to schedule III as per notification dated March 24, 2021**

(i) Relationship with Struck off Companies

Details of Struck off companies with whom the company has transaction during the year or outstanding balance:

| Name of the Struck of Company | Nature of transaction with struck off Company |
|---|---|
| Key-Elkars Finance & Leasing Pvt. Ltd. | Unclaimed Dividend (net of TDS) |
| Star of Karnataka Holding & Manufacturing Pvt. Ltd. | Unclaimed Dividend (net of TDS) |

48.1 Insignificant amount

(ii) Analytical Ratios

| Ratio | Numerator | Denominator | Current Period | Previous Period | % Variance | Reason for variance (if above 25%) |
|---|---|---|---|---|---|---|
| (a) Capital to risk weighted assets ratio (CRAR) | Total Capital Funds | Total risk weighted assets/ exposures | 47.23% | 57.93% | 10.70% | NA |
| (b) Tier I CRAR | Net Owned Fund | Total risk weighted assets/ exposures | 47.23% | 57.93% | 10.70% | NA |
| (c) Tier II CRAR | Aggregate Tier II Capital | Total risk weighted assets/ exposures | 0% | 0% | 0% | NA |

(iii) Details of Crypto Currency or Virtual Currency - The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**Note '49'**

Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

**As per our Report of even date**
**For Bhagwagar Dalal & Doshi**
**Chartered Accountants**
**FRN: 128093W**

**For and on behalf of the board of directors**
**Mangal Credit And Fincorp Limited**

| Sd/- | Sd/- | Sd/- | Sd/- |
|---|---|---|---|
| **Jatin V. Dalal** | **Meghraj Jain** | **Nilesh Jain** | **Chirag Parmar** |
| **Partner** | **Managing Director** | **Director & CFO** | **Company Secretary** |
| **M.No. 124528** | **DIN:- 01311041** | **DIN:- 08788781** | **M. No. A66852** |

**Place: Mumbai**
**Date : 7th May, 2024**

**Place: Mumbai**
**Date : 7th May, 2024**

# INDEPENDENT AUDITOR'S REPORT

To
The Members of
**Mangal Credit & Fincorp Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **M/S Mangal Credit & Fincorp Limited** (the"Company") which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information(herein after referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India;

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2023;
b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
c) in the case of the Statement of Changes in Equity on that date; and
d) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

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

The Company's Board of Directors is responsible for the preparation of the other information.

The other information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion and Analysis report but does not include the financial statements and our auditor's report thereon. The Director's report and Management Discussion and Analysis report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Director's report and Management Discussion and Analysis report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

Management 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. . 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management 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 the management either intends to liquidate the Company or to cease operations ,or has no realistic alternative but to do so.

The board of directors is also responsible for overseeing the Company's financial reporting process.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes are 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

(11) of Section 143 of Companies Act, 2013 we enclose in the **"Annexure A"**, a statement of matters specified in paragraph 3 & 4 of the said order to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the financial statements.

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

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

(d) In our opinion, the aforesaidstandalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of 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.

(f) With respect to the adequacy of the internal financial controls over financial Reporting of the Company and the operating effectiveness of such controls, Refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in Accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the Explanations given to us:

(i) The company has disclosed the impact of pending litigations on its financial position in its financial statements in Note 32 to the financial statements.

(ii) The Company has made provision, as required under the applicable law or accounting standards and the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(iv) The management has represented that, to the best of its knowledge and belief :

(a) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, thatthe Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) No funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

In our opinion and based on the audit procedures, we have considered reasonable

and appropriate in the circumstances;
nothing has come to our notice that has caused us

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report.

However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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.

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

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

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

## Report on Other Legal and Regulatory Requirements.

A. As required by Companies (Auditor's Report) Order, 2020 ("The Order"), as amended, issued by Central Government of India in terms of Sub Section to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.

(vi) Proviso to Rule 3(1) of Companies (Accounts) Rule, 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 MGB & Co. LLP**
**Chartered Accountants**
**FRN: 101169W/W-100035**

**Sd/-**
**Sandeep Jhanwar**
**Partner**
**M.No. 078146**

**Place: Jaipur**
**Date: May 24, 2023**
**UDIN: 23078146BGWICV2233**

## Annexure A to the Auditors' Report

**The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2023, we report**

(i) (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

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) The Company has a regular programme of physical verification of its Property Plant and Equipment by which Property Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this programme, Property Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of examination of the records of the company, the title deeds of immovable properties (other than where the same company is the lessee and the lease agreement are duly executed in the favor of lessee) disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of examination of the records of the company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and hence clause 3(i)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of examination of the records of the company, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and hence clause 3(i)(e) of the Order is not applicable.

(ii) (a) The company is a NBFC Company, primarily engaged in rendering loans services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the order is not applicable to the Company.

(b) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company has not been sanctioned any working capital limits in excess of five crores rupees, in aggregate, from banks on financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the order is not applicable to the company.

(iii) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company has made investments in companies, however not provided any security to companies, firms, limited liability partnerships or any other parties during the year. The company has not provided any guarantees, but granted loans and advances in the nature of loans during the year to companies and other parties in its normal course of non-banking financial company, accordingly clause 3(iii)(a)(A) and (B) are not applicable.

(a) As the company is a Non-Banking Finance company (NBFC) holding certificate of registration from Reserve Bank Of India and having its principal business to give loans and make investments, Hence clause
iii(a) of the order is not applicable to the company.

(b) According to the information and explanation given to us and on the basis of examination of the records of the Company, The guarantees and the terms and conditions in the nature of loans and guarantees provided are not prejudicial to the company's interest.

(c) According to the information and explanations given to us and based on our examination of records of the company, in our opinion, schedule of repayment of principal and payment of interest, wherever stipulated, the payment of interest and principal are regular, except as mentioned herein below:

| Name of Product | No. of Clients | Amount (Rs in Lakhs) |
|---|---|---|
| Business Loan | 20 | 83.86 |
| Loan against Property | 4 | 1.57 |
| Loan against Jewelry | 439 | 245.95 |
| Personal loan | 15 | 12.79 |
| Total | 478 | 344.18 |

(d) According to the information and explanations given to us and based on examination of records of the company, there is no is no overdue amount for more than ninety days in respect of loans and advances in the nature of loans given, except as mentioned herein below. In case of amount overdue the steps taken by the company for recovery of principal and interest are reasonable and adequate.

| Name of Product | No. of Clients | Amount (Rs in Lakhs) |
|---|---|---|
| Business Loan | 12 | 80.45 |
| Loan against Property | 1 | 0.66 |
| Loan against Jewelry | 224 | 101.92 |
| Personal Loan | 8 | 11.71 |
| Total | 245 | 194.75 |

(e) The Company is a non-banking finance company engaged in business of granting loans or advances in the nature of loans, accordingly the requirement of clause 3(iii)(e) are not applicable.

(f) According to the information and explanation given to us and on the basis of examination of the records of the Company, thecompany has not given loans or advances to promoters, related parties as defined in clause (76) of section 2 of Companies act 2013. Accordingly, clause 3(iii)(f) of the order is not applicable.

(iv) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) The company has not accepted deposits or amounts which are deemed to be deposits during the financial year 2022-2023. Accordingly, paragraph 3(v) of the order is not applicable.

(vi) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of Act, for any of the services rendered by the company. Accordingly, paragraph 3(vi) of the order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service-tax, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities; According to the information and explanations given to us and on the basis of our examination of records of the company, no undisputed amounts payable in respect of GST, provident fund, employees' state insurance, income-tax, sales-tax, service-tax, duty of excise, value added tax, cess and any other 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 on the basis of our examination of the records of the Company, there are no dues of Goods and Service Tax, Provident Fund, employees' state insurance, income tax, sales tax, duty of excise, service tax and value added tax, on account of disputes, which have not been deposited by company.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company has not surrendered or disclosed any transaction, previously unrecorded as income in books of account in the tax assessments under the Income Tax Act, 1961 (43 of 1961) as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company the company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanation given to us and on the basis of examination of the records of the Company, the term loans have been applied for the purpose for which these were obtained by the company.

(d) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that no funds raised on short term basis have not been utilized for long term purposes by the company.

(e) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that company does not have any of its subsidiary, or joint ventures or associate company, accordingly clause 3(ix)(e) and (f) of the order are not applicable.

(x) (a) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence the clause 3 (ix) of the order is not applicable.

(b) According to the records of the company examined by us and the information and explanation given to us the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the order is not applicable.

(xi) (a) According to the information and explanation given to us and on the basis of examination of the records of the Company, considering the principles of materiality outlined in the Standards on Auditing, we report that no material fraud by the company or any fraud on the company has been noticed or reported during the course of our audit.

(b) According to the information and explanation given to us and on the basis of examination of the records of the Company, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanation given to us and on the basis of examination of the records of the Company, no whistle-blower complaints have been received by the company during the year.

(xii) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.

(xiii) According to the information and explanation given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable, and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.

(xiv) (a)According to the information and explanation given to us and on the basis of examination of the records of the Company, the company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the company, issued till date, for the period under audit.

(xv) According to the information and explanation 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 to its directors and hence, provisions of the Section 192 of the Act are not applicable to the Company.

(xvi) (a) The company is registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) The company obtained and holds valid certificate of registration from Reserve bank of India, accordingly clause 3(xvi)(c) of the order is not applicable.

(c) According to the information and explanation given to us and based on our examination of the records of the company, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence clause 3(xvi)
(c) of the order is not applicable.

(d) According to the information and explanation given to us and on the basis of examination of the records of the Company, there is no CIC as part of the Group. Accordingly, clause 3(xvi)(d) of the order is not applicable.

(xvii) The company has not incurred cash losses in the current financial year, and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year, accordingly clause 3(xviii) of the order is not applicable.

(xix) According to the information and explanation given to us and based on our examination of the records of the company, on the basis of the financial ratios, ageing and expected dates of of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting 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 failing 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) (a)In our opinion and according to the information and explanations given to us, there are no unspent amount outstanding requiring transfer to the fund specified in Schedule VII read with provisions of sec 135(5) of the Companies Act, 2013, Accordingly, clause 3(xx)(a) of the order are not applicable.

(b) In our opinion and according to the information and explanations given to us, there are no unspent amount outstanding which is required to be transferred to special account in compliance with provisions of sub section

(6) of section 135 of the said Act; Accordingly, reporting under clause 3(xx)(b) of the order is not applicable for the year.

(xxi) According to the information and xplanation given to us and based on our examination of the records of the company, the company does not have any subsidiary, and no accounts are being incorporated in the financial statement, accordingly, clause 3(xxi) of the order are not applicable.

**For MGB & Co. LLP**
**Chartered Accountants**
**FRN: 101169W/W-100035**

**Sd/-**
**Sandeep Jhanwar**
**Partner**
**M.No. 078146**

**Place: Jaipur**
**Date: May 24, 2023**
**UDIN: 23078146BGWICV2233**

# 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 Mangal Credit & Fincorp Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone 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.

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 authorisations of management and directors of the company and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For MGB & Co. LLP**
**Chartered Accountants**
**FRN: 101169W/W-100035**

**Sandeep Jhanwar**
**Partner**
**M.No. 078146**

**Place: Jaipur**
**Date: May 24, 2023**

**UDIN: 23078146BGWICV2233**

# Auditor's Additional Report

The Board of Directors
**Mangal Credit &Fincorp Limited**
1701-1702, A Wing, Lotus Corporate Park
Ram Mandir Road, Western Express Highway
Goregaon East
Mumbai -400063

Dear Sir
We have audited the balance sheet of Mangal Credit & Fincorp Limited (The Company) as at March 31, 2023 and related statement of profit and loss and the cash flow statement for the year ended on that date, issued our report dated May 24, 2023.

In addition to the report made under section 143 of the Companies Act, 2013 on the financial statements of the Company for the year ended March 31, 2023 and as required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 vide circular No. DNBS. PPD.03/66.15.001/2016-17 dated September 29, 2016 ('the Directions'), we are required to report on the matters specified in paragraph 3 and 4 of the aforesaid directions to the extent applicable.

## Management's Responsibility for the financial statements

The Company's management is responsible for the preparation of the financial statements that give a true and fair view of the financial position, the financial performance and the cash flows of the company in accordance with the accounting standards referred to in section 133 of 'the Companies Act, 2013' ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Management is also responsible for ensuring compliance with the applicable provisions of the RBI Act, 1934 and RBI directions and guidelines specified in the Directions.

## Auditor's Responsibility

## Report

Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that:-

**(A) In the case of all Non-Banking Financial Companies**

**a.** The Company is engaged in the business of non-banking financial institution and has obtained a certificate of registration from the reserve bank of India dated 11/03/1998, which has been revised in the name of "Mangal Credit & Fincorp Ltd." and fresh certificate is reissued on May 3, 2016 in pursuance of section 45-IA, of the RBI Act, 1934.

**b.** The Company is entitled to continue to hold such certificate of registration in terms of its asset/income pattern as at March 31, 2023.

**c.** The NBFC has complied with norms relating to net owned fund requirement as prescribed by Reserve Bank of India vide circular no. RBI/2016-17/44 DNBR (PD) CC No.077/ 03.10.119/2016-17 dated September 01, 2016 for NBFCs-ND

**(B) In the case of a non-banking financial company accepting/holding public deposits – Not Applicable**

**(C) In the case of a non-banking financial company not accepting public deposits**

**a.** The Board of Directors has passed a resolution dated May 24, 2023 for non- acceptance of any public deposits.

**b.** The company has not accepted any public deposits during the year ended March 31, 2023.

**c.** The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016

**d.** Based on the criteria set forth by the Bank in the Notification viz; Non - Banking Financial Company- Micro Finance Institutions (Reserve Bank) Directions, 2016 for classification of NBFCs as NBFC-MFIs, the company has not been classified as NBFC-MFI as defined in the said Directions with reference to the business carried on by it during the applicable financial year.

**(D) In the case of a company engaged in the business of non-banking financial institution not required to hold COR subject to certain conditions – Not Applicable**

**Restrictions on use**

This report is issued pursuant to our obligations under Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 to submit a report on exceptions noted while issuing our report dated May 24, 2023 on additional matters as stated in directions to the RBI and may not be suitable for any other purpose. Accordingly, our report should not be quoted or referred to in any other document made available to any other person or persons without our prior written consent.

**For MGB & Co. LLP**
**Chartered Accountants**
**FRN: 101169W/W-100035**

**Sd/-**
**Sandeep Jhanwar**
**Partner**
**M.No. 078146**
**Place:** Jaipur
**Date:** May 24, 2023
**UDIN:** 23078146BGWICV2233

## MANGAL CREDIT AND FINCORP LIMITED
## BALANCE SHEET AS AT MARCH 31,2023

(₹ In Lakhs)

| Particulars | | | Note no. | As at March 31,2023 | As at March 31, 2022 |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| 1. | Financial Assets | | | | |
| | a) | Cash and cash equivalents | 4 | 1,131.12 | 1 40.91 |
| | b) | Bank balances other than (a) above | 5 | 1 8.76 | 1 5.64 |
| | c) | Receivables | | | |
| | | i) Trade receivables | | - | - |
| | | ii) Other receivables | 6 | 28.40 | 29.50 |
| | d) | Loans | 7 | 15,879.51 | 10,350.02 |
| | e) | Investments | 8 | 1,560.36 | 1,680.70 |
| | f) | Other financial assets | 9 | 62.57 | 52.17 |
| | | TOTAL | | **18,680.72** | **12,268.94** |
| 2. | Non-Financial Assets | | | | |
| | a) | Income tax assets (net) | 10 | 29.08 | 28.98 |
| | b) | Deferred tax assets (net) | 30 | 40.91 | - |
| | c) | Investment property | 11 | 1,316.11 | 1 ,316.11 |
| | d) | Property, plant and equipment | 12(A) | 43.46 | 32.13 |
| | e) | Intangible Asset under development | 12(C) | 3.00 | - |
| | f) | Right of use asset | 34 | 128.46 | 100.06 |
| | g) | Intangible Assets | 12(B) | 2.36 | 2.49 |
| | h) | Other non-financial assets | 13 | 62.95 | 25.10 |
| | | TOTAL | | **1,626.33** | **1,504.87** |
| | | TOTAL ASSETS | | **20,307.05** | **13,773.81** |
| LIABILITIES AND EQUITY | | | | | |
| 1. | Financial Liabilities | | | | |
| | a) | Payables | | | |
| | | i) Trade payables | | - | |
| | | (i)total outstanding dues of micro enterprises and small enterprises | | - | - |
| | | (ii)total outstanding dues other than micro enterprises and small enterprises | | - | - |
| | | ii) Other payables | | - | - |
| | | (i)total outstanding dues of micro enterprises and small enterprises | | - | - |
| | | (ii)total outstanding dues other than micro enterprises and small enterprises | 14 | 48.56 | 24.63 |
| | b) | Debt Securities | 15 | 700.00 | - |
| | c) | Borrowings(Other than debt securities) | 16 | 7,885.15 | 2,826.16 |
| | d) | Lease liability | 34 | 138.93 | 106.37 |
| | e) | Other financial liabilities | 17 | 33.07 | 16.67 |
| | | TOTAL | | **8,805.71** | **2,973.83** |
| 2. | Non-Financial Liabilities | | | | |
| | a) | Current tax liabilties (net) | 18 | 221.32 | 177.48 |
| | b) | Deferred tax liabilities (net) | 19 | - | 1.81 |
| | c) | Other non- financial liabilities | 20 | 85.69 | 28.34 |
| | | TOTAL | | **307.01** | **207.63** |
| 3. | Equity | | | | |
| | a) | Equity share capital | 21(A) | 1,931.40 | 1,931.40 |
| | b) | Other equity | 21(B) | 9,262.93 | 8,660.95 |
| | | TOTAL | | **11,194.33** | **10,592.35** |
| | | TOTAL LIABILITIES AND EQUITY | | **20,307.05** | **13,773.81** |

In terms of our audit report of even date
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

For and on behalf of the board of directors
**Mangal Credit & Fincorp Limited**

Sd/-
**Sandeep Jhanwar**
Partner
M.No. 078146
Place: Mumbai
Date : May 24, 2023
UDIN :23078146BGWICV2233

Sd/-
**Meghraj Sohanlal Jain**
Chairman & Managing Director
DIN:- 01311041

Sd/-
**Nilesh Jain**
Director & CFO
DIN:-08788781

Sd/-
**Bhavika Mehta**
Company Secretary
M. No. A64173

**MANGAL CREDIT AND FINCORP LIMITED**

**Statement of Profit And Loss For The Year Ended March 31, 2023**

₹. in Lakhs

| Particulars | Note No. | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|---|---|---|---|
| **Revenue from Operations** | | | |
| Interest Income | 22 | 1,987.14 | 1,303.89 |
| Fees and commission income | 23 | 96.14 | 60.68 |
| Other Operating Revenue | 24 | 33.25 | 97.00 |
| **Total revenue from operations** | | **2,116.53** | **1,461.57** |
| **Other Income** | 25 | 23.45 | 20.00 |
| **Total Income (I)** | | **2,139.98** | **1,481.57** |
| **Expenses** | | | |
| Finance Costs | 26 | 436.27 | 177.86 |
| Impairment on financial instruments | 27 | 34.99 | 96.65 |
| Employee Benefits Expense | 28 | 322.73 | 212.07 |
| Depreciation and Amortization Expenses | 12(A) & 12(B) | 52.77 | 40.03 |
| Other Expenses | 29 | 192.43 | 86.71 |
| **Total Expenses (II)** | | **1,039.19** | **613.32** |
| **Profit Before Tax (I - II)** | | **1,100.79** | **868.25** |
| **Tax Expense** | | | |
| Current Tax | | 295.98 | 235.22 |
| Short / (Excess) provision for tax relating to prior years | | - | - |
| Net Current Tax Expense | 30 | 295.98 | 235.22 |
| Deferred Tax | 30 | (15.19) | (13.11) |
| Tax in respect of Earlier Year | | 28.65 | 38.00 |
| **Profit for the Year** | | **791.34** | **608.14** |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | (120.34) | 133.49 |
| Income tax relating to items that will not be reclassified to profit or loss | | 27.53 | (30.54) |
| **Total Other Comprehensive Income** | | **(92.81)** | **102.95** |
| **Total Comprehensive Income for the year** | | **698.54** | **711.09** |
| Earning Per Equity Share | 31 | | |
| Equity Shares of par value ₹10/- each | | | |
| (1) Basic (₹) | | 4.10 | 3.15 |
| (2) Diluted (₹) | | 4.10 | 3.15 |
| Nominal Value of each ordinary share is Rs.10/- | | | |
| Significant Accounting Policies | 2 | | |
| Other Notes on Accounts | 4 to 42 | | |

In terms of our audit report of even date
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

For and on behalf of the board of directors
**Mangal Credit & Fincorp Limited**

**Sd/-**
**Sandeep Jhanwar**
**Partner**
**M.No. 078146**

**Sd/-**
**Meghraj Sohanlal Jain**
**Chairman & Managing Director**
**DIN:- 01311041**

**Sd/-**
**Nilesh Jain**
**Director & CFO**
**DIN:- 08788781**

**Sd/-**
**Bhavika Mehta**
**Company Secretary**
**M. No. A64173**

**Place: Mumbai**
**Date : May 24, 2023**
**UDIN :23078146BGWICV2233**

## MANGAL CREDIT AND FINCORP LIMITED
## Statement of cash flows for the year ended March 31, 2023

(₹ In Lakhs)

| | Particulars | For the year ended March 31,2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| A. | Cash flows from operating activities | | |
| | Profit before tax | 1,100.79 | 868.25 |
| | Adjustments for: | | |
| | Depreciation and amortisation | 52.77 | 40.03 |
| | Finance cost | 436.27 | 177.86 |
| | Impairment on financial instruments | 34.99 | 193.65 |
| | Interest on Income Tax Refund | - | (3.55) |
| | Interest on fixed deposit | (4.42) | (0.40) |
| | **Operating profit before working capital changes** | **1,620.39** | **1,275.84** |
| | | | |
| | Adjustment for working capital changes | | |
| | (Increase)/ decrease in trade and other receivables | 1.10 | 2.21 |
| | (Increase)/ decrease in loans | (5,564.47) | (2,161.44) |
| | (Increase)/ decrease in other financial asset | (10.40) | (7.57) |
| | (Increase)/ decrease in non- financial asset | (37.85) | 11.53 |
| | Increase / (Decrease) in trade and other payables | 23.92 | (20.96) |
| | Increase / (Decrease) in other financial liabilities | 10.44 | 8.40 |
| | Increase / (Decrease) in non financial liabilities | 57.36 | (5.90) |
| | | | |
| | Cash flow from operating activities | **(3,899.51)** | **( 897.89)** |
| | Income taxes paid | (280.90) | (176.93) |
| | Net cash generated from operating activities (A) | **(4,180.41)** | **(1,074.82)** |
| | | | |
| B. | Cash flows from investing activities | | |
| | | | |
| | Payments for property, plant and equipment and capital advance | (29.96) | (9.42) |
| | Purchase of investment property | - | - |
| | Interest income from fixed deposit | 4.42 | 0.40 |
| | Movement in earmarked balances with bank | (3.12) | (7.20) |
| | Net cash used in investing activities (B) | **(28.65)** | **(16.22)** |
| | | | |
| C. | Cash flows from financing activities | | |
| | Proceeds from borrowings | 17,718.07 | 5,659.89 |
| | Proceeds from debt securities | 7 00.00 | - |
| | Repayment of borrowings | (12,659.09) | (4,144.87) |
| | Interest paid | (430.31) | (204.52) |
| | Payment of lease liability | (32.84) | (21.94) |
| | Dividend paid | (96.57) | (96.57) |
| | | | |
| | Net cash generated from financing activities (C) | **5,199.27** | **1,191.99** |
| | | | |
| | Net decrease in cash and cash equivalents (A+B+C) | **990.21** | **100.95** |
| | | | |
| | Cash and cash equivalents at the beginning of the year | **140.91** | **39.96** |
| | Cash and cash equivalents at end of the year (refer note 4) | **1,131.12** | **140.91** |

In terms of our audit report of even date
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

For and on behalf of the board of directors
**Mangal Credit & Fincorp Limited**

Sd/-
**Sandeep Jhanwar**
Partner
M.No. 078146
Place: Mumbai
Date : May 24, 2023
UDIN :23078146BGWICV2233

Sd/-
**Meghraj Sohanlal Jain**
Chairman & Managing Director
DIN:- 01311041

Sd/-
**Nilesh Jain**
Director & CFO
DIN:-08788781

Sd/-
**Bhavika Mehta**
Company Secretary
M. No. A64173

# MANGAL CREDIT AND FINCORP LIMITED

## Notes forming part of financial statement for the year ended March 31, 2023

## Statement of changes in Equity

### A. Equity share capital

(₹ In Lakhs)

| | |
|---|---|
| Balance as at March 31, 2021 | 1,931.40 |
| Changes in Equity Share Capital due to prior period errors | - |
| Restated balance as at April 01, 2021 | - |
| Changes in equity share capital during the year | - |
| **Balance as at March 31, 2022** | **1,931.40** |
| Changes in Equity Share Capital due to prior period errors | - |
| Restated balance as at April 01, 2022 | - |
| Changes in equity share capital during the year | - |
| **Balance as at March 31, 2023** | **1,931.40** |

### B. Other equity

(₹ In Lakhs)

| Particulars | Reserves and Surplus | | | | | | | Other Comprehensive Income* | Total Other Equity |
|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Security Premium | General reserve | Statutory Reserve Fund | Contingency Reserve | Investment Reserve | Retained earnings | | |
| Balance as at April 1, 2021 | 150.46 | 3,588.19 | 365.00 | 899.98 | 25.00 | 7.00 | 2,974.46 | 36.37 | 8,046.41 |
| Profit for the year | | | | | | | 608.14 | - | 608.14 |
| Other comprehensive income for the year, net of income tax | | | | | | | | 102.95 | 102.95 |
| - Dividends** | | | | | | | (96.57) | | (96.57) |
| Tranfered to Statutory Reserve Fund | | | | 121.63 | | | (121.63) | | - |
| Balance as at March 31, 2022 | 150.46 | 3,588.19 | 365.00 | 1,021.61 | 25.00 | 7.00 | 3,364.40 | 139.32 | 8,660.95 |
| Profit for the year | | | | | | | 791.34 | | 791.34 |
| Other comprehensive income for the year, net of income tax<br>Transactions with owners in their capacity as owners | | | | | | | | (92.81) | (92.81) |
| - Dividends** | | | | | | | (96.57) | | (96.57) |
| Tranfered to Statutory Reserve Fund | | | | 158.27 | | | (158.27) | | - |
| Balance as at March 31, 2023 | 150.46 | 3,588.19 | 365.00 | 1,179.87 | 25.00 | 7.00 | 3,900.90 | 46.51 | 9,262.93 |

* Other comprehensive income includes valuation of investment.

** During the FY 2022-23 the company has paid dividend of Rs. 96,56,993/- at Rs. 0.5 per equity shares(on face value of Rs. 10/- equity shares) approved in its Annual General Meeting held on September 30, 2022.

** During the FY 2021-22 the company has paid dividend of Rs. 96,56,993/- at Rs. 0.5 per equity shares(on face value of Rs. 10/- equity shares) approved in its Annual General Meeting held on September 29, 2021.

In terms of our audit report of even date
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

For and on behalf of the board of directors
**Mangal Credit & Fincorp Limited**

Sd/-
**Sandeep Jhanwar**
Partner
M.No. 078146
Place: Mumbai
Date : May 24, 2023
UDIN :23078146BGWICV2233

Sd/-
**Meghraj Sohanlal Jain**
Chairman & Managing Director
DIN:- 01311041

Sd/-
**Nilesh Jain**
Director & CFO
DIN:-08788781

Sd/-
**Bhavika Mehta**
Company Secretary
M. No. A64173

**MANGAL CREDIT AND FINCORP LIMITED**
**Notes forming part of financial statement for the year ended ended March 31, 2023**

## 1. Corporate Information

**Mangal Credit & Fincorp Limited** (the company) is a public company domiciled in India and incorporated under the Companies Act, 2013 whose Corporate Identity No. is L65990MH-1961PLC012227. The Company is Non Systemically Important Non Deposit Taking NBFC (NBFC-ND-Non SI) vide circular no. RBI/DNBR/2016-17/44DNBS (PD).007/03.10.119/2016-17 dated September 01, 2016. Its shares are listed on Bombay Stock Exchange (BSE). Company is engaged in business of providing various type of loans to different type of customers.

## 2. Significant Accounting Policies

### i. Statement of Compliance

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") as amended from time to time.

### ii. Basis of preparation of accounts

These financial statements are prepared under the historical cost convention on the accrual basis except for certain assets and liabilities which are measured at fair value / amortised cost / transaction price as stated in respective accounting policies / notes. The financial statements are presented in Indian Rupees, and all values are rounded off in lakhs to the nearest two decimal points except otherwise stated.

### iii. Presentation of financial Statement

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

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

### iv. Use of estimates and judgments and Estimation uncertainty

The preparation of the financial statements in conformity with Ind AS, requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### v. Revenue recognition

The Company drives its revenue primarily from the financing business and ancillary activities. The Company follows Ind AS 109 -Financial Instruments for revenue recognition for the income on the financial assets. In case of other revenues the Company recognised its revenue based on five step model prescribed in Ind AS 115-Revenue from Contracts with Customers.

- Identify the contract(s) with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

**a. Recognition of interest income on loans**

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

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. the gross carrying amount less the allowance for ECLS). If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis. Additional interest on gold loan levied on customer for delay in repayment/non-payment of contractual cash flows is recognized on accrual basis whereas penal interest is recognized on realization basis. Delay payment Interest (penal interest) in other than gold loan levied on customer for delay in repayment/ non-payment of contractual cash flows is recognized on realisation basis.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the Statement of profit and loss.

**b. Fee and commission income:**

Fee based income are recognized when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognized as and when they are due.

**c. Dividend and interest income on investments:**

Dividends are recognized in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Interest income from investments is recognized when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**vi. Property Plant and Equipment (PPE)**

The Company has elected to measure property, plant and equipment, and intangible assets at its Previous GAAP carrying amount and use that Previous GAAP carrying amount as its deemed cost at the date of transition to Ind AS. PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any. Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed as "Capital Advances" under other non-financial assets. Under the head "Capital work in progress" comprises the cost of PPE that are not ready for its intended use at the reporting date.Depreciation on PPE is provided on written down value basis in accordance with the useful lives specified in Part C of Schedule II to the Companies Act, 2013. The estimated useful lives used for computation of depreciati on are as follows:

| Asset | Useful life (in years) |
|---|---|
| Plant and equipment | 15 |
| Furniture and fixtures | 10 |
| Vehicles | 6 |
| Office equipment | 3 |
| Computer peripherals | 3 |

Depreciation on asset added /sold/discarded during the year is being provided on pro-rata basis up to the date on which such assets are added/sold/discarded. PPE is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.

### vii. Intangibles assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets comprise of computer software which is amortized over the estimated useful life. The amortization period is equal to 5 years which is based on management's estimates of useful life.Amortization is calculated using the written down value method to write down the cost of intangible assets over their estimated useful lives.Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development".

### viii. Investments in subsidiaries and associates

Investments in subsidiaries and associate are measured at cost less accumulated impairment, if any.

### ix. Impairment of tangible, intangible and right to use assets:

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the re-coverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or Company of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax 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 the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognized in Statement of profit and loss.

### x. Financial instruments

#### a. Initial Recognition and measurement:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

Transaction costs 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 directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are ecognized immediately in Statement of profit and loss.

#### b. Subsequent measurement:

- **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Advances, security deposits, rental deposits, cash and cash equivalents etc. are classified for measurement at amortised cost.

- **Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. All investment held for trading, derivative financial instruments are valued at fair value through profit and loss. All the debt instrument held for trading purpose are designated as fair value through profit and loss.

- **Financial assets at fair value through other comprehensive income**

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the reserves.

The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognized in Statement of profit and loss.

- **Financial liabilities**

Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on derecognition is alsorecognized in Statement of profit and loss.

**c. Derecognition:**

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

**D. Impairment of financial instruments**

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

**Overview of the ECL principles:**

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in these notes. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has established an internal model to evaluate ECL based on nature of Financial Assets. Based on the above process, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

**Stage 1:** When loans are first recognized, the Company recognizes an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

**Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. Thexpected cash shortfalls are discounted by an approximation to the original EIR

**Stage 3:** For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans.

The key elements of the ECL are summarized below:

**EAD:** The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

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

**LGD:** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

### d. Write offs

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery.

This is generally the case when the Company determines that the debtor/ 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 under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in Statement of profit and loss.

### xi. Employee benefits

- **Defined contribution plans**

Company's contribution paid/payable during the year to provident fund and ESIC is recognized in the Statement of profit and loss are recognized in statement of profit and loss in the years during the services are rendered by employees.

- **Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### xii. Finance cost

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Finance costs are charged to the Statement of profit and loss.

### xiii. Taxation- Current and deferred tax:

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

**Current tax:**

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previouyears. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**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. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**xiv. Foreign currency translations:**
The functional and presentation currency of the Company is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains / losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

**xv. Provisions, contingent liabilities and contingent assets:**
Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material. Contingent liability is disclosed for:

(a) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
(b) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
Contingent assets are disclosed where an inflow of economic benefit is probable.

**xvi. Leases:**
**Company as a lessee:**
The Company's lease asset classes primarily consist of leases for building. The Company assesses whether acontract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an iden tified asset
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

However, company is having lease with term of 12 months or less (short term leases). the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

**Company as a lessor:**
Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**xvii. Cash and cash equivalents:**
Cash and cash equivalents in the balance sheet comprise cash on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value. Bank deposits having maturity more than 3 months have been classified as other bank balances.

**xviii. Earnings Per Share:**
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**xix. Statement of cash flows:**

**3. Standards issued but not yet effective:**
Ministry of Corporate Affairs (MCA), vide notification dated 31 March 2023, has made the following amendments to Ind AS which are effective April 1, 2023. Given below are the amendment made in brief and their possible impact on the financial statements of the company. The company will apply the amendments from 1 April 2023 being the effective date of the amendments:

**Amendments to Ind AS 1:-** Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.

**Amendments to Ind AS 8 :-** Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by definition of ' accounting estimate'.

**Amendments to Ind AS 12:-** Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.
Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its financial statements.

**MANGAL CREDIT AND FINCORP LIMITED**
**Notes forming part of financial statement for the year ended March 31, 2023**

₹ in Lakhs

| Particulars | As at March 31,2023 | As at March 31, 2022 |
|---|---|---|
| **Note '4' - CASH AND CASH EQUIVALENTS** | | |
| Cash in hand | 50.98 | 67.80 |
| Balance with banks - in current accounts | 645.14 | 73.11 |
| Cheques on Hand | 435.00 | - |
| **Total** | **1131.12** | **140.91** |
| | | |
| **Note '5' - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS** | | |
| Earmarked balances with banks - in unpaid dividend account | 18.76 | 15.64 |
| **Total** | **18.76** | **18.76** |
| | | |
| **Note '6' - RECEIVABLES** | | |
| **Other receivables** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 28.40 | 29.50 |
| Other receivables which have significant increase in credit risk | - | - |
| Other receivables- credit impaired | - | - |
| **Total** | **28.40** | **29.50** |
| **Impairment Allowance (allowance for bad and doubtful debts)** | | |
| Unsecured, considered good | - | - |
| Other receivableswhich have significant increase in credit Risk | - | - |
| Other receivables- credit impaired | - | - |
| **Total** | **-** | **-** |
| | | |
| **Total** | **28.40** | **29.50** |

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
Other receivablesare non-interest bearing and are generally on terms of 30 to 90 days. The company has assesed that , the impact of impairment of other receivables is immaterial and hence no impairment loss has been provided.
There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

**Other receivables Ageing Schedule**
**As at March 31, 2023**

₹ in Lakhs

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 Months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Other receivables– considered good | 28.40 | - | - | - | - | 28.40 |
| Undisputed Other receivables– which have significant increase in credit risk | | | | | | |
| Undisputed Trade receivable – credit impaired | - | - | - | - | - | |
| Disputed Other receivables– credit impaired | - | - | - | - | - | |
| **Total** | 28.40 | - | - | - | - | 28.40 |

**As at March 31, 2022**

₹ in Lakhs

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 Months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Other receivables– considered good | 29.50 | - | - | - | - | 29.50 |
| Undisputed Other receivables– which have significant increase in credit risk | | | | | | |
| Undisputed Trade receivable – credit impaired | - | - | - | - | - | |
| Disputed Other receivables– credit impaired | - | - | - | - | - | |
| **Total** | 29.50 | - | - | - | - | 29.50 |

**MANGAL CREDIT AND FINCORP LIMITED**
**Notes forming part of financial statement for the year ended March 31, 2023**

₹ in Lakhs

**Footnotes:**
1) The average credit period is 45-60 days from the date of invoice.

2) The Company has used a practical expedient by computing the expected credit loss allowance for Other receivablesbased on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allow ance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

3) Movement in allowance for credit loss during the year was as follows;

| Particulars | As at March 31,2023 | As at March 31, 2022 |
|---|---|---|
| **Balance at beginning of the year** | - | - |
| **Movement in expected credit loss allowance on** | - | - |
| **Balance at end of the year** | - | - |

| Particulars | As at March 31,2023 | As at March 31, 2022 |
|---|---|---|
| **Note '7' - LOANS** | | |
| Loans at Amortised cost | | |
| **(A)** (i) Term loans | **16,043.07** | **10,482.44** |
| **Total A (Gross)** | **16,043.07** | **10,482.44** |
| Less: Impairment loss allowance | (163.56) | (132.42) |
| **Total A (Net)** | **15,879.51** | **10,350.02** |
| **(B)** (i) Secured by tangible asset | 7,918.42 | 3,953.54 |
| (ii) Unsecured | 8,124.66 | 6,528.90 |
| **Total B (Gross)** | **16,043.07** | **10,482.44** |
| Less: Impairment loss allowance | (163.56) | (132.42) |
| **Total B (Net)** | **15,879.51** | **10,350.02** |
| **(C)** (i) Loans in India | | |
| - Public sector | | |
| - Others | 16,043.07 | 10,482.44 |
| **Total C (i) (Gross)** | **16,043.07** | **16,043.07** |
| Less: Impairment loss allowance | (163.56) | (132.42) |
| **Total C (i) (Net)** | **15,879.51** | **10,350.02** |
| (ii) Loans outside India | - | - |
| Less: Impairment loss allowance | - | - |
| **Total C (ii) (Net)** | - | - |
| **Total C (i+ii) (Net)** | **15,879.51** | **15,879.51** |
| | | |
| **Note '8' - INVESTMENTS** | | |
| **Investment in unquoted equity instruments of other entities at FVTOCI** | | |
| - Unquoted Equity Shares | 1,560.36 | 1,680.70 |
| **Total** | **1,560.36** | |
| | | |
| **Note '9' - OTHER FINANCIAL ASSET** | | |
| Security Deposits | 54.60 | 44.20 |
| Deposit- Others | 7.96 | 7.96 |
| **Total** | **62.57** | **52.17** |

**MANGAL CREDIT AND FINCORP LIMITED**

**Notes forming part of financial statement for the year ended March 31, 2023**

₹ in Lakhs

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Note '10' - INCOME TAX ASSETS (NET)** | | |
| Advance tax | 29.08 | 28.98 |
| **Total** | **29.08** | **28.98** |
| | | |
| **Note 11 - Investment Property** | | |
| Carried at cost | | |
| Investment in property | 1,316.11 | 1,316.11 |
| **Total** | **1,316.11** | **1,316.11** |
| *Fair Market Value | 1479.76 | 1433.80 |

## Note 12(A) - Property, plant and equipment

| Description of assets | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equiments/ Computer Peripherals | Total |
|---|---|---|---|---|---|
| **I. Cost** | | | | | |
| **Balance as at April 01, 2021** | **29.99** | **159.53** | **0.60** | **67.04** | **257.16** |
| Additions | 0.60 | 4.61 | | 4.05 | 9.26 |
| Additions on Acquisition | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| **Balance as at March 31, 2022** | **30.59** | **164.14** | **0.60** | **71.09** | **266.42** |
| Additions | 1.61 | 7.35 | | 16.80 | 25.76 |
| Additions on Acquisition | | | | | - |
| Disposals | | | | | - |
| **Balance as at March 31, 2023** | **32.18** | **171.49** | **0.60** | **87.91** | **292.18** |
| | | | | | |
| **II. Accumulated depreciation/impairment** | | | | | |
| **Balance as at April 01, 2021** | **21.81** | **142.50** | **0.57** | **57.79** | **222.69** |
| Depreciation for the year | 1.59 | 5.16 | - | 4.86 | 11.61 |
| Disposals | - | - | - | - | - |
| **Balance as at March 31, 2022** | **23.40** | **147.66** | **0.57** | **62.65** | **234.29** |
| Depreciation for the year | 1.51 | 5.08 | - | 7.84 | 14.43 |
| Disposals | | | | | - |
| **Balance as at March 31, 2023** | **24.91** | **152.73** | **0.57** | **70.49** | **248.72** |
| | | | | | |
| **Net block (I-II)** | | | | | |
| **Balance as at March 31, 2023** | **7.27** | **18.75** | **0.03** | **17.41** | **43.46** |
| **Balance as at March 31, 2022** | **7.19** | **16.48** | **0.03** | **8.44** | **32.13** |

## Note 12(B) - Intangible assets

| Description of assets | Intangible Assets |
|---|---|
| **I. Cost** | |
| **Balance as at April 01, 2021** | **10.14** |
| Additions | 0.16 |
| Disposals | - |
| **Balance as at March 31, 2022** | **10.30** |

## MANGAL CREDIT AND FINCORP LIMITED
## Notes forming part of financial statement for the year ended March 31, 2023

₹ in Lakhs

| Description of assets | Intangible Assets |
|---|---|
| Additions | 1.20 |
| Disposals | - |
| **Balance as at March 31, 2023** | **11.50** |
| **II. Accumulated impairment losses** | |
| **Balance as at April 01, 2021** | **5.79** |
| Amortization for the year | 2.02 |
| Disposals | - |
| **Balance as at March 31, 2022** | **7.81** |
| Amortization for the year | 1.33 |
| Disposals | - |
| **Balance as at March 31, 2023** | **9.14** |
| | |
| **Net block (I-II)** | |
| **Balance as at March 31, 2023** | **2.36** |
| **Balance as at March 31, 2022** | **2.49** |

## Note 12(c) - Intangible assets under Development

| Description of assets | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Software | 3.00 | - |
| **Total** | **3.00** | - |

**The ageing for Intangible assets under development as on March 31, 2023 is as follows**

| Description of assets | Amount in Intangible Assets under development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Project in progress | 3.00 | - | - | - | 3.00 |
| **Total** | **3.00** | **-** | **-** | **-** | **3.00** |

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Note '13' - OTHER NON FINANCIAL ASSET** | | |
| Prepaid Expenses | 55.79 | 24.82 |
| Other advances | 7.16 | 0.28 |
| **Total** | **62.95** | **25.10** |
| | | |
| **Note'14' - PAYABLES** | | |
| **Trade Payables** | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - |
| **Other payables** | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 48.56 | 24.63 |

## MANGAL CREDIT AND FINCORP LIMITED
## Notes forming part of financial statement for the year ended March 31, 2023

**Ageing Schedule**
**As at March 31, 2023**

₹ in Lakhs

| Particulars | Outstanding for following periods from due date of payment | | | |
|---|---|---|---|---|
| | **Less than 1year** | **1-2 years** | **2-3 years** | **Total** |
| Total outstanding dues of micro enterprises and small | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 48.56 | - | - | 48.56 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - |
| Disputed dues of creditors other than micro enterprises | - | - | - | - |
| **Total** | **48.56** | **-** | **-** | **48.56** |

**As at March 31, 2022**

| Particulars | Outstanding for following periods from due date of payment | | | |
|---|---|---|---|---|
| | **Less than 1year** | **1-2 years** | **2-3 years** | **Total** |
| Total outstanding dues of micro enterprises and small | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 24.63 | - | - | 24.63 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - |
| Disputed dues of creditors other than micro enterprises | - | - | - | - |
| **Total** | **24.63** | **-** | **-** | **24.63** |

| | | |
|---|---|---|
| **Note'15' - DEBT SECURITIES (at amortised cost)** | | |
| **Secured** | | |
| Redeemable Non-Convertible Debentures | 700.00 | - |
| **Total** | 700.00 | - |
| (i) Debt securities in India | 700.00 | - |
| (ii) Debt securities outside India | - | - |
| **Total** | **700.00** | **-** |

**Terms of repayment, nature of security & rate of interest in case of Non Convertible Debentures**
(i) The secured debt securities are secured by exclusive charge on receivables under financing activities to the extent of 110% of outstanding amount.
(ii) Terms of repayment (repayment schedule mentioned below represents principal outstanding) as on March 31, 2023

| Name of Security | Maturity date | Terms of repayment | Coupon/ Interest rate | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|---|
| Series II | 25-02-2024 | Bullet payment on maturity | 10.00% | 475.00 | - |
| Series IV | 23-02-2025 | Bullet payment on maturity | 10.60% | 225.00 | - |
| | **Total** | | | **700.00** | **-** |

**MANGAL CREDIT AND FINCORP LIMITED**
**Notes forming part of financial statement for the year ended ended March 31, 2023**

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Note'16' - BORROWINGS (OTHER THAN DEBT SECURITIES)-At amortised cost** | | |
| **Secured Loan** | | |
| (i) Term Loan | | |
| -State Bank of India | 2,679.24 | - |
| -Federal Bank | 999.09 | 487.65 |
| (ii) Loan repayable on demand | | |
| -South Indian Bank | 1,478.42 | 927.57 |
| -City Union Bank | 939.39 | 535.94 |
| **Unsecured Loan** | | |
| Loan repayable on demand | | |
| -Inter-Corporate Loans | | - |
| -Loan from Directors | 1,789.00 | 775.00 |
| **Total** | **7,885.15** | **2826.16** |

**Note:**

| Nature of Facility of Secured Loan | Maturity Range | Interest Range | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|---|
| Term Loan | Upto 3 Years | 8%-10% | 3,678.33 | 487.65 |
| Loan repayable on demand | Upto 1 Year | 8%-11% | 2,417.81 | 1463.50 |
| | | **Total** | **6,096.15** | **1,951.15** |

**Security**
(i) Above borrowings other than unsecured loans are secured by book receivables under financing activities.
(ii) Out of above secured borrowings, Loans repayable on demand are secured by collateral security which is repledge of gold ornaments by obligors
(iii) Out of above borrowings, ₹3618.63 Lakhs (Previous Year ₹535.94 Lakhs) is guaranteed by directors.
(iv) Out of above borrowings, ₹2679.24 Lakhs is having collateral security of director property.

**Unsecured loan:**
All loans are payable on demand from the reporting date having interest rate of 9% p.a.

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Note'17' - OTHER FINANCIAL LIABILITIES** | | |
| Unpaid Dividends | 18.82 | 15.44 |
| Auction Surplus Refundable | 1.26 | 1.20 |
| Provision for Employee Beneifit (refer note 17A - "Gratuity") | 7.00 | - |
| Interest Accrued on Debt Securities | 5.99 | 0.03 |
| **Total** | **33.07** | **16.67** |

## Note '17A' - Gratuity

| Principal assumptions used for the actuarial valuations | |
|---|---|
| **Expected Return on Plan Assets** | N.A. |
| Rate of Discounting | 7.35% |
| Rate of Salary Increase | 8.00% |
| Rate of Employee Turnover | For service 4 years and below 20.00% p.a.<br>For service 5 years and above 10.00% p.a. |
| Mortality Rate During Employment | Indian Assured Lives Mortality<br>2012-14 (Urban) |

## MANGAL CREDIT AND FINCORP LIMITED
## Notes forming part of financial statement for the year ended ended March 31, 2023

### Note '17A' - Gratuity

(₹ In Lakhs)

| Movement in the Present Value of Defined Benefit Obligation | |
|---|---|
| Benefit Obligation at the Beginning of the Period | - |
| Interest Cost | - |
| Current Service Cost | 4.10 |
| Past Service Cost | - |
| Benefit Obligation at the End of the Period | 4.10 |

(₹ In Lakhs)

| Movement in the Fair Value of Plan Assets | |
|---|---|
| Fair Value of Plan Assets at the Beginning of the Period | - |
| Fair Value of Plan Assets at the End of the Period | - |

(₹ In Lakhs)

| Amount included in the Balance Sheet arising from the company's obligation in respect of its defined benefit plans* (Refer to note 5 below) | |
|---|---|
| Benefit Obligation at the end of the Period | (4.10) |
| Net (Liability) Recognized in the Balance Sheet | (7.00) |

(₹ In Lakhs)

| Net Interest Cost for Current Period | |
|---|---|
| Net Interest Cost for Current Period | - |

(₹ In Lakhs)

| Expenses Recognized in the Statement of Profit or Loss for Current Period* (Refer to note 5 below) | |
|---|---|
| Current Service Cost | 4.10 |
| Expenses Recognized | 7.00 |

(₹ In Lakhs)

| Maturity Analysis of the Benefit Payments | |
|---|---|
| Projected Benefits Payable in Future Years From the Date of Reporting | |
| 1st Following Year | 0.01 |
| 2nd Following Year | 0.01 |
| 3rd Following Year | 0.06 |
| 4th Following Year | 0.26 |
| 5th Following Year | 0.49 |
| Sum of Years 6 To 10 | 2.27 |
| Sum of Years 11 and above | 7.37 |

Note 1. Assumption regarding future mortality experience are set in accordance with the published statistics by the life insurance Corporation on India.

Note 2. The discount rate is based on the government securities yield.

Note 3. The estimates of furture salary increase considered in actuarial valuation, take account in inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note 4. As the liability is non funded, company bears all the risk and rewards.

# MANGAL CREDIT AND FINCORP LIMITED
## Notes forming part of financial statement for the year ended ended March 31, 2023

(₹ In Lakhs)

| Sensitivity Analysis | |
|---|---|
| **Defined Benefit Obligation on Current Assumptions** | **4.10** |
| Delta Effect of +1% Change in Rate of Discounting | (0.40) |
| Delta Effect of -1% Change in Rate of Discounting | 0.46 |
| Delta Effect of +1% Change in Rate of Salary Increase | 0.46 |
| Delta Effect of -1% Change in Rate of Salary Increase | (0.40) |
| Delta Effect of +1% Change in Rate of Employee Turnover | (0.18) |
| Delta Effect of -1% Change in Rate of Employee Turnover | 0.19 |
| The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. | |
| The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. | |
| Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet. | |

**MANGAL CREDIT AND FINCORP LIMITED**
**Notes forming part of financial statement for the year ended ended March 31, 2023**

(₹ In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Note'18'** | | |
| **CURRENT TAX LIABILITY** | | |
| Provision for tax | 221.32 | 177.48 |
| **Total** | 221.32 | 177.48 |
| **Note'20'** | | |
| **OTHER NON FINANCIAL LIABILITIES** | | |
| Unearned interest income | 63.85 | 12.75 |
| Other Payables | 5.73 | 1.17 |
| Statutory dues | 16.11 | 14.43 |
| **Total** | **85.69** | **28.34** |

## Note '21A' - EQUITY SHARE CAPITAL

| Particulars | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|
| | Number of Shares | Amount in Lakhs | Number of Shares | Amount in Lakhs |
| **(a) Authorised** | | | | |
| Equity Shares of Rs.10/- each | 2,50,00,000 | 2,500.00 | 2,50,00,000 | 2,500.00 |
| **Total** | **2,50,00,000** | **2,500.00** | **2,50,00,000** | **2,500.00** |
| | | | | |
| **(b) Issued, Subscribed and Paid up** | | | | |
| Equity Shares of Rs.10/- each | 1,93,13,986 | 1,931.40 | 1,93,13,986 | 1,931.40 |
| **Total** | **1,93,13,986** | **1,931.40** | **1,93,13,986** | **1,931.40** |

**Note :- The Company has only one class of Share referred to as Equity Share having a Par Value of ₹10/- per share. Each Shareholder of Equity share is entitled to one vote per Share.**

In the event of liquidation of the Company, the shareholder of Equity Share will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholder, after distribution of all preferential amounts.

The company declares and pays dividend in Indian Rupees (₹). The dividend proposed by the Board of Directors is subject to the approval of share-holders in ensuing Annual General Meeting, except in case of Interim dividend. The distribution will be propotional to the number of Equity Shares held by the shareholders.

**(c) Reconciliation of the number of shares outstanding at the beginning and at the end of F.Y. 2022-23**

| Particulars | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|
| | Number of Shares | Amount in Lakhs | Number of Shares | Amount in Lakhs |
| | | | | |
| At the beginning of the year | 1 ,93,13,986 | 1,931.40 | 1,93,13,986 | 1,931.40 |
| Issued during the year | - | - | - | - |
| - on account of equity shares to the promoters/ non-promoters against share warrants | - | - | - | - |

**(d) Rights attached to equity**

- The Company has only one class of equity shares having face value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share.
- Every share is entitled to receive dividends in Indian Rupees, if declared.
- In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the company after distribution of the preferential amounts.
- The distribution will be in proportion to the number of equity shares held by the shareholders.

## MANGAL CREDIT AND FINCORP LIMITED

## Notes forming part of financial statement for the year ended March 31, 2023

### Note '21A' - EQUITY SHARE CAPITAL

**(e) Details of shares held by each shareholder holding more than 5% equity shares**

| Particulars | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|
| | Number of Shares | % of Holding | Number of Shares | % of Holding |
| Meghraj S Jain | 47,86,565 | 24.78 | 45,62,731 | 23.62 |
| Ajit S Jain HUF | 24,84,240 | 12.86 | 24,84,240 | 12.86 |
| M/s E-ally Consulting (I) Pvt. Ltd | 16,79,700 | 8.70 | 16,79,700 | 8.70 |
| M/s Dhakad Properties and Financial Services Pvt Ltd | 12,59,205 | 6.52 | 12,59,205 | 6.52 |
| Chandanmal Hasmukh | 12,50,000 | 6.47 | 10,00,000 | 5.18 |

(f) 1,93,13,986 Equity shares of face value of ₹10 each includes 70,44,075 fully paid Equity shares of face value of ₹10 each issued as bonus shares during the quarter ended December 31 ,2015 pursuant to shareholders approval of issue of 5 bonus Equity shares for every 1 existing shares held.

**(g) Split of shares:-**

The 'Record Date' for thte purpose of ascertaining the Members entitled to receive the said sub-divided equity shares of the Company was fixed by the Board of Directors of the Company as May 06, 2017. Subsequently, the Company has issued ten (10) sub-divided equity shares of Re.1/- each in lieu of one (1) equity share of Rs.10/- each to the eligible Members of the Company. In case of Members holding equity shares of the Company in physical form, the Company, without requiring the surrender of old share certificate(s), has directly issued and dispatched the new share certificate(s) of the Company for the sub-divided equity shares of Re.1/- each. The said new share certificate(s) were issued in lieu of the old share certificate(s), which were deemed to have been automatically cancelled and be of no effect. In the case of equity shares of the Company held in dematerialized form, the sub-divided equity shares have been duly credited to the respective beneficiary accounts of the Members with the respective Depository Participants, as per the existing credits representing the equity shares of the Company. In view of the aforesaid Stock Split, the number of equity shares of the Company and price of underlying equity share in the stock markets has been correspondingly adjusted by the Stock Exchanges, where the Company's shares are listed (i.e. BSE). The details of the Authorised and Paid-up share capital of the Company (pre & post Stock Split) is as follows:

| Particulars | Authorised Share Capital | | Paid up Share Capital | |
|---|---|---|---|---|
| | No. of Shares | Amount (₹ in Lakhs) | No. of Shares | Amount (₹ in Lakhs) |
| Pre Stock Split | 25000000 | 2,500.00 | 16112038 | 1,611.20 |
| Post stock Split | 250000000 | 2,500.00 | 161120380 | 1,611.20 |

**(h) Consolidation of shares:-**

During the year 2017, pursuant to the shareholders approval the face value of existing equity shares of ₹ 1 each has been consolidated to Rs. 10 each . Accordingly , the Company has issued one (1) consolidated equity share of ₹ 10/- each in lieu of ten (10) sub-divided equity share of ₹ 1/- each to the eligible Members of the Company. In case of Members holding equity shares of the Company in physical form, the Company, without requiring the surrender of old share certificate(s), has directly issued and dispatched the new share certificate(s) of the Company for the consolidated equity share of ₹ 10/- each. The said new share certificate(s) were issued in lieu of the old share certificate(s), which were deemed to have been automatically cancelled and be of no effect. In the case of equity shares of the Company held in dematerialized form, the sub-divided equity shares have been duly credited to the respective beneficiary accounts of the Members with the respective Depository Participants, as per the existing credits representing the equity shares of the Company. In view of the aforesaid Stock Consolidation, the number of equity shares of the Company and price of underlying equity share in the stock markets has been correspondingly adjusted by the Stock Exchanges, where the Company's shares are listed (i.e. BSE). The details of the Authorised and Paid-up share capital of the Company (pre & post Stock Consolidation ) is as follows:

**MANGAL CREDIT AND FINCORP LIMITED**
**Notes Forming Part of Financial Statement**

| Particulars | Authorised Share Capital | | Paid up Share Capital | |
|---|---|---|---|---|
| | No. of Shares | Amount (₹ in Lakhs) | No. of Shares | Amount (₹ in Lakhs) |
| Pre Stock Consolidation | 250000000 | 2,500.00 | 193139860 | 1,931.40 |
| Post stock Consolidation | 25000000 | 2,500.00 | 19313986 | 1,931.40 |

* Consolidation of Shares
The consolidation of equity shares of the company from face value ₹ 1/- each to face value of ₹ 10/- each ("Stock Sumup") and consequent alteration in Capital clause of MOA of the company was approved by the Members on **September 29, 2018.**

### Note '21A' - EQUITY SHARE CAPITAL
### (i) Details of shares held by promoters
### March 31, 2023

| Promoter Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|---|---|---|---|---|---|
| Meghraj Sohanlal Jain | 45,62,731 | 2,23,834 | 47,86,565 | 24.78% | 4.91% |
| Ajit S Jain HUF | 24,84,240 | - | 24,84,240 | 12.86% | 0.00% |
| Ajit Sohanlal Jain | 3,99,696 | - | 3,99,696 | 2.07% | 0.00% |
| Hardik Meghraj Jain | 5,77,394 | - | 5,77,394 | 2.99% | 0.00% |
| Bhavika Meghraj Jain | 86,898 | - | 86,898 | 0.45% | 100.00% |
| Indra Meghraj Jain | 63,036 | - | 63,036 | 0.33% | 100.00% |
| Seema Ajit Jain | 1,000 | 1,05,626 | 1,06,626 | 0.55% | 10562.60% |
| Dhakad Properties Private Limited | 12,59,205 | - | 12,59,205 | 6.52% | 0.00% |
| Shree Jaisal Electronics And Industries Limited* | 9,29,400 | - | 9,29,400 | 4.81% | 0.00% |
| **Total** | **1,03,63,600** | **3,29,460** | **1,06,93,060** | **0.00%** | **0.00%** |

* Company has already taken board approval for above reclassification from promotor category to public category and the same will be taken for shareholder meeting resolution

### March 31, 2022

| Promoter Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|---|---|---|---|---|---|
| Meghraj Sohanlal Jain | 44,70,342 | 92,389 | 45,62,731 | 23.62% | 2.07% |
| Ajit S Jain HUF | 24,84,240 | - | 24,84,240 | 12.86% | 0.00% |
| Ajit Sohanlal Jain | 3,99,696 | - | 3,99,696 | 2.07% | 0.00% |
| Neeta Maloo* | 600 | - | 600 | 0.00% | 0.00% |
| Sandeep Maloo* | 600 | - | 600 | 0.00% | 0.00% |
| Hardik Meghraj Jain | 5,61,280 | 16,114 | 5,77,394 | 2.99% | 2.87% |
| Bhavika Meghraj Jain | - | 86,898 | 86,898 | 0.45% | 100.00% |
| Indra Meghraj Jain | - | 63,036 | 63,036 | 0.33% | 100.00% |
| Seema Ajit Jain | 1,000 | - | 1,000 | 0.01% | 0.00% |
| E Ally Consulting India Private Limited* | 16,79,700 | - | 16,79,700 | 8.70% | 0.00% |
| Dhakad Properties Private Limited | 12,59,205 | - | 12,59,205 | 6.52% | 0.00% |
| Shree Jaisal Electronics And Industries Limited | 9,29,400 | - | 9,29,400 | 4.81% | 0.00% |
| **Total** | **1,17,86,063** | **2,58,437** | **1,20,44,500** | **62.36%** | **0.00%** |

**MANGAL CREDIT AND FINCORP LIMITED**

**Notes forming part of financial statement for the year ended March 31, 2023**

**Note '21A' - EQUITY SHARE CAPITAL (CONTINUED)**

*Following Shareholders is reclassified from promotor category to public category w.e.f. March 13, 2023

1. Neeta Maloo
2. Sandeep Maloo
3. E Ally Consulting India Private Limited

**Note '21B'- OTHER EQUITY**

| Particulars | Amount in ₹ in Lakhs | |
|---|---|---|
| | March 31, 2023 | March 31, 2022 |
| (a) Capital reserve | 150.46 | 150.46 |
| (b) Security premium reserve | 3,588.19 | 3,588.19 |
| (c) General reserve | 365.00 | 365.00 |
| (d) Statutory reserve fund | 1,179.87 | 1,021.61 |
| (e) Contingency reserve | 25.00 | 25.00 |
| (f) Investment reserve | 7.00 | 7.00 |
| (g) Retained earnings | 3,900.90 | 3,364.40 |
| (h) Other Comprehensive Income | 46.51 | 139.32 |
| Total | **9,262.93** | **8,660.95** |

## Nature and purpose of reserve

### Capital reserve
This reserve is created out of amount received against equity share warrants (first tranch i.e. 25% of total value of warrants) due to non excercising of options of converstion and the said amount is forfeited.

### Securities premium reserve
The amount received in excess of face value of the equity shares is recognised in Securities premium reserve. This reserve is utilised in accordance with the provisions of the Companies Act 2013.

### General reserve
This reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

### Statutory fund reserve
Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of profit for the period is transferred to the fund for the year.

### Contingency reserve
The extant guidelines provide for a lower appropriation to Contingency Reserves if provision made towards losses exceed 35% of the premium or fee earned during a financial year.

### Retained earnings
Retained earnings represent the accumulated earnings net of losses, if any, made by the Company over the years.

### Other Comprehensive Income (OCI)
Other Comprehensive Income includes fair value on investment through OCI, net of taxes that will not be reclassfied to profit & loss.

## MANGAL CREDIT AND FINCORP LIMITED
## Notes forming part of financial statement for the year ended ended March 31, 2023

₹ In Lakhs

| Particulars | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|---|---|---|
| **Note '22'** | | |
| **INTEREST INCOME** | | |
| **On financial instruments measured at Amortised cost** | | |
| Interest on loans | 1,987.14 | 1,303.89 |
| **Total** | **1,987.14** | **1,303.89** |
| **Note '23'** | | |
| **FEES AND COMMISSION INCOME** | | |
| Fees on corporate guarantee | 3.66 | 3.66 |
| Service charges and other fees on loan transaction | 49.54 | 27.48 |
| Loan Foreclosure Charges - Income | 7.94 | 4.54 |
| Financial Consultancy Fees | 35.00 | 25.00 |
| **Total** | **96.14** | **60.68** |
| **Note '24'** | | |
| **OTHER OPERATING REVENUE** | | |
| Bad Debts Recovered | 33.25 | 97.00 |
| **Total** | **33.25** | **97.00** |
| **Note '25'** | | |
| **OTHER INCOME** | | |
| Reimbursement of expenses | 14.10 | 11.67 |
| Interest income on fixed deposit | 4.42 | 0.40 |
| Interest income on security deposit discounting | 4.93 | 4.38 |
| Bad debts recovered | - | - |
| Interest on income tax refund | - | 3.55 |
| **Total** | **23.45** | **20.00** |
| **Note '26'** | | |
| **FINANCE COSTS** | | |
| **On financial liabilities measured at Amortised cost** | | |
| Interest on inter corporate borrowings | 10.10 | - |
| Interest from bank and Financial Institutions | 312.07 | 115.23 |
| Interest on debt securities | 7.24 | - |
| Interest on other borrowings | 68.01 | 44.62 |
| Interest on lease liability | 12.11 | 10.61 |
| Other finance cost | 26.75 | 7.40 |
| **Total** | **436.27** | **177.86** |
| **Note '27'** | | |
| **IMPAIRMENT ON FINANCIAL INSTRUMENT** | | |
| **On financial instruments measured at Amortised cost** | | |
| Loans | 34.99 | 94.08 |
| Bad debt and write offs | - | 2.57 |
| **Total** | **34.99** | **96.65** |

**MANGAL CREDIT AND FINCORP LIMITED**

**Notes forming part of financial statement for the year ended ended March 31, 2023** **₹ In Lakhs**

| Particulars | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|---|---|---|
| **Note '28'** | | |
| **EMPLOYEE BENEFITS EXPENSE** | | |
| Director's Remuneration | 30.00 | 47.00 |
| Directors Sitting Fees | 4.25 | 2.65 |
| Salaries, Bonus and Allowances | 288.27 | 161.12 |
| Staff Welfare Expenses | 0.21 | 1.30 |
| **Total** | **322.73** | **212.07** |
| **Note '29'** | | |
| **OTHER EXPENSES** | | |
| Valuation Expense | 2.95 | 1.72 |
| Credit Enquiry Expense | 7.27 | 1.07 |
| Commission Expense | 42.09 | 3.40 |
| Advertisement Expenses | 4.24 | 1.13 |
| Payment to Auditor | | |
| - Statutory Audit Fees | 2.50 | 2.50 |
| - Tax Audit Fees | 0.25 | 0.25 |
| Internal Audit Fees | 1.50 | 1.50 |
| Secretial Audit Fees | 0.50 | 0.50 |
| CDSL/NSDL custody fees | 0.90 | 0.96 |
| Office Expenses | 3.64 | 2.25 |
| Business promotion expenses | 3.68 | 0.03 |
| Electricity Charges | 21.44 | 17.02 |
| Legal & Professional Charges | 32.65 | 10.42 |
| CSR expense ( Note 36 ) | 15.69 | 14.28 |
| Repair & Maintenance | 0.32 | 0.18 |
| Registration charges | 0.43 | 0.31 |
| Annual Maintenance Charges | 0.54 | 0.17 |
| Membership Fees | 0.73 | 0.15 |
| Listing Fees | 3.00 | 3.00 |
| GST Exp - Others | 19.50 | 5.56 |
| Software expense | 4.38 | 1.62 |
| Computer Expense | 0.52 | 0.28 |
| Postage, Courier & Telegrams | 0.17 | 0.17 |
| Printing & Stationery | 2.09 | 2.33 |
| Insurance premium | 3.10 | 0.62 |
| Rent, Rates and Taxes | 7.63 | 7.38 |
| ROC Filling Fee | 0.28 | 0.12 |
| Professional tax | 0.03 | 0.08 |
| Travelling Expenses | 2.27 | 0.69 |
| Telephone & Internet Charges | 6.41 | 4.23 |
| Website Hosting Expense | 0.97 | - |
| Miscellaneous Expenses | 0.65 | 0.26 |
| Over Due Charges Waived Off | - | 0.19 |
| Interest on TDS | - | 0.25 |
| Penalty | 0.10 | 2.09 |
| **Total** | **192.43** | **86.71** |

## MANGAL CREDIT AND FINCORP LIMITED

## Notes forming part of financial statement for the year ended March 31, 2023

### Note '30' - CURRENT TAX AND DEFERRED TAX

### (A) Major Components of income tax expenses

(₹ In Lakhs)

| Particulars | April 1, 2022 to March 31, 2023 | April 1, 2021 to March 31, 2022 |
|---|---|---|
| **(a) Statement of profit and loss:** | | |
| (i) Current tax: | | |
| - In respect of current year | 295.98 | 235.22 |
| - In respect of earlier year | 28.65 | 38.00 |
| (ii) Deferred tax: | | |
| - Relating to origination and reversal of temporary differences | (15.19) | (13.11) |
| **Total tax expense recognised in statement of profit and loss** | **309.44** | **260.11** |
| | | |
| **(b) Other comprehensive income** | | |
| (i) Deferred tax impact | (27.53) | 30.54 |
| **Total tax expense recognised in total comprehensive loss** | **281.91** | **290.65** |

### (B) Numerical reconciliation between average effective tax rate and applicable tax rate :

(₹ In Lakhs)

| Particulars | April 1, 2022 to March 31, 2023 | April 1, 2021 to March 31, 2022 |
|---|---|---|
| **Profit before tax** | **1,100.79** | **868.25** |
| Applicable tax rate | **25.17%** | **25.17%** |
| Computed tax expense | 277.05 | 218.54 |
| Effect of expenses that is non-deductible in determining taxable profit / accounting profit | | |
| | (23.78) | 34.12 |
| Exempted income | - | - |
| Adjustments in respect of current income tax of previous years | 28.65 | **38.00** |
| Effect of different tax rates (tax on capital gain) | - | - |
| **Income tax expense recognised in statement of profit and loss** | **281.91** | **290.65** |
| | | |
| **Effect to tax rate** | **25.61%** | **33.48%** |

## MANGAL CREDIT AND FINCORP LIMITED
## Notes forming part of financial statement for the year ended March 31, 2023

### (C)Deffered Tax

(₹ In Lakhs)

| Particulars | For the year ended March 31, 2023 | | | |
|---|---|---|---|---|
| | As at April 01, 2022 | Recognised in | | As at March 31, 2023 |
| | | Profit and Loss | OCI | |
| Tax effect of items constituting deferred tax liability on: | | | | |
| On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961 | (1.27) | (15.73) | | (17.00) |
| On Right to use assets | 14.83 | (9.32) | | 5.51 |
| Lease accounting impact | - | - | | - |
| Fair value of investment through OCI | - | - | | - |
| (A) | **13.55** | **( 25.04)** | - | **(11.49)** |
| Tax effect of items constituting deferred tax assets: | | | | |
| Provision for impairment loss | 11.30 | (2.10) | | 9.20 |
| Property, plant and equipment and intangible assets | 12.83 | 0 .51 | | 13.34 |
| Provision for CSR | - | | | - |
| Fair value of investment through OCI | (28.79) | 27.53 | - | (1.26) |
| Deferred tax asset on lease liability | 16.41 | (8.27) | | 8.15 |
| (B) | **11.75** | **17.68** | - | **29.43** |
| Deferred tax assets have been restricted to the extent of deferred tax liabilities | | | | |
| **Deferred tax liabilities/(assets) (net) (A-B)** | **1.81** | **( 42.72)** | - | **(40.91)** |

(₹ In Lakhs)

| Particulars | For the year ended March 31, 2022 | | | |
|---|---|---|---|---|
| | As at April 01, 2021 | Recognised in | | As at March 31, 2022 |
| | | Profit and Loss | OCI | |
| Tax effect of items constituting deferred tax liability on: | | | | |
| On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961 | (0.87) | (0.40) | | ( 1.27) |
| On Right to use assets | 21.47 | (6.64) | | 14.83 |
| Lease accounting impact | - | - | | |
| Fair value of investment through OCI | - | - | | - |
| (A) | **20.60** | **( 7.04)** | - | **13.55** |
| Tax effect of items constituting deferred tax assets: | | | | |
| Provision for impairment loss | - | 11.30 | | 11.30 |
| Property, plant and equipment and intangible assets | 12.54 | 0 .29 | | 12.83 |
| Provision for CSR | - | - | | - |
| Fair value of investment through OCI | 1 .75 | - | (30.54) | (28.79) |
| Deferred tax asset on lease liability | 21.94 | (5.52) | - | 16.41 |
| (B) | **36.23** | **6.07** | **( 30.54)** | **11.75** |
| Deferred tax assets have been restricted to the extent of deferred tax liabilities | | | | |
| **Deferred tax liabilities/(assets) (net) (A-B)** | **( 15.63)** | **( 13.11)** | **30.54** | **1 .81** |

**MANGAL CREDIT AND FINCORP LIMITED**
**Notes forming part of financial statement for the year ended ended March 31, 2023**

### Note '31' - EARNING PER SHARE

₹ in Lakhs

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Profit after tax for the year attributable to the equity shareholders | 791.34 | 608.14 |
| No of Equity Shares Outstanding at the end of the year | 193.14 | 193.14 |
| Weighted average number of equity shares (Nos.) | 193.14 | 193.14 |
| Face value per share (In Rs.) | 10 | 10 |
| Basic and diluted earnings per share (in Rs.) | 4.10 | 3.15 |

### Note '32' - CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

| | Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| (i) | **Contingent Liabilities** | | |
| (a) | Claims against company not acknowledged as debt* | | 59.83 |
| (b) | Guarantees- - Counter Guarantees Provided to Bank ** | 732.00 | 732.00 |
| | | **732.00** | **791.83** |
| (ii) | **Commitments** | | |
| (a) | Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - |
| (b) | Other commitments | - | - |
| | | - | - |

*Claims against the company not acknowledged as debts for the year ended March 31, 2023 is NIL (₹ 59.83 Lakhs as on March 31, 2022).
Demand from the Income Tax Authorities for payment of tax of ₹ 59.83 Lakhs , upon completion of their tax assessment for Assessment Years 2017-18 against which company has already filled an appeal, Order received was in favour of company which specify the no Demand and till now department has not filled an appeal against the same.

** current outstanding of counter guarantee is ₹ 633 Lacs as on March 31, 2023 (₹652 Lacs as on March 31, 2022).

### Note '33' - DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Based on the information available with the Company and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2023 together with interest paid /payable are required to be furnished.

**MANGAL CREDIT AND FINCORP LIMITED**
**Notes forming part of financial statement for the year ended ended March 31, 2023**

**Note 34- Leases**

The Company has entered into lease contracts for office premises used in its operation. The Company has adopted Indian Accounting Standard (Ind AS) 116 on 'Leases'. The Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has used a single discount rate to a portfolio of leases with similar characteristics. The Company recognised a lease liability and asset measured at the present value of the lease payments. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The weighted average incremental borrowing rate of 10% has been applied to lease liabilities recognised in the balance sheet. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

The details of the right of use held by the Company is as follows: ₹ in Lakhs

| Particulars | Office premises | Total |
|---|---|---|
| **As at 1st April 2021** | **85.31** | **85.31** |
| Additions | 41.15 | 41.15 |
| Depreciation for the year | (26.40) | (26.40) |
| **As at 31st March 2022** | **100.06** | **100.06** |
| Additions | 65.41 | 65.41 |
| Depreciation for the year | (37.01) | (37.01) |
| **As at 31st March 2023** | **128.46** | **128.46** |

The details of the right of use held by the Company is as follows: ₹ in Lakhs

| Particulars | Year ended March 31 2023 | Year ended March 31 2022 |
|---|---|---|
| Office premises | 37.01 | 26.40 |
| **Total** | **37.01** | **26.40** |

The total cash outflow for leases is ₹45 Lakhs for the year ended March 31, 2023.

Below are the carrying amounts of lease liabilities and movement during the period : ₹ in Lakhs

| Particulars | Office premises | Total |
|---|---|---|
| **As at 1st April 2021** | **87.16** | **87.16** |
| Additions | 41.15 | 41.15 |
| Accretion of interest | 10.61 | 10.61 |
| Payments | (32.55) | (32.55) |
| **As at 31st March 2022** | **106.37** | **106.37** |
| Additions | 65.41 | 65.41 |
| Accretion of interest | 12.11 | 12.11 |
| Payments | (44.96) | (44.96) |
| **As at 31st March 2023** | **138.93** | **138.93** |

| Particulars | Year ended March 31 2023 | Year ended March 31 2022 |
|---|---|---|
| Non- current Financial liability | 95.10 | 78.60 |
| Current Financial liability | 43.83 | 27.77 |

The following are the amounts recognised in profit and loss account :

| Particulars | Year ended March 31 2023 | Year ended March 31 2022 |
|---|---|---|
| Depreciation expense of right-of-use assets | 37.01 | 26.40 |
| Interest expense on lease liabilities | 12.11 | 10.61 |
| **Total amount recognised in profit or loss** | **49.14** | **37.01** |

## MANGAL CREDIT AND FINCORP LIMITED
## Notes forming part of financial statement for the year ended

**The table below provides details regarding the contractual maturities of lease liabilities under Ind AS 116 as at March 31, 2023, on an undiscounted basis:**

₹ in Lakhs

| Tenure | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Less than 1 year | 43.83 | 27.77 |
| 1-5 years | 95.10 | 78.60 |
| More than 5 years | - | - |

**Note '35' - OPERATING SEGMENT**

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company. The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

**Note '36' - CORPORATE SOCIAL RESPONSIBILITY (CSR)**

**Details of CSR expenditure:**

₹ in Lakhs

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| (a) Gross amount required to be spent by the Company during the year | 15.69 | 14.28 |
| (b) Amount approved by the Board to be spent during the year | 15.69 | 14.28 |

₹ in Lakhs

| (c) Amount spent during the year ending on March 31, 2023: | In Cash | Yet to be paid in Cash | Total |
|---|---|---|---|
| (i) Construction/acquisition of any asset | - | - | - |
| (ii) On purposes other than (i) above | 15.69 | - | 15.69 |

₹ in Lakhs

| (c) Amount spent during the year ending on March 31, 2022: | In Cash | Yet to be paid in Cash | Total |
|---|---|---|---|
| (i) Construction/acquisition of any asset | - | - | - |
| (ii) On purposes other than (i) above | 14.28 | - | 14.28 |

₹ in Lakhs

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| (i) Contribution to Public Trust | - | - |
| (ii) Contribution to Charitable Trust | 15.69 | 14.28 |
| (iii) Unspent amount in relation to: | | |
| - ongoing project | - | - |
| - Other than ongoing project | - | - |
| | 15.69 | 14.28 |

The Company has spent during the year ended March 31, 2023: Rs. 15.69 Lakhs (year ended March 31, 2022: Rs. 14.28 Lakhs) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013.

**MANGAL CREDIT AND FINCORP LIMITED**

**Notes forming part of financial statement for the year ended March 31, 2023**

**Note '37'- CAPITAL MANAGEMENT**

The Company maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating and healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the Company's capital is monitored by the Board using, among other measures, the regulations issued by RBI.

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 capitalsecurities.

The Company has complied in full with the capital requirements prescribed by RBI over the reported period. below given disclosure of capital adequacy as per applicable RBI regulations (Refer note no. 41).

**Note '38'- FINANCIAL RISK MANAGEMENT FRAMEWORK**

The company is committed to create value for its stakeholders through sustainable business growth and with that intent has put in place a robust risk management framework to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. Given the nature of the business the company is engaged in, the risk framework recognizes that there is uncertainty in creating and sustaining such value as well as in identifying opportunities. Risk management is therefore made an integral part of the company's effective management practice.

**(i) Credit Risk**

The 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 receivable from loans and advances, investments other than the quoted securities given. Credit risk in respect of quoted securities is expected to have a direct correaltion with the quoted market price and risk.

The Company is exposed to the risk that third parties that owe money will not perform their obligations. These parties may default on their obligations owed to the company due to insolvency, lack of liquidity, operational failure etc. Significant failures by third parties to timely perform their obligations owed could materially andadversely affect the company 's financial position, and ability to borrow incremental funds and ability to meet business expenses and to repay.make the payment to its creditors in timely manner.

The credit risk may also arise due to the business, operational and technological parameters and business environment in which the company operates. Due to some challenges specific to his/her business or profession, a customer may not be able to meet its performance obligations and credit risk may arise. On the operational side, there could be a slippage in operational procedure and execution of policies leading to credit risk. Similarly technological redundancy and obsoleteness may also posecredit risk.

**(i) (a) Management of credit risk**

The Company's main business is to grant loans to its customer. The comapny is exposed to high credit risk due to the inherent nature of its business. The company lends both secured and unsecured loans to its customer.

**MANGAL CREDIT AND FINCORP LIMITED**

**Notes forming part of financial statement for the year ended March 31, 2023**

**Note '38'- FINANCIAL RISK MANAGEMENT FRAMEWORK**

To mitigate the credit risk, the company has implemented various policies and mechanisms, including credit policy to define the broad principles which the company follows to accept borrowers and loan proposals, to manage loan portfolio and recover its dues so as to protect business revenues with customers satisafction. To reduce the credit risk in financing ,the company perform a detail credit assessment on the prospective borrower or seek security over some assets of the borrower or a gurantee from a third party . The Company takes all reasonable and business precautions through policies and procedure to mitigate and manage the credit risk.

The Senior management in the company is resposible for evaluation of internal financial controls and risk management systems. The Company conducts regular internal audits of various business units to identify scope of improvement/enhancement in the company 's processes, quality control, fraud prevention and compliance with lawa & regulations. The internal audit reports are reviewed by the Audit committee and also placed before the board.

As the portfolio level, the company manges credit risk through limiting concentration of credit at individual borrower level, group levels, industry level etc. The loan proposals are assessed based on various factors like repayment capacity, credit worthiness,repayment history, business/ professional profile, future business prospects etc of prospective borrower, field investigation, quality & value of security etc.

Despite all measure taken by the company and its management it is inherent in the financing business that the customer may default in the repayment of the loan granted to him. The Company employs all recovery procedures including follow up with the customer for payment, legal remedies for recovery, invocation and sale of collateral.

The credit risk is managed by a robust control framework by the risk and collection department which continuosly align credit and collection policies and resourcing,obatining external data from credit bureaus and reviews of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, collection and fraud containment along with business. The same is periodically reviewed by the board appointed Risk Management Commitee.

## (i) (a)(i) Credit Exposure:

The carrying amount of financial assets represents the maximum credit exposure to credit risk at the reporting date was:

(₹ In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Trade receivable and other receivables | 28.40 | 29.50 |
| Loans (gross carrying amount) | 1 6,043.07 | 10,482.44 |
| Other financial assets | 62.57 | 52.17 |
| **Total** | **16,134.04** | **10,564.11** |

## MANGAL CREDIT AND FINCORP LIMITED
## Notes forming part of financial statement for the year ended March 31, 2023
## Note '38'- FINANCIAL RISK MANAGEMENT FRAMEWORK
## (i) (a)(ii) Credit quality if the loan assets and provision against the same

(₹ In Lakhs)

| Particulars | | Gross carrying amount | Provision | Net Carrying amount |
|---|---|---|---|---|
| **Performing Assets** | | | | |
| Standard | Stage 1 | 15,336.64 | 64.46 | 15,272.18 |
| | Stage 2 | 349.12 | 5.00 | 344.13 |
| | Stage 3 | 137.82 | 3.65 | 134.17 |
| **Subtotal** | | - | - | - |
| | | - | - | - |
| **Non-Performing Assets (NPA)** | | - | - | - |
| Substandard | Stage 3 | 136.42 | 14.04 | 122.38 |
| Doubtful - Upto 1 year | Stage 3 | - | - | - |
| 1 to 3 years | Stage 3 | 11.68 | 5.02 | 6.66 |
| More Than 3 Years | Stage 3 | - | - | - |
| **Subtotal for Doubtful** | Stage 3 | 11.68 | 5.02 | 6.66 |
| Loss | | 71.40 | 71.40 | - |
| **Subtotal for Doubtful** | | | | |
| Other items such as guarantees, loan, commitments, etc. which are in the | Stage 1 | - | - | - |
| scope of Ind AS 109 but not covered under current Income Recognition, | Stage 2 | - | - | - |
| under current Income Recognition, Asset Classification and Provisioning | Stage 3 | - | - | - |
| (IRACP) norms | | | | |
| **Subtotal** | | | | |
| **Total** | **Stage 1** | **15,336.64** | **64.46** | **15,272.18** |
| | **Stage 2** | **349.12** | **5.00** | **344.13** |
| | **Stage 3** | **357.31** | **94.10** | **263.20** |
| | **Total** | **16,043.07** | **163.56** | **15,879.51** |

## MANGAL CREDIT AND FINCORP LIMITED
## Notes forming part of financial statement for the year ended March 31, 2023
### Note '38'- FINANCIAL RISK MANAGEMENT FRAMEWORK

(₹ In Lakhs)

As at March 31, 2022

| Particulars | | Gross carrying amount | Provision | Net Carrying amount |
|---|---|---|---|---|
| **Performing Assets** | | | | |
| Standard | Stage 1 | 9,751.03 | 2.98 | 9748.05 |
| | Stage 2 | 463.04 | 24.05 | 438.99 |
| | Stage 3 | 131.79 | 1.33 | 130.46 |
| **Subtotal** | | - | - | - |
| | | - | - | - |
| **Non-Performing Assets (NPA)** | | - | - | - |
| Substandard | Stage 3 | 6 1.13 | 17.69 | 43.44 |
| Doubtful - Upto 1 year | Stage 3 | 5.45 | 1.02 | 4.43 |
| 1 to 3 years | Stage 3 | - | - | - |
| More Than 3 Years | Stage 3 | 7 0.00 | 7 0.00 | - |
| **Subtotal for Doubtful** | Stage 3 | - | - | - |
| Loss | | - | | |
| **Subtotal for Doubtful** | | - | | |
| Other items such as guarantees, loan, commitments, etc. which are in the | Stage 1 | - | - | - |
| scope of Ind AS 109 but not covered under current Income Recognition, | Stage 2 | - | - | - |
| under current Income Recognition, Asset Classification and Provisioning | Stage 3 | - | - | - |
| (IRACP) norms | | | | |
| **Subtotal** | | | | |
| **Total** | **Stage 1** | **9,751.03** | **2.98** | **9,748.05** |
| | **Stage 2** | **463.04** | **24.05** | **438.99** |
| | **Stage 3** | **268.37** | **90.04** | **178.33** |
| **Management provison** | | **-** | **15.35** | **(15.35)** |
| | **Total** | **10,482.44** | **132.42** | **10,350.02** |

## MANGAL CREDIT AND FINCORP LIMITED
## Notes forming part of financial statement for the year ended March 31, 2023

### Note '38'- FINANCIAL RISK MANAGEMENT FRAMEWORK

### (i) (a)(iii) Impairment of financial assets

The Company monitors all the loans continuously basis the factors cosidered while sanctioning the loan. If there are any indicators of impairment on mangement assessment of these loans ,these are provided for. The company uses ECL method of impairment and the prudential norms for the income recognition and asset reclassification issued by RBI for the purpose of impairment of loans and other financial assets. Following are the reconcilations of the provision for impairment of financial

Reconciliations of the provision for impairment of loans

(₹ In Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Opening Balance at the beginning of the year | 132.43 | 38.35 |
| Addition/(reversal) during the year | 34.99 | 94.08 |
| Write offs during the year | 3.86 | - |
| **Closing balance at the end of the year** | **163.56** | **132.43** |

### (ii) Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The operational risks of the companyare managed through comprehensive internal control systems and procedures and key back up processes. In order to further strengthen the control framework and effectiveness, the company has established risk control self-assessment at branches to identify process lapses by way of exception reporting. This enables the management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis. The company also undertakes risk based audits on a regular basis across all business units / functions. While examining the effectiveness of control framework through self-assessment, the risk-based audit would assure effective implementation of selfcertification and internal financial controls adherence, thereby, reducing enterprise exposure.

### (iii) Market risk

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices. The company's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The company is exposed to interest rate risk and liquidity risk, if the same is not managed properly.

The company continuously monitors these risks and manages them through appropriate risk limits. The Board of the company reviews market-related trends and risks and adopts various strategies related to assets and liabilities, in line with the company's risk management framework.

### (iv) Foreign currency risk

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. However the company is not exposed to the risk of fluctuations on change in exchange rates as company does not have any foreign transaction.

**MANGAL CREDIT AND FINCORP LIMITED**

**Notes forming part of financial statement for the year ended March 31, 2023**

**Note '38'- FINANCIAL RISK MANAGEMENT FRAMEWORK**

## (v) Liquidity Risk

### (v) (a) Liquidity risk management

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity on a daily basis. The Company has developed internal control-processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required.

(₹ In Lakhs)

| Particulars | Maturity within 12 months | Maturity after 12 months | Total contracted cash flows | Carrying value |
|---|---|---|---|---|
| **As at March 31, 2023** | | | | |
| Other payables and other financial liabilities | 81.63 | - | 81.63 | 81.63 |
| Debt securities | 475.00 | 225.00 | 700.00 | 700.00 |
| Borrowings (Other than debt securities) | 4,424.91 | 3,460.24 | 7,885.15 | 7,885.15 |
| Lease liability | 43.83 | 95.10 | 138.93 | 138.93 |
| **Total** | **5,025.37** | **3,780.34** | **8,805.71** | **8,805.71** |
| **As at March 31, 2022** | | | | |
| Other payables and other financial liabilities | 41.30 | - | 41.30 | 41.30 |
| Borrowings (Other than debt securities) | 2,051.16 | 775.00 | 2,826.16 | 2,826.16 |
| Lease liability | 27.77 | 78.60 | 106.37 | 106.37 |
| **Total** | **2,120.23** | **853.60** | **2,973.83** | **2,973.83** |

**MANGAL CREDIT AND FINCORP LIMITED**

**Notes forming part of financial statement for the year ended ended March 31, 2023**

## Note '39'- FAIR VALUE MEASUREMENT

### (a) Fair value hierarchy and Categories of financial instruments

(₹ In Lakhs)

| | Level | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|---|
| | | Carrying amount | Fair value | Carrying amount | Fair value |
| **A Financial assets** | | | | | |
| **i)Measured at cost** | | | | | |
| Investment in subsidiary | | - | - | - | - |
| **ii) Measured at fair value through OCI** | | | | | |
| Investment | 3 | 1,560.36 | 1,560.36 | 1,680.70 | 1,680.70 |
| **iii) Measured at amortised cost** | | | | | |
| Cash and cash equivalents | 1 | 1,131.12 | 1,131.12 | 140.91 | 140.91 |
| Bank balances other than above | 1 | 18.76 | 18.76 | 15.64 | 15.64 |
| Loan | 3 | 15,879.51 | 15,879.51 | 10,350.02 | 10,350.02 |
| Other Receivables | 3 | 28.40 | 28.40 | 29.50 | 29.50 |
| Other financial assets | 3 | 62.57 | 62.57 | 52.17 | 52.17 |
| **Total** | | **18,680.71** | **18,680.71** | **12,268.93** | **12,268.93** |
| **B Financial liabilities** | | | | | |
| i) Measured at amortised cost | | | | | |
| Borrowings | 2 | 7,885.15 | 7,885.15 | 2,826.16 | 2,826.16 |
| Other payables | 3 | 48.56 | 48.56 | 24.63 | 24.63 |
| Lease liabilities | 3 | 138.93 | 138.93 | 106.37 | 106.37 |
| Other financial liabilities | 3 | 33.07 | 33.07 | 16.67 | 16.67 |
| **Total** | | **8,105.71** | **8,105.71** | **2,973.83** | **2,973.83** |

**Financial instruments measured at amortised cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values,except for investment since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

The fair value of the financial assets and liabilities is included the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All the financial assets and liabilities of the Company are measured at amortised cost except for investment.

Quantative disclosure fair value measurement hierarchy: ₹ in Lakhs

| Particulars | Fair value hierarchy | March 31, 2023 | March 31, 2022 |
|---|---|---|---|
| | | Fair Value | Fair Value |
| Assets for which fair value is disclosed | | | |
| Investment in equity instruments - unquoted | Level 3 | 1,560.36 | 1,680.70 |

**The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:**

Level 1: : Level 1 hierarchy includes financial instruments measured using quoted prices
Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

**MANGAL CREDIT AND FINCORP LIMITED**

**Notes forming part of financial statement for the year ended ended March 31, 2023**

## Note 40 - Change in liabilities arising from financing activities

| Particulars | As at April 1, 2022 | Cash flows | Other | As at March 31, 2023 |
|---|---|---|---|---|
| Debt Securities | - | 700.00 | - | 700.00 |
| Borrowings other than debt securities | 2,826.16 | 5,058.99 | - | 7,885.15 |
| **Total liabilities from financing activities** | **2,826.16** | **5,758.99** | **-** | **8,585.15** |

| Particulars | As at April 1, 2021 | Cash flows | Other | As at March 31, 2022 |
|---|---|---|---|---|
| Borrowings other than debt securities | 1,311.14 | 1,515.02 | - | 2,826.16 |
| **Total liabilities from financing activities** | **1,311.14** | **1,515.02** | **-** | **2,826.16** |

## Note '41' - Disclusure under Prudential Norms & RBI guidelines

**Note '41(i)'-**
The leverage ratio of the Non-Banking Finance Company is less than 7 as per norms prescribed by Reserve Bank of India vide circular no. RBI/2016-17/44 DNBR (PD) CC No.077/ 03.10.119/2016-17 dated 01 September, 2016 for NBFCs-ND.

**Note '41(ii)'-**
The company has complied with norms prescribed by Reserve Bank of India vide circular no. RBI/ 2016-17/44 DNBR (PD) CC No.077/ 03.10.119/2016-17 dated 01 September, 2016 for NBFCs-ND

**Note '41(iii)'-**
Additional disclosures:

**Capital to Risk Assets Ratio (CRAR)**

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| CRAR (percent) | 57.93% | 77.67% |
| CRAR - Tier I Capital (percent) | 57.93% | 77.67% |
| CRAR - Tier II Capital (percent) | - | - |

**Liquidity Coverage Ratio (LCR) -** The computation of LCR is not applicabe to our company in terms of RBI notification no. RBI/2019-20/88/ FOR.NBFC (PD) CC No.102/03.10.001/2019-20 dated November 4, 2019.

**Note '41(iv)'-**
Loan portfolio classification and provision (As per RBI Prudential Norms)

| Particulars | March 31, 2023 | | |
|---|---|---|---|
| | Gross Loan Outstanding | Provision For Assets | Net Loan Outstanding |
| Standard Asset | 15,838.80 | 39.06 | 15,799.73 |
| Sub Standard Asset | 129.26 | 12.93 | 116.33 |
| Doubtful Asset | 5.02 | 5.02 | - |
| Loss Asset | 70.00 | 70.00 | - |
| **Total** | **16,043.07** | **16,043.07** | **15,916.07** |

| Particulars | March 31, 2022 | | |
|---|---|---|---|
| | Gross Loan Outstanding | Provision For Assets | Net Loan Outstanding |
| Standard Asset | 10,346.22 | 25.59 | 10,320.63 |
| Sub Standard Asset | 61.22 | 6.12 | 55.10 |
| Doubtful Asset | 75.00 | 75.00 | - |
| Loss Asset | - | - | - |
| **Total** | **10,482.44** | **106.71** | **10,375.73** |

## Note '41(v)'-

**Schedule to the Balance Sheet of Non-Deposit Taking Non-Banking Financial Company**

as required in terms of paragraph 18 of chapter IV - Prudential Regulations of Master Directions – Non-Banking Financial Company - NonSystemically Important Non-Deposit taking company (Reserve Bank) Directions, 2016.

| Particulars | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|
| | Amount O/s | Amount Overdue | Amount O/s | Amount O/s |
| **Liability side:** | | | | |
| **1. Loans and advances availed by the nonbanking financial company inclusive of interest accrued thereon but not paid:** | | | | |
| (a) Debenture : Secured | 705.99 | - | - | - |
| Unsecured | - | - | | |
| (Other than falling within the meaning of public deposits*) | | | - | - |
| (b) Deferred Credits | | - | | - |
| (c) Term Loans | 3,678.33 | - | 487.65 | - |
| (d) Inter-Corporate Loans and Borrowings | - | - | 100.00 | - |
| (e) Commercial Paper | - | - | - | - |
| (f) Public Deposits* | - | - | - | - |
| (g) Other Loans; | | | | |
| - Working capital Demand Loan Facility | 2,417.81 | - | 1,463.50 | - |
| - Loan from Directors | 1,789.00 | - | 775.00 | - |
| *Please see **Note (a)** Below | | | | - |
| | | | | |
| **2. Break up of (1)(f) above (Outstanding Public Deposits inclusive of Interest accrued thereon but not paid):** | | | | |
| (a) In the form of Unsecured Debenture | - | - | - | - |
| (b) In the form of Partly Secured Debenture i.e. debenture where there is a shortfall in the value of securities. | | | | |
| (c) Other Public Deposits* | - | - | - | - |
| *Please see **Note (a)** Below | - | - | - | - |

**MANGAL CREDIT AND FINCORP LIMITED**
**Notes forming part of financial statement for the year ended ended March 31, 2023**
**Note '41' - Disclusure under Prudential Norms & RBI guidelines**

(₹ In Lakhs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| | Amount O/s | Amount O/s |
| **Assets Side :** | | |
| 3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below ] : | | |
| (a) Secured | 7,918.42 | 3,953.54 |
| (b) Unsecured | 8,124.66 | 6,528.90 |
| | | |
| **4. Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities :** | | |
| (i) **Lease assets including lease rentals under sundry debtors:** | | |
| (a) Financing Lease | - | - |
| (b) Operating Lease | - | - |
| (ii) **Stock on hire including hire charges under sundry debtors:** | | |
| (a) Asset on hire | - | - |
| (b) Repossessed Asset | - | - |
| (iii) Other loans counting towards AFC activities | | |
| (a) Loans where asset have been repossessed | - | - |
| (b) Loans other than (a) above | - | - |

(₹ In Lakhs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| | Amount O/s | Amount O/s |
| **5. Break-up of Investments :** | | |
| Current Investments : | | |
| 1. Quoted | | |
| (i) Shares : (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | | |
| (iii) Units of mutual funds | | |
| (iv) Government Securities | | |
| (v) Others | - | - |
| 2. Unquoted | - | - |
| (i) Shares : (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of mutual funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others | - | - |

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| | Amount O/s | Amount O/s |
| **Long Term Investments :** | | |
| 1. Quoted | | |
| (i) Shares : (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of mutual funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others | - | - |
| 2. Unquoted | | |
| (i) Shares : (a) Equity | 1,560.36 | 1,680.70 |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of mutual funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others | 1,316.11 | 1,316.11 |

**(6) Borrower group-wise classification of assets financed as in (3) and (4) above:**
**Please refer sub note (b) below**

(₹ In Lakhs)

| Category | March 31, 2023 | | |
|---|---|---|---|
| | Amount Net Of Provision as per Prudential Norms | | |
| | Secured | Unsecured | TOTAL |
| **1. Related Parties** | | | |
| (a) Subsidiaries | - | - | - |
| (b) Companies in the same group | - | - | - |
| (c) Other related parties | 133.24 | - | 133.24 |
| 2. Other than related parties | 7,821.12 | 7,961.71 | 15,782.83 |
| **TOTAL** | **7,954.36** | **7,961.71** | **15,916.07** |

Rs. in Lakhs

| Category | March 31, 2023 | | |
|---|---|---|---|
| | Amount Net Of Provision as per Prudential Norms | | |
| | Secured | Unsecured | TOTAL |
| **1. Related Parties** | | | |
| (a) Subsidiaries | - | - | - |
| (b) Companies in the same group | - | - | - |
| (c) Other related parties | 226.16 | - | 226.16 |
| 2. Other than related parties | 3,713.53 | 6,436.04 | 10,149.57 |
| **TOTAL** | **3,939.69** | **6,436.04** | **10,375.73** |

**MANGAL CREDIT AND FINCORP LIMITED**
**Notes forming part of financial statement for the year ended ended March 31, 2023**

**Note '41' - Disclusure under Prudential Norms & RBI guidelines**

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :
Please refer sub note (c) below

(₹ In Lakhs)

| Particulars | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|
| | Market Value Break up or fair value or NAV | Book Value (Net of Provisions) | Market Value Break up or fair value or NAV | Book Value (Net of Provisions) |
| **1. Related Parties** | | | | |
| (a) Subsidiaries | - | - | - | - |
| (b) Companies in the same group | - | - | - | - |
| (c) Other related parties | - | - | - | |
| 2. Other than related parties | 1,560.36 | 1,560.36 | 1,680.70 | 1,680.70 |
| **TOTAL** | **1,560.36** | **1,560.36** | **1,560.36** | **1,680.70** |

**(8) Other Information:**

(₹ In Lakhs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| | Amount | Amount |
| **(i) Gross Non-Performing Assets** | | |
| (a) Related Parties | - | - |
| (b) Other than related parties | 204.28 | 136.22 |
| (ii) Net Non-Performing Assets | | |
| (a) Related Parties | - | - |
| (b) Other than related parties | 116.33 | 55.10 |
| Assets acquired in satisfaction of debt | - | - |

**(9) Movement of NPAs**

(₹ In Lakhs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|---|---|
| | Amount | Amount |
| **Net NPA to Net Advances (%)** | | |
| Movement of NPA(Gross) | | |
| Opening Balance | 136.22 | 110.09 |
| Additions during the year | 68.06 | 26.13 |
| Reduction during the year (including loans written off) | - | - |
| Closing Balances | 204.28 | 136.22 |
| **Movement of NPA(Net)** | | |
| Opening Balance | 55.10 | 92.08 |
| Additions during the year | 61.23 | (36.98) |
| Reduction during the year (including loans written off) | - | - |
| Closing Balances | 116.33 | 55.10 |
| **Movement of Provision for NPAs(excluding provision on standard assets)** | | |
| Opening Balance | 81.12 | 18.01 |
| Additions during the year | 6.82 | 63.11 |
| Reduction during the year (including Reduction during the year (including | - | - |
| Closing Balances | 87.94 | 81.12 |

** Excluding write back of Rs. 33.25 Lakhs for the year ended on 31st March 2023 (Rs.97 Lakhs for the year ended on 31st March 2022).

**Sub Notes:**
a. As defined in point xix of paragraph 3 of chapter II of Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking company (Reserve Bank) Directions, 2016.
b. Provisioning norms shall be applicable as prescribed in Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking company (Reserve Bank) Directions, 2016.
c. All 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 should be disclosed irrespective of whether they are classified as long term or current in (5) above.

## Note 41(vi)-

**Disclosure required as per Reserve Bank of India Notification No. DOR (NBFC). CC . PD. No.109/ 22.10.106/2019-20 dated March 13, 2020**

In accordance with the regulatory guidance on implementation of Ind AS issued by RBI on March 13, 2020, the company has computed provisions as per Income Recognition Asset Classification and Provisioning (IRACP) norms issued by RBI solely for comparative purposes as specified therein. A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 is given below:

(Reserve Bank) Directions, 2016.

**a.** Provision under prudential norms of income recognition, asset classification (IRAC) as at March 31, 2023

(₹ In Lakhs)

| Assets Classification as per RBI norms | Assets Classification as per IND AS 109 | Gross Carrying Amounts as per IND AS 109 | Loss Allowances (Provisions) as required under Ind AS 109(ECL) | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5)=(3)-(4) | (6) | (7)=(4)-(6) |
| **Performing Assets** | | | | | | |
| | Stage 1 | 15,336.64 | 64.46 | 15,272.18 | 37.97 | 26.49 |
| Standard | Stage 2 | 349.12 | 5.00 | 344.12 | 0.80 | 4.20 |
| | Stage 3 | 137.82 | 3.65 | 134.17 | 0.30 | 3.35 |
| **Subtotal** | | **15,823.58** | **73.11** | **15,750.47** | **39.06** | **34.04** |
| **Non-Performing Assets (NPA)** | | | | - | | |
| Substandard | Stage 3 | 136.42 | 14.04 | 122.38 | 12.93 | 1.12 |
| Doubtful - Upto 1 year | Stage 3 | - | - | - | - | - |
| 1 to 3 years | Stage 3 | 11.68 | 5.02 | 6.66 | 5.02 | - |
| More Than 3 Years | Stage 3 | - | - | - | - | - |
| **Subtotal for Doubtful** | | 11.68 | 5.02 | 6.66 | 5.02 | - |
| Loss | Stage 3 | 71.40 | 71.40 | - | 70.00 | - |
| **Subtotal for NPA** | | **219.50** | **90.46** | **129.04** | **87.94** | **1.12** |
| | Stage 1 | - | - | - | | - |
| Other items such as guarantees, loan, commitments, | Stage 2 | - | - | - | | - |
| etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage 3 | - | - | - | | - |
| **Subtotal** | | **-** | **-** | **-** | **-** | **-** |
| | Stage 1 | **15,336.64** | **64.46** | **15,272.18** | **37.97** | **26.49** |
| **Total** | Stage 2 | **349.12** | **5.00** | **344.12** | **0.80** | **4.20** |
| | Stage 3 | **357.31** | **94.11** | **263.21** | **88.24** | **4.47** |
| | **Total** | **16,043.07** | **163.57** | **15,879.52** | **127.01** | **35.16** |

**b.** Provision under prudential norms of income recognition, asset classification (IRAC) as at March 31, 2022

(₹ In Lakhs)

| Assets Classification as per RBI norms | Assets Classification as per IND AS 109 | Gross Carrying Amounts as per IND AS 109 | Loss Allowances (Provisions) as required under Ind AS 109(ECL) | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5)=(3)-(4) | (6) | (7)=(4)-(6) |
| **Performing Assets** | | | | | | |
| | Stage 1 | 9,751.03 | 2.98 | 9,748.05 | 24.20 | (21.22) |
| Standard | Stage 2 | 463.04 | 24.05 | 438.99 | 1.09 | 22.96 |
| | Stage 3 | 131.79 | 1.33 | 130.46 | 0.30 | 1.03 |
| **Subtotal** | | **10,345.86** | **28.37** | **10,317.49** | **25.59** | **2.78** |
| **Non-Performing Assets (NPA)** | | | | - | | |
| Substandard | Stage 3 | 61.13 | 17.69 | 43.44 | 6.12 | 11.57 |
| Doubtful - Upto 1 year | Stage 3 | 5.45 | 1.02 | 4.43 | 5.00 | (3.97) |
| 1 to 3 years | Stage 3 | - | - | - | - | - |
| More Than 3 Years | Stage 3 | 70.00 | 70.00 | - | 70.00 | - |
| **Subtotal for Doubtful** | | **75.45** | **71.02** | **4.43** | **75.00** | **(3.97)** |
| Loss | Stage 3 | - | - | | | |
| **Subtotal for NPA** | | **136.58** | **88.71** | **47.87** | **81.12** | **7.60** |
| Other items such as guarantees, loan, commitments,etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage 1 | - | - | - | | - |
| | Stage 2 | - | - | - | | - |
| | Stage 3 | - | - | - | | - |
| **Subtotal** | | **-** | **-** | **-** | **-** | **-** |
| | Stage 1 | **9,751.03** | **2.98** | **9,748.05** | **24.20** | **(21.22)** |
| **Total** | Stage 2 | **463.04** | **24.05** | **438.99** | **1.09** | **22.96** |
| | Stage 3 | **268.37** | **90.05** | **178.33** | **81.42** | **8.63** |
| | **Total** | **10,482.44** | **117.08** | **10,365.37** | **106.71** | **10.37** |

The aggregate impairment loss on application of expect credit loss method (ECL) as per Ind AS, as stated above, is more than the provisioning required under IRCAP norms (including standard asset provisioning).

**MANGAL CREDIT AND FINCORP LIMITED**
**Notes forming part of financial statement for the year ended ended March 31, 2023**

Note 41(vii):- **Public Disclosure on Liquidity Risk for the year ended March 31, 2023 pursuant to RBI circular dated 4 November 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)

| Particular | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Number of Significant Counter parties | 5 | 4 |
| Amount (₹ in Lakhs) | 7,885.15 | 2726.15 |
| % of Total Deposits | NA | NA |
| % of Total Liabilities | 86.53% | 85.69% |

**ii. Top 20 large deposits**
Not applicable, the Company being a Non-Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

**iii. Top 10 borrowings**

| Particular | March 31, 2023 | March 31, 2022 |
|---|---|---|
| Amount (₹ Lakhs) of Borrowings from Top 10 Lenders | 8585.15 | 2826.16 |
| % of Total Borrowings | 100% | 100% |

**iv. Funding Concentration based on significant instrument / product**

| Name of Instrument / Product4 | March 31, 2023 | | March 31, 2022 | |
|---|---|---|---|---|
| | Amount(₹ lakhs) | % of Total Liabilities | Amount(₹ lakhs) | % of Total Liabilities |
| Loan from Bank | 6,096.14 | 66.90% | 1951.16 | 61.33% |
| Loan from Directors | 1,789.00 | 19.63% | 775 | 24.36% |
| Loans from NCD | 700.00 | 7.68% | - | - |
| Loans from ICD | - | - | 1 | 3.14% |

**v. Stock Ratios**

| Particulars | March 31, 2023 | | | March 31, 2022 | | |
|---|---|---|---|---|---|---|
| | As a % of Total Public Funds | As a % of Total Liabilities | As a % of Total Assets | As a % of Total Public Funds | As a % of Total Liabilities | As a % of Total Assets |
| Commercial Papers* | 0% | 0% | 0% | 0% | 0% | 0% |
| Non-convertible debentures (NCD's)* (original maturity of less than a year) | 0% | 0% | 0% | 0% | 0% | 0% |
| Other short-term liabilities | 57.07% | 53.77% | 24.13% | 72.58% | 64.47% | 14.89% |

*No Commercial Papers and NCD's with original Maturity not less than a year are not issued during current financial year and are outstanding as on reporting date, hence not applicable.

**vi. Institutional set-up for liquidity risk management**

In compliance with liquidity circular, the Board of Directors has approved constitution of Asset Liability Committee (ALCO) which reviews and monitors Asset Liability Management (ALM) mismatch on regular basis. The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the balance sheet.

**Notes:**

1. The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2023.

2. Total liabilities refer to the aggregate of financial liabilities and non-financial liabilities.

3. Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

4. Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

**MANGAL CREDIT AND FINCORP LIMITED**
**Notes forming part of financial statement for the year ended ended March 31, 2023.**

**Note '42'- MATURITY ANALYSIS OF ASSETS AND LIABILITIES**

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled

₹ in Lakhs

| Particulars | March 31, 2023 | | | March 31, 2022 | | |
|---|---|---|---|---|---|---|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| **ASSETS** | | | | | | |
| **1 Financial Assets** | | | | | | |
| a) Cash and cash equivalents | 1,131.12 | - | 1,131.12 | 140.91 | - | 140.91 |
| b) Bank balances other than (a) above | 18.76 | - | 18.76 | 15.64 | - | 15.64 |
| c) Receivables | | | | | | |
| i) Trade receivables | - | - | - | - | - | - |
| ii) Other receivables | 28.40 | - | 28.40 | 29.50 | - | 29.50 |
| d) Loans | 7,812.95 | 8,066.56 | 15,879.51 | 3,439.27 | 6,910.75 | 10,350.02 |
| e) Investments | - | 1,560.36 | 1,560.36 | - | 1,680.70 | 1,680.70 |
| f) Other financial assets | - | 62.57 | 62.57 | - | 52.17 | 52.17 |
| **2 Non- Financial Assets** | | | | | | |
| a) Income tax assets (net) | - | 29.08 | 29.08 | - | 28.98 | 28.98 |
| b) Deferred tax assets (net) | - | 40.91 | 40.91 | - | - | - |
| c) Investment property | - | 1,316.11 | 1,316.11 | - | 1,316.11 | 1,316.11 |
| d) Property, plant and equipment | - | 43.46 | 43.46 | - | 32.13 | 32.13 |
| e) Intangible Asset under development | 3.00 | - | 3.00 | | | |
| f) Right of use asset | 45.26 | 83.20 | 128.46 | 30.18 | 69.88 | 100.06 |
| g) Intangible Assets | - | 2.36 | 2.36 | - | 2.49 | 2.49 |
| h) Other non-financial assets | 53.49 | 9.46 | 62.95 | 5.40 | 19.70 | 25.10 |
| **TOTAL ASSETS** | **9,092.98** | **11,214.05** | **20307.05** | **3,660.90** | **10,112.90** | **13,773.81** |
| **LIABILITIES** | | | | | | |
| **1 Financial Liabilities** | | | | | | |
| a) Payables | | | | | | |
| i) Other payables | | | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| (ii) total outstanding dues of micro enterprises other than micro enterprises and small enterprises | 48.56 | - | 48.56 | 24.63 | - | 24.63 |
| b) Debt Securities | 475.00 | 225.00 | 700.00 | | | |
| c) Borrowings(Other than debt securities) | 4,424.91 | 3,460.24 | 7,885.15 | 2,051.16 | 775.00 | 2,826.16 |
| d) Lease liability | 43.83 | 95.10 | 138.93 | 27.77 | 78.60 | 106.37 |
| e) Other financial liabilities | 33.07 | - | 33.07 | 16.67 | - | 16.67 |
| **2 Non-Financial Liabilities** | | | | | | |
| a) Current tax liabilties (net) | 221.32 | - | 221.32 | 177.48 | - | 177.48 |
| b) Deferred tax liabilities (net) | - | - | - | 1.81 | - | 1.81 |
| c) Other non- financial liabilities | 85.69 | - | 85.69 | 28.34 | - | 28.34 |
| | | | | | | |
| **TOTAL LIABILITIES** | **5,332.39** | **3,780.34** | **9,112.72** | **2,327.86** | **853.60** | **3,181.46** |
| **NET** | **3,760.60** | **7,433.72** | **11,194.33** | **1,333.05** | **9259.30** | **10,592.35** |

**MANGAL CREDIT AND FINCORP LIMITED**
**Notes forming part of financial statement for the year ended ended March 31, 2023**

**Note '43'- RELATED PARTY DISCLOSURE**

Details of related parties and their relationship:

(a) Enterprises where control exists
NA

(b) Enterprises owned or significantly influenced by key management personnel or their relatives

| S.no | Name of related party | Status |
|---|---|---|
| 1 | Mangal Finserv Private Limited | |
| 2 | Mangal Compusolution Private Limited | |
| 3 | Chakshu Realtors Private Limited | |
| 4 | Mangal Buildhome Private Limited | |
| 5 | Shree Mangal Jewels Private Limited | |
| 6 | Shree Ratna Mangal Jewels Private Limited | |
| 7 | Swarna Bhavya Mangal Jewels private Limited | |
| 8 | Dhakad Properties Private Limited | |
| 9 | Digital Edge Technology | |
| 10 | Mangal Charitable trust | |

(c) Key Managerial Personnel

| S.no | Name | Designation | Status |
|---|---|---|---|
| 1 | Meghraj Sohanlal Jain | Chairman & Managing Director | |
| 2 | Manish Rathi | Chief Executive Office | appointed w.e.f. April 01,2022 |
| 3 | Naval KamalKishor Maniyar | Executive Director and CFO | resigned w.e.f. March 05,2022 |
| 4 | Nilesh Jain | Executive Director and CFO | appointed as CFO w.e.f. September 02,2022 and Executive Director w.e.f September 30, 2022 |
| 5 | Sujan Sinha | Non Executive Non Independent Director | |
| 6 | Nirupama Charuhas Khandke | Independent Director | |
| 7 | Subramanyam Ganesh | Independent Director | |
| 8 | Ramanathan Annamalai | Independent Director | |
| 9 | Sriram Sankaranarayanan | Independent Director | |
| 10 | Supriya Rajkumar Agarwal | Company Secretary | resigned w.e.f. May 31,2022 |
| 11 | Bhavika Mehta | Company Secretary | appointed w.e.f. July 25,2022 |

(d) Relative of Key Managerial Personnel

| S.no | Name of related party | Status |
|---|---|---|
| **1** | Hardiik Meghraj Jain | |

## MANGAL CREDIT AND FINCORP LIMITED
## NOTES FORMING PART OF FINANCIAL STATEMENTS
### Note '43.1'- RELATED PARTY DISCLOSURE (CONTINUED)

(₹ In Lakhs)

| S.No | Particular | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|---|
| 1 | **Purchase of Fixed Asset** | | |
| | Mangal Compusolution Pvt Ltd | 3.13 | 0.04 |
| | | **3.13** | **0.04** |
| 2 | **Guarantee Commission income** | | |
| | Mangal Compusolution Pvt Ltd | 3.66 | 3.66 |
| | | **3.66** | **3.66** |
| 3 | **Loan Repayment Received** | | |
| | Mangal Buildhome Pvt Ltd | - | 31.25 |
| | Shree Mangal Jewels Pvt Ltd | 20.00 | 20.00 |
| | Shree Ratna Mangal Jewels Pvt Ltd | 20.00 | 20.00 |
| | Swarna Bhavya Mangal Jewels Pvt Ltd | 20.00 | 20.00 |
| | Mangal Royal Jewels Pvt Ltd | 32.50 | 10.00 |
| | | **92.50** | **101.25** |
| 4 | **Reimbursement of expenses** | | |
| | Mangal Buildhome Pvt Ltd | 4.72 | 4.34 |
| | Chakshu Realtors Private Limited | 4.10 | 3.58 |
| | Digital Edge Technology | 1.17 | 0.55 |
| | | **9.99** | **8.46** |
| 5 | **Interest Income** | | |
| | Mangal Buildhome Pvt Ltd | - | 2.41 |
| | Mangal Royal Jewels Pvt Ltd | 3.88 | 5.73 |
| | Shree Mangal Jewels Pvt Ltd | 8.11 | 11.09 |
| | Shree Ratna Mangal Jewels Pvt Ltd | 8.49 | 11.46 |
| | Swarna Bhavya Mangal Jewels Pvt Ltd | 8.49 | 11.46 |
| | | 28.98 | 42.17 |
| 6 | **Rent expense** | | |
| | Chakshu Realtors Private Limited | 9.00 | 9.00 |
| | | 9.00 | 9.00 |
| 7 | **Loans Taken** | | |
| | Meghraj Jain | 5,319.10 | 3,808.85 |
| | Naval Maniyar | - | 17.00 |
| | | 5,319.10 | 3,825.85 |
| 8 | **Repayment of loans taken** | | |
| | Meghraj Jain | 4,305.10 | 3,398.62 |
| | Naval Maniyar | - | 38.75 |
| | | 4,305.10 | 3,437.37 |

## MANGAL CREDIT AND FINCORP LIMITED
## NOTES FORMING PART OF FINANCIAL STATEMENTS
### Note '43.1'- RELATED PARTY DISCLOSURE (CONTINUED)

(₹ In Lakhs)

| S.No | Particular | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|---|
| 9 | **Website Design Charges** | | |
| | Digital Edge Technology | 0.50 | - |
| | | **0.50** | **-** |
| 10 | **Business Promotion Expenses** | | |
| | Mangal Royal Jewels Pvt. Ltd. | 3.60 | - |
| | | 3.60 | - |
| 11 | **Remuneration** | | |
| | Meghraj Sohanlal Jain | 30.00 | 30.00 |
| | Naval Maniyar | - | 17.00 |
| | Manish Rathi | 47.54 | - |
| | Nilesh Jain | 10.50 | - |
| | Bhavika Mehta | 3.62 | - |
| | Supriya Agarwal | 0.70 | 4.27 |
| | | **92.36** | **51.27** |
| 12 | **Interest on Loans taken** | | |
| | Meghraj Sohanlal Jain | 68.01 | 41.56 |
| | Naval Maniyar | - | 1.52 |
| | | **68.01** | **43.07** |
| 13 | **Reimbursement of expense- paid** | | |
| | Naval Maniyar | - | 0.55 |
| | | - | 0.55 |
| 14 | **Computer Rental Expense** | | |
| | Mangal Compusolution Pvt. Ltd. | 0.29 | 0.20 |
| | | **0.29** | **0.20** |
| 15 | **Computer Repair Expense** | | |
| | Mangal Compusolution Pvt. Ltd. | 0.04 | 0.02 |
| | | 0.04 | 0.02 |
| 16 | **Professional Fees** | | |
| | Sujan Sinha | 4.20 | 4.70 |
| | | **4.20** | **4.70** |
| 17 | **Director Sitting Fees** | | |
| | Nirupama Charuhas Khandke | 1.00 | 0.55 |
| | Subramanyam Ganesh | 0.75 | 0.55 |
| | Ramanathan Annamalai | 1.00 | 0.45 |
| | Sujan Sinha | 0.50 | 0.55 |
| | Sriram Sankaranarayanan | 1.00 | 0.55 |
| | | 4.25 | 2.65 |

**MANGAL CREDIT AND FINCORP LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Note '43.1'- RELATED PARTY DISCLOSURE (CONTINUED)**

(₹ In Lakhs)

| S.No | Particular | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|---|
| **18** | **CSR Expense** | | |
| | Mangal Charitable Trust | 15.69 | 14.28 |
| | | **15.69** | **14.28** |
| | | | |
| **19** | **Investment in Debt Securities** | | |
| | Hardik Meghraj Jain | 160.00 | - |
| | Manish Rathi | 10.00 | |
| | | 170.00 | - |
| | | | |
| 20 | Interest on Debt Securities | | |
| | Hardik Meghraj Jain | 1.72 | - |
| | Manish Rathi | 0.10 | |
| | | 1.82 | - |
| | **Balance payable at the end of the year** | | |
| | Other payables | | |
| | Manish Rathi | 3.32 | - |
| | Nilesh Jain | 1.40 | - |
| | Bhavika Mehta | 0.40 | - |
| | Supriya Agarwal | - | 0.33 |
| | | **5.12** | **0.33** |
| | **Loans Taken** | | |
| | Meghraj Sohanlal Jain | **1,789.00** | **775.00** |
| | | 1,789.00 | 775.00 |
| | **Debt Securities** | | |
| | Hardik Meghraj Jain | 160.00 | - |
| | Manish Rathi | 10.00 | - |
| | | 170.00 | - |
| | **Other financial liability- Interest Payable** | | |
| | Hardik Meghraj Jain | 1.44 | **-** |
| | Manish Rathi | 0.85 | - |
| | | 2.29 | - |
| | **Balance receivable at the end of the year** | | |
| | **Loans Given to related parties** | | |
| | Mangal Royal Jewels Pvt Ltd | - | 32.50 |
| | Shree Mangal Jewels Pvt Ltd | 42.50 | 62.50 |
| | Shree Ratna Mangal Jewels Pvt Ltd | 45.00 | 65.00 |
| | Swarna Bhavya Mangal Jewels Pvt Ltd | 45.00 | 65.00 |
| | | 132.50 | 225.00 |
| | **Percentage to total loans and advances in the nature of Loans** | **0.84%** | **2.17%** |

## MANGAL CREDIT AND FINCORP LIMITED
## NOTES FORMING PART OF FINANCIAL STATEMENTS
### Note '43.1'- RELATED PARTY DISCLOSURE (CONTINUED)

(₹ In Lakhs)

| S.No | Particular | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|---|---|---|
| | **Loan- Interest and fees receivable** | | |
| | Mangal Royal Jewels Pvt Ltd | - | 0.25 |
| | Shree Mangal Jewels Pvt Ltd | 0.34 | 0.48 |
| | Shree Ratna Mangal Jewels Pvt Ltd | 0.36 | 0.50 |
| | Swarna Bhavya Mangal Jewels Pvt Ltd | 0.36 | 0.50 |
| | | **1.07** | **1.72** |
| | | | |
| | **Other receivable/ advance for expenditure** | | |
| | Mangal Buildhome Pvt Ltd | 0.42 | - |
| | Digital Edge Technology | 0.07 | - |
| | Mangal Compusolution Pvt. Ltd | 1.03 | - |
| | KMP | 7.00 | - |
| | | | |
| | | **8.52** | **-** |
| | | | |
| | **Off balance sheet item- Contingent liability at the end of the year** | | |
| | Mangal Compusolution Pvt Ltd * | 732.00 | 732.00 |
| | | 732.00 | 732.00 |

* current outstanding of counter guarantee is ₹633.29 Lakhs as on March 31, 2023 (₹652.56 Lakhs as on March 31, 2022)

### Note '43.2' - Disclosures Required as per Clause 32 of the Listing Agreement :

(₹ In Lakhs)

| Name of Company | Loans & Advances | | Loans & Advances | |
|---|---|---|---|---|
| | Amount O/s as on March 31, 2023 | Maximum Balance O/s March 31, 2023 | Amount O/s as on March 31, 2023 | Maximum Balance O/s March 31, 2023 |
| **Companies Under Common Control** | | | | |
| Mangal Buildhome Pvt Ltd | - | - | - | 31.25 |
| Shree Mangal Jewels Pvt Ltd | 42.00 | 62.50 | 62.50 | 82.50 |
| Shree Ratna Mangal Jewels Pvt Ltd | 45.00 | 65.00 | 65.00 | 85.00 |
| Swarna Bhavya Mangal Jewels Pvt Ltd | 45.00 | 65.00 | 65.00 | 85.00 |
| **Total** | **132.50** | **192.50** | **192.50** | **283.76** |

**MANGAL CREDIT AND FINCORP LIMITED**
**Notes forming part of financial statement for the year ended ended March 31, 2023**

**Note 44 - Additional regulatory information under division III to schedule III as per notification dated March 24, 2021**

(i) Title deeds of Immovable Property not held in the name of the Company - All immovable property are in the name of the Company

(ii) Revaluation of Investment Property - The Company has not revalued Investment Property during the year.

(iii) Revaluation of Property, Plant and Equipment - The Company has not revalued Property, Plant & Equipment during the year.

(iv) Revaluation of Intangible Assets - The Company has not revalued Intangible assets during the year.

(v) Loans or Advances - During the year, the Company has not provided any loans or advances granted to promoters, directors, KMPs and the related parties.

(vi) Intangible under development ageing schedule:-

| Particulars | Amount in Intangible Assets under development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Software | 3.00 | - | - | - | 3.00 |
| **Total** | **3.00** | **-** | **-** | **-** | **3.00** |

(vii) Details of Benami Property held - No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

(viii) Security of current assets against borrowings - Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(ix) Wilful Defaulter - The Company has not declared as wilful defaulter by any bank or financial institution or other lender.

(x) Relationship with Struck off Companies - During the year, the company has not entered into any transaction with struck off companies.

(xi) Registration of charges or satisfaction with Registrar of Companies (ROC) - During the year, there was no delay in registration of charge or satisfaction with ROC.

(xii) Compliance with number of layers of companies - The Company has complied with the requirements of number of layers.

(xiii) Analytical Ratios

| Ratio | Numerator | Denometor | Current Period | Previous Period | % Variance | Reason for variance (if above 25%) |
|---|---|---|---|---|---|---|
| (a) Capital to ris-weighted assets ratio (CRAR) | Total Capital Funds | Total risk weighted assets/ exposures | 57.93% | 77.67% | 19.74% | NA |
| (b) Tier I CRAR | Net Owned Fund | Total risk weighted assets/ exposures | 57.93% | 77.67% | 19.74% | NA |
| (c) Tier II CRAR | Aggregate Tier II Capital | Total risk weighted assets/ exposures | 0% | 0% | 0% | NA |

(xiv) Utilisation of Borrowed funds and share premium - Borrowed funds have been utilised for the purpose they have been sanctioned and share premium has been utilised in working capital.

(xv) There is no undisclosed income during the year in the tax assessments under the Income Tax Act 1961

(xvi) Details of Crypto Currency or Virtual Currency - The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Note '45'
Previous year's figures have been regrouped/reclassified and reclassified wherever necessary to confirm to current year's presentation.
In accordance with amendments in Schedule III to the companies Act, 2013.

In terms of our audit report of even date
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

For and on behalf of the board of directors
**Mangal Credit & Fincorp Limited**

**Sd/-**
**Sandeep Jhanwar**
Partner
M.No. 078146

**Sd/-**
**Meghraj Sohanlal Jain**
Chairman & Managing Director
DIN: 01311041

**Sd/-**
**Nilesh Jain**
Director & CFO
DIN-08788781

**Sd/-**
**Bhavika Mehta**
Company Secretary
M. No. A64173

Place: Mumbai
Date : May 24, 2023
UDIN :23078146BGWICV2233

# Independent Auditor's Report

To
The Members of
**Mangal Credit & Fincorp Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of **M/S Mangal Credit & Fincorp Limited** (the "Company") which comprises the Balance Sheet as at March 31st, 2022, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2022;

b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

c) in the case of the Statement of Changes in Equity on that date; and

d) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

Note No 29 to the Financial Statements stating the fact of non-provision of liability of ₹ 59,83,730/- arising on Income Tax Assessment for the A.Y. 2017-18 consequent upon Income tax assessment under Section 143(3) of Income Tax Act, 1961.

Our opinion is not modified in respect of the above matters.

### Key Audit Matters

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

### Management's Responsibility for the Standalone Financial Statements

Management 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements ,management 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 the management either intends to liquidate the Company or to cease operations ,or has no realistic alternative but to do so.

The board of directors is also responsible for overseeing the Company's financial reporting process.

## Auditors' Responsibility

Our objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes are 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

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

- Identify and assess the risks of material misstatement of the 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.

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

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

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

- Evaluate the overall presentation, structure and content of the 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 financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

**Report on Other Legal and Regulatory Requirements.**

1) As required by Companies (Auditor's Report) Order, 2020 ("The Order"), as amended, issued by Central Government of India in terms of Sub Section (11) of Section 143 of Companies Act, 2013 we enclose in the **"Annexure A"**, a statement of matters specified in paragraph 3 & 4 of the said order to the extent applicable.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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

   (g) With respect to the other matters to be included in the Auditor's Report in Accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the Explanations given to us:

      (i) The company has disclosed the impact of pending litigations on its financial position in its financial statements in Note 29 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For MGB & Co. LLP**
**Chartered Accountants**
**FRN: 101169W/W-100035**

**Sd/-**
**Sandeep Jhanwar**
**Partner**
**M.No. 078146**
**UDIN: 22078146ALPLXN3546**

**Place: Jaipur**
**Date: 02nd May 2022**

# Annexure A to the Auditors' Report

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

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(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) The Company has a regular programme of physical verification of its Property Plant and Equipment by which Property Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this programme, Property Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of examination of the records of the company, the title deeds of immovable properties (other than where the same company is the lessee and the lease agreement are duly executed in the favor of lessee) disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of examination of the records of the company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of examination of the records of the company, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) The company is a NBFC Company, primarily engaged in rendering loans services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the order is not applicable to the Company.

(b) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company has not been sanctioned any working capital limits in excess of five crores rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the order is not applicable to the company.

(iii) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company has made investments in companies, however not provided any security to companies, firms, limited liability partnerships or any other parties during the year. The company has not provided any guarantees, but granted loans and advances in the nature of loans during the year to companies and other parties in its normal course of non-banking financial company, accordingly clause 3(iii)(a)(A) and (B) are not applicable.

(a) According to the information and explanation given to us and on the basis of examination of the records of the Company, The guarantees and the terms and conditions in the nature of loans and guarantees provided are not prejudicial to the company's interest

(b) According to the information and explanations given to us and based on our examination of records of the company, in our opinion, schedule of repayment of principal and payment of interest, wherever stipulated, the payment of interest and principal are regular, except as mentioned herein below:

| Name of Product | No. of Clients | Amount (₹ in Lakhs) |
|---|---|---|
| Loan against Jewellary | 405 | 22.095 |
| Personal Loan | 6 | 0.80 |
| Loan against Property | 1 | 0.03 |
| **Total** | **412** | **22.925** |

(c) According to the information and explanations given to us and based on examination of records of the company, there is no overdue amount for more than ninety days in respect of loans and advances in the nature of loans given, except as mentioned herein below. In case of amount overdue the steps taken by the company for recovery of principal and interest are reasonable and adequate.

| Name of Product | No. of Clients | Amount (₹ in Lakhs) |
|---|---|---|
| Loan against Jewellary | 90 | 7.84 |
| Personal Loan | 1 | 0.49 |
| **Total** | **91** | **8.33** |

(d) The Company is a non-banking finance company engaged in business of granting loans or advances in the nature of loans, accordingly the requirement of clause 3(iii)(e) are not applicable.

(e) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company has not given loans or advances to promoters, related parties as defined in clause (76) of section 2 of Companies act 2013. Accordingly, clause 3(iii)(f) of the order is not applicable

(iv) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) The company has not accepted deposits or amounts which are deemed to be deposits during the financial year 2021-2022. Accordingly, paragraph 3(v) of the order is not applicable

(vi) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of Act, for any of the services rendered by the company. Accordingly, paragraph 3(vi) of the order is not applicable.

(vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service-tax, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities; According to the information and explanations given to us and on the basis of our examination of records of the company, no undisputed amounts payable in respect of GST, provident fund, employees' state insurance, income-tax, sales-tax, service-tax, duty of excise, value added tax, cess and any other statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, following dues of Goods and Service Tax, Provident Fund, employees' state insurance, income tax, sales tax, duty of excise, service tax and value added tax, have not been deposited by company on account of disputes:

| Name of the Statue | Nature of dues | Amount (in ₹) | Period which the amount relates | Forum where |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax & Interest | 59,83,730 | A.Y. 2018-19 | CIT(A) |

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company has not surrendered or disclosed any transaction, previously unrecorded as income in books of account in the tax assessments under the Income Tax Act, 1961 (43 of 1961) as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company the company has not been declared a wilful defaulter by any bank or financial institution or other lender

(c) According to the information and explanation given to us and on the basis of examination of the records of the Company, no term loans were obtained by the company during the year. Accordingly, clause 3(x)(c) of the order is not applicable.

(d) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that no funds raised on short term basis have not been utilized for long term purposes by the company.

(e) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that company does not have any of its subsidiary, or joint ventures or associate company, accordingly clause 3(ix)(e) and (f) of the order are not applicable.

(x) (a) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence the clause 3 (ix) of the order is not applicable.

(b) According to the records of the company examined by us and the information and explanation given to us the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the order is not applicable.

(xi) (a) According to the information and explanation given to us and on the basis of examination of the records of the Company, considering the principles of materiality outlined in the Standards on Auditing, we report that no material fraud by the company or any fraud on the company has been noticed or reported during the course of our audit.

(b) According to the information and explanation given to us and on the basis of examination of the records of the Company, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanation given to us and on the basis of examination of the records of the Company, no whistle-blower complaints have been received by the company during the year.

(xii) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.

(xiii) According to the information and explanation given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable, and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.

(xiv) (a) According to the information and explanation given to us and on the basis of examination of the records of the Company, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the company, issued till date, for the period under audit.

(xv) According to the information and explanation 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 to its directors and hence, provisions of the Section 192 of the Act are not applicable to the Company.

(xvi) (a) The company is registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) The company obtained and holds valid certificate of registration from Reserve bank of India, accordingly clause 3(xvi)(c) of the order is not applicable.

(c) According to the information and explanation given to us and based on our examination of the records of the company, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence clause 3(xvi)(c) of the order is not applicable.

(d) According to the information and explanation given to us and on the basis of examination of the records of the Company, there is no CIC as part of the Group. Accordingly, clause 3(xvi)(d) of the order is not applicable.

(xvii) The company has not incurred cash losses in the current financial year, and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year, accordingly clause 3(xviii) of the order is not applicable.

(xix) According to the information and explanation given to us and based on our examination of the records of the company, on the basis of the financial ratios, ageing and expected dates of of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting 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 failing 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) (a) In our opinion and according to the information and explanations given to us, there are no unspent amount outstanding requiring transfer to the fund specified in Schedule VII read with provisions of sec 135(5) of the Companies Act, 2013, Accordingly, clause 3(xx)(a) of the order are not applicable.

(b) In our opinion and according to the information and explanations given to us, there are no unspent amount outstanding which is required to be transferred to special account in compliance with provisions of sub section (6) of section 135 of the said Act; Accordingly, reporting under clause 3(xx)(b) of the order is not applicable for the year.

(xxi) According to the information and explanation given to us and based on our examination of the records of the company, the company does not have any subsidiary, and no accounts are being incorporated in the financial statement, accordingly, clause 3(xxi) of the order are not applicable.

**For MGB & Co. LLP**
**Chartered Accountants**
**FRN: 101169W/W-100035**

**Sd/-**
**Sandeep Jhanwar**
**Partner**
**M.No. 078146**
**UDIN: 22078146ALPLXN3546**

**Place: Jaipur**
**Date: 02nd May 2022**

# 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 Mangal Credit & Fincorp Limited ("the Company") as of 31st March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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**

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

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

**For MGB & Co. LLP**
**Chartered Accountants**
**FRN: 101169W/W-100035**

**Sd/-**
**Sandeep Jhanwar**
**Partner**
**M.No. 078146**
**UDIN: 22078146ALPLXN3546**

**Place: Jaipur**
**Date: 02nd May 2022**

# Auditor's Additional Report

The Board of Directors
**Mangal Credit & Fincorp Limited**
1701-1702, A Wing, Lotus Corporate Park
Ram Mandir Road, Western Express Highway
Goregaon East
Mumbai -400063

Dear Sir
We have audited the balance sheet of Mangal Credit & Fincorp Limited (The Company) as at 31st March 2022 and related statement of profit and loss and the cash flow statement for the year ended on that date, issued our report dated 02nd May, 2022.

In addition to the report made under section 143 of the Companies Act, 2013 on the financial statements of the Company for the year ended 31 March 2022 and as required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 vide circular No. DNBS. PPD.03/66.15.001/2016-17 dated September 29, 2016 ('the Directions'), we are required to report on the matters specified in paragraph 3 and 4 of the aforesaid directions to the extent applicable.

## Management's Responsibility for the financial statements

The Company's management is responsible for the preparation of the financial statements that give a true and fair view of the financial position, the financial performance and the cash flows of the company in accordance with the accounting standards referred to in section 133 of 'the Companies Act, 2013' ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Management is also responsible for ensuring compliance with the applicable provisions of the RBI Act, 1934 and RBI directions and guidelines specified in the Directions.

## Auditor's Responsibility

Pursuant to the requirements of the aforesaid directions it is our responsibility to examine the books and records of the company and report on the matters specified in the directions to the extent applicable to the Company.

## Report

Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that:-

**(A) In the case of all Non-Banking Financial Companies**

a. The Company is engaged in the business of non-banking financial institution and has obtained a certificate of registration from the reserve bank of India dated 11/03/1998, which has been revised in the name of "Mangal Credit and Fincorp Ltd." and fresh certificate is reissued on May 3, 2016 in pursuance of section 45-IA, of the RBI Act, 1934.

b. The Company is entitled to continue to hold such certificate of registration in terms of its asset/income pattern as at 31 March 2022.

c. The NBFC has complied with norms relating to net owned fund requirement as prescribed by Reserve Bank of India vide circular no. RBI/2016-17/44 DNBR (PD) CC No.077/ 03.10.119/2016-17 dated 01 September, 2016 for NBFCs-ND.

**(B) In the case of a non-banking financial company accepting/holding public deposits – Not Applicable**

**(C) In the case of a non-banking financial company not accepting public deposits**

a. The Board of Directors has passed a resolution dated 02nd May, 2022 for non- acceptance of any public deposits.

b. The company has not accepted any public deposits during the year ended 31.03.2022.

c. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016;

d. Based on the criteria set forth by the Bank in the Notification viz; Non - Banking Financial Company-

Micro Finance Institutions (Reserve Bank) Directions, 2016 for classification of NBFCs as NBFC-MFIs, the company has not been classified as NBFC-MFI as defined in the said Directions with reference to the business carried on by it during the applicable financial year.

**(D) In the case of a company engaged in the business of non-banking financial institution not required to hold COR subject to certain conditions – Not Applicable**

### Restrictions on use

This report is issued pursuant to our obligations under Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 to submit a report on exceptions noted while issuing our report dated 02/05/2022 on additional matters as stated in directions to the RBI and may not be suitable for any other purpose. Accordingly, our report should not be quoted or referred to in any other document made available to any other person or persons without our prior written consent.

**For MGB & Co. LLP**
**Chartered Accountants**
**FRN: 101169W/W-100035**

**Sd/-**
**Sandeep Jhanwar**
**Partner**
**M.No. 078146**
**UDIN: 22078146ALPLXN3546**

**Place: Jaipur**
**Date: 02nd May 2022**

# Balance Sheet

## as at March 31, 2022

₹ in Lakhs

| Particulars | Note no. | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **1 Financial Assets** | | | |
| a) Cash and cash equivalents | 4 | 140.91 | 39.96 |
| b) Bank balances other than (a) above | 5 | 15.64 | 8.44 |
| c) Receivables | | | |
| i) Trade receivables | | - | - |
| ii) Other receivables | 6 | 29.50 | 31.71 |
| d) Loans | 7 | 10,350.02 | 8,372.69 |
| e) Investments | 8 | 1,680.70 | 1,547.21 |
| f) Other financial assets | 9 | 44.20 | 36.63 |
| **TOTAL** | | **12,260.97** | **10,036.64** |
| **2 Non-Financial Assets** | | | |
| a) Income tax assets (net) | | 28.98 | 83.98 |
| b) Deferred tax assets (net) | 27 | - | 15.63 |
| c) Investment property | 11 | 1,316.11 | 1,316.11 |
| d) Property, plant and equipment | 12(A) | 32.92 | 34.48 |
| e) Right of use asset | | 100.06 | 85.31 |
| f) Intangible Assets | 12(B) | 1.70 | 4.35 |
| g) Other non-financial assets | 13 | 33.06 | 44.59 |
| **TOTAL** | | **1,512.83** | **1,584.45** |
| **TOTAL ASSETS** | | **13,773.80** | **11,621.09** |
| **LIABILITIES AND EQUITY** | | | |
| **1 Financial Liabilities** | | | |
| a) Payables | | | |
| i) Trade payables | | - | - |
| (i) total outstanding dues of micro enterprises and small enterprises | | | |
| (ii) total outstanding dues other than micro enterprises and small enterprises | | | |
| ii) Other payables | | - | - |
| (i) total outstanding dues of micro enterprises and small enterprises | | | |
| (ii) total outstanding dues other than micro enterprises and small enterprises | 14 | 24.63 | 45.59 |
| b) Lease liability | | 106.37 | 87.16 |
| c) Borrowings (Other than debt securities) | 15 | 2,826.16 | 1,311.14 |
| d) Other financial liabilities | 16 | 16.67 | 34.93 |
| **TOTAL** | | **2,973.83** | **1,478.82** |
| **2 Non-Financial Liabilities** | | | |
| a) Current tax liabilties (net) | 17 | 177.48 | 139.75 |
| b) Deferred tax liabilities (net) | 27 | 1.81 | - |
| c) Other non- financial liabilities | 18 | 28.35 | 24.71 |
| **TOTAL** | | **207.64** | **164.46** |
| **3 Equity** | | | |
| a) Equity share capital | 19(A) | 1,931.40 | 1,931.40 |
| b) Other equity | 19(B) | 8,660.93 | 8,046.41 |
| **TOTAL** | | **10,592.33** | **9,977.81** |
| **TOTAL LIABILITIES AND EQUITY** | | **13,773.80** | **11,621.09** |
| The accompanying notes form an integral part of the financial statements | 1 to 42 | | |

**In terms of our audit report of even date**
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

**For and on behalf of the board of directors**
**Mangal Credit & Fincorp Limited**

Sd/-
**Sandeep Jhanwar**
Partner
M.No. 078146

Sd/-
**Meghraj Jain**
Managing Director
DIN: 01311041

Sd/-
**Nilesh Jain**
Director
DIN-08788781

Sd/-
**Supriya Agarwal**
Company Secretary
M.No. A35286

Place: Mumbai
Date : 2nd May 2022
UDIN : 22078146ALPLXN3546

# Statement of Profit and Loss

**for the year ended March 31, 2022**

₹ in Lakhs

| Particulars | Note No. | Year Ended 31st March, 2022 | Year Ended 31st March, 2021 |
|---|---|---|---|
| **Revenue from Operations** | | | |
| Interest Income | 20 | 1,303.89 | 1,059.76 |
| Fees and commission income | 21 | 60.68 | 70.74 |
| **Total revenue from operations** | | **1,364.57** | **1,130.50** |
| **Other Income** | **22** | **20.00** | **10.54** |
| **Total Income (I)** | | **1,384.57** | **1,141.04** |
| **Expenses** | | | |
| Finance Costs | 23 | 177.86 | 56.94 |
| Impairment on financial instruments | 24 | (0.35) | 22.54 |
| Employee Benefits Expense | 25 | 212.07 | 139.99 |
| Depreciation and Amortization Expenses | 12(A) & 12(B) | 40.03 | 24.00 |
| Other Expenses | 26 | 86.71 | 79.23 |
| **Total Expenses (II)** | | **516.32** | **322.70** |
| **Profit Before Tax (I - II)** | | **868.25** | **818.34** |
| **Tax Expense** | | | |
| Current Tax | | 235.22 | 230.54 |
| Short / (Excess) provision for tax relating to prior years | | - | - |
| Net Current Tax Expense | 27 | - | - |
| Deferred Tax | 27 | (13.11) | 16.70 |
| Tax in respect of Earlier Year | | 38.00 | |
| **Profit for the Year** | | **608.14** | **571.10** |
| **Other Comprehensive Income** | | | |
| Items that will not be reclassified to profit or loss | | 133.49 | 19.75 |
| Income tax relating to items that will not be reclassified to profit or loss | | (30.54) | (4.52) |
| **Total Other Comprehensive Income** | | **102.95** | **15.23** |
| **Total Comprehensive Income for the year** | | **711.09** | **586.33** |
| **Earning Per Equity Share** | **29** | | |
| Equity Shares of par value ₹10/- each | | | |
| (1) Basic (₹) | | 3.15 | 2.96 |
| (2) Diluted (₹) | | 3.15 | 2.96 |
| Nominal Value of each ordinary share is ₹10/- | | | |
| Significant Accounting Policies | 2 | | |
| Other Notes on Accounts | 4 to 42 | | |

**In terms of our audit report of even date**
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

**For and on behalf of the board of directors**
**Mangal Credit & Fincorp Limited**

Sd/-
**Sandeep Jhanwar**
Partner
M.No. 078146

Sd/-
**Meghraj Jain**
Managing Director
DIN: 01311041

Sd/-
**Nilesh Jain**
Director
DIN-08788781

Sd/-
**Supriya Agarwal**
Company Secretary
M.No. A35286

Place: Mumbai
Date : 2nd May 2022
UDIN : 22078146ALPLXN3546

# Statement of cash flows

**for the year ended March 31, 2022**

₹ in Lakhs

| | Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| **A.** | **Cash flows from operating activities** | | |
| | Profit before tax | **868.25** | **818.34** |
| | **Adjustments for:** | | |
| | Depreciation and amortisation | 40.03 | 24.00 |
| | Finance cost | 177.86 | 56.94 |
| | Impairment on financial instruments | 96.65 | 22.54 |
| | Interest on Income Tax Refund | (3.55) | - |
| | Interest on fixed deposit | (0.40) | - |
| | **Operating profit before working capital changes** | **1,178.84** | **921.82** |
| | **Adjustment for working capital changes** | | |
| | (Increase)/ decrease in trade and other receivables | 2.21 | 724.45 |
| | (Increase)/ decrease in loans | (2,064.45) | (1,893.81) |
| | (Increase)/ decrease in other financial asset | (7.57) | 13.87 |
| | (Increase)/ decrease in non- financial asset | 11.53 | (36.11) |
| | Increase / (Decrease) in trade and other payables | (20.96) | 13.84 |
| | Increase / (Decrease) in other financial liabilities | 8.40 | 0.33 |
| | Increase / (Decrease) in non financial liabilities | (5.89) | 16.14 |
| | **Cash flow from operating activities** | **(897.89)** | **(239.47)** |
| | Income taxes paid | (176.93) | (303.60) |
| | **Net cash generated from operating activities (A)** | **(1,074.82)** | **(543.07)** |
| **B.** | **Cash flows from investing activities** | | |
| | Payments for property, plant and equipment and capital advance | (9.42) | (6.43) |
| | Purchase of investment property | - | (119.56) |
| | Interest income from fixed deposit | 0.40 | - |
| | Movement in earmarked balances with bank | (7.20) | (0.34) |
| | **Net cash used in investing activities (B)** | **(16.22)** | **(126.33)** |

# Statement of cash flows

**for the year ended March 31, 2022**

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **C. Cash flows from financing activities** | | |
| Proceeds from borrowings | 5,659.89 | 1,230.77 |
| Repayment of borrowings | (4,144.87) | (549.32) |
| Interest paid | (204.52) | (45.19) |
| Payment of lease liability | (21.94) | (6.97) |
| Dividend paid | (96.57) | (96.57) |
| **Net cash generated from financing activities (C)** | **1,191.99** | **532.72** |
| **Net decrease in cash and cash equivalents (A+B+C)** | **100.95** | **(136.68)** |
| **Cash and cash equivalents at the beginning of the year** | **39.96** | **176.64** |
| **Cash and cash equivalents at end of the year (refer note 4)** | **140.91** | **39.96** |

**In terms of our audit report of even date**
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

Sd/-
**Sandeep Jhanwar**
Partner
M.No. 078146

**For and on behalf of the board of directors**
**Mangal Credit & Fincorp Limited**

Sd/-
**Meghraj Jain**
Managing Director
DIN: 01311041

Sd/-
**Nilesh Jain**
Director
DIN-08788781

Sd/-
**Supriya Agarwal**
Company Secretary
M.No. A35286

Place: Mumbai
Date : 2nd May 2022
UDIN : 22078146ALPLXN3546

# Statement of Changes in Equity

**for the year ended on 31st March, 2022**

**A. Equity share capital**

₹ in Lakhs

| | |
|---|---|
| Balance as at April 01, 2020 | 1,931.40 |
| Changes in Equity Share Capital due to prior period errors | - |
| Restated balance as at April 01, 2020 | - |
| Changes in equity share capital during the year | - |
| Balance as at March 31, 2021 | 1,931.40 |
| Changes in Equity Share Capital due to prior period errors | - |
| Restated balance as at April 01, 2021 | - |
| Changes in equity share capital during the year | - |
| Balance as at March 31, 2022 | 1,931.40 |

**B. Other equity**

₹ in Lakhs

| Particulars | Reserves and Surplus | | | | | | | Other Compre-hensive Income* | Total Other Equity |
|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Security Premium | General reserve | Statutory Reserve Fund | Contin-gency Reserve | Invest-ment Reserve | Retained earnings | | |
| **Balance as at April 01, 2020** | **150.46** | **3,588.19** | **365.00** | **785.76** | **25.00** | **7.00** | **2,614.10** | **21.14** | **7,556.65** |
| Profit for the year | | | | | | | 571.10 | | 571.10 |
| Other comprehensive income for the year, net of income tax* | | | | | | | | 15.23 | 15.23 |
| Transactions with owners in their capacity as owners | | | | | | | | | |
| - Dividends** | | | | | | | (96.57) | | (96.57) |
| Tranfered to Statutory Reserve Fund | | | | 114.22 | | | (114.22) | | - |
| **Balance as at March 31, 2021** | **150.46** | **3,588.19** | **365.00** | **899.98** | **25.00** | **7.00** | **2,974.41** | **36.37** | **8,046.41** |
| Profit for the year | | | | | | | 608.14 | - | 608.14 |
| Other comprehensive income for the year, net of income tax* | | | | | | | | 102.95 | 102.95 |
| Transactions with owners in their capacity as owners | | | | | | | | | |
| - Dividends** | | | | | | | (96.57) | | (96.57) |
| Tranfered to Statutory Reserve Fund | | | | 121.63 | | | (121.63) | | - |
| **Balance as at March 31, 2022** | **150.46** | **3,588.19** | **365.00** | **1,021.61** | **25.00** | **7.00** | **3,364.35** | **139.32** | **8,660.93** |

* Other comphrensive income includes valuation of investment.

** During the FY 2021-22 the company has paid dividend of ₹ 96,56,993/- at ₹ 0.5 per equity shares(on face value of ₹ 10/- equity shares) approved in its Annual General Meeting held on 29th September 2021.
** During the FY 2020-21 the company has paid dividend of ₹ 96,56,993/- at ₹ 0.5 per equity shares(on face value of ₹ 10/- equity shares) approved in its Annual General Meeting held on 30th December 2020.

**In terms of our audit report of even date**
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

Sd/-
**Sandeep Jhanwar**
Partner
M.No. 078146
Place: Mumbai
Date : 2nd May 2022
UDIN : 22078146ALPLXN3546

**For and on behalf of the board of directors**
**Mangal Credit & Fincorp Limited**

Sd/-
**Meghraj Jain**
Managing Director
DIN: 01311041

Sd/-
**Nilesh Jain**
Director
DIN-08788781

Sd/-
**Supriya Agarwal**
Company Secretary
M.No. A35286

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

## 1. Corporate Information

Mangal Credit & Fincorp Limited (the company) is a public company domiciled in India and incorporated under the Companies Act, 2013 whose Corporate Identity No. is L65990MH1961PLC012227. The Company is Non Systemically Important Non Deposit Taking NBFC (NBFC-ND-Non SI) vide circular no. RBI/DNBR/2016-17/44DNBS (PD).007/03.10.119/2016-17 dated September 01, 2016. Its shares are listed on Bombay Stock Exchange (BSE). Company is engaged in business of providing various type of loans to different type of customers.

## 2. Significant Accounting Policies

### i. Statement of Compliance

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act") as amended from time to time.

### ii. Basis of preparation of accounts

These financial statements are prepared under the historical cost convention on the accrual basis except for certain assets and liabilities which are measured at fair value / amortised cost / transaction price as stated in respective accounting policies / notes.

The financial statements are presented in Indian Rupees, and all values are rounded off in lakhs to the nearest two decimal points except otherwise stated.

### iii. Presentation of financial Statement

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

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

### iv. Use of estimates and judgments and Estimation uncertainty

The preparation of the financial statements in conformity with Ind AS, requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### v. Revenue recognition

The Company drives its revenue primarily from the financing business and ancillary activities. The Company follows Ind AS 109 -Financial Instruments for revenue recognition for the income on the financial assets. In case of other revenues the Company recognised its revenue based on five step model prescribed in Ind AS 115- Revenue from Contracts with Customers.

- Identify the contract(s) with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

#### a. Recognition of interest income on loans

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial assets through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial assets after netting off the fees received and cost incurred approximates the effective

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

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. the gross carrying amount less the allowance for ECLS). If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest on gold loan levied on customer for delay in repayment/non-payment of contractual cash flows is recognized on accrual basis whereas penal interest is recognized on realization basis.

Delay payment Interest (penal interest) in other than gold loan levied on customer for delay in repayment/non-payment of contractual cash flows is recognized on realisation basis.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the Statement of profit and loss.

**b. Fee and commission income:**

Fee based income are recognized when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognized as and when they are due.

**c. Dividend and interest income on investments:**

Dividends are recognized in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Interest income from investments is recognized when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**vi. Property Plant and Equipment (PPE)**

The Company has elected to measure property, plant and equipment, and intangible assets at its Previous GAAP carrying amount and use that Previous GAAP carrying amount as its deemed cost at the date of transition to Ind AS.

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed as "Capital Advances" under other non-financial assets. Under the head "Capital work in progress" comprises the cost of PPE that are not ready for its intended use at the reporting date.

Depreciation on PPE is provided on written down value basis in accordance with the useful lives specified in Part C of Schedule II to the Companies Act, 2013.

The estimated useful lives used for computation of depreciation are as follows:

| Asset | Useful life (in years) |
|---|---|
| Plant and equipment | 15 |
| Furniture and fixtures | 10 |
| Vehicles | 6 |
| Office equipment | 3 |
| Computer peripherals | 3 |

Depreciation on asset added /sold/discarded during the year is being provided on pro-rata basis up to the date on which such assets are added/sold/discarded.

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

PPE is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.

**vii. Intangibles assets**

Intangible assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets comprise of computer software which is amortized over the estimated useful life. The amortization period is equal to 5 years which is based on management's estimates of useful life. Amortization is calculated using the written down value method to write down the cost of intangible assets over their estimated useful lives.

**viii. Investments in subsidiaries and associates**

Investments in subsidiaries and associate are measured at cost less accumulated impairment, if any.

**ix. Impairment of tangible, intangible and right to use assets:**

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or Company of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax 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 the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognized in Statement of profit and loss.

**x. Financial instruments**

**a. Initial Recognition and measurement:**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs 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 directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of profit and loss.

**b. Subsequent measurement:**

- **Financial assets carried at amortised cost**
  A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Advances, security deposits, rental deposits, cash and cash equivalents etc. are classified for measurement at amortised cost.

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

- **Financial assets at fair value through profit or loss**
  A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. All investment held for trading, derivative financial instruments are valued at fair value through profit and loss. All the debt instrument held for trading purpose are designated as fair value through profit and loss.

- **Financial assets at fair value through other comprehensive income**
  For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognized in Statement of profit and loss.

- **Financial liabilities**
  Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on derecognition is also recognized in Statement of profit and loss.

**c. Derecognition:**

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

**D. Impairment of financial instruments**

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

**Overview of the ECL principles:**

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitments, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in these notes. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has established an internal model to evaluate ECL based on nature of Financial Assets. Based on the above process, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

**Stage 1:** When loans are first recognized, the Company recognizes an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

**Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

**Stage 3:** For loans considered credit-impaired, the Company recognizes the lifetime expected credit

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

losses for these loans.

The key elements of the ECL are summarized below:

**EAD:** The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. In case of Stage 3 loans EAD represents exposure when the default occurred.

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

**LGD:** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

**d. Write offs**

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor/ 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 under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in Statement of profit and loss.

**xi. Employee benefits**

- **Defined contribution plans**

  Company's contribution paid/payable during the year to provident fund and ESIC is recognized in the Statement of profit and loss are recognized in statement of profit and loss in the years during the services are rendered by employees.

- **Short-term employee benefits**

  Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**xii. Finance cost**

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Finance costs are charged to the Statement of profit and loss.

**xiii. Taxation- Current and deferred tax:**

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

**Current tax:**

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**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. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**xiv. Foreign currency translations:**

The functional and presentation currency of the Company is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains / losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

**xv. Provisions, contingent liabilities and contingent assets:**

Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

**Contingent liability is disclosed for:**

(a) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

(b) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are disclosed where an inflow of economic benefit is probable.

**xvi. Leases:**

**Company as a lessee:**

The Company's lease asset classes primarily consist of leases for building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

However, company is having lease with term of 12 months or less (short term leases). the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

**Company as a lessor:**
Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**xvii. Cash and cash equivalents:**
Cash and cash equivalents in the balance sheet comprise cash on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.Bank deposits having maturity more than 3 months have been classified as other bank balances.

**xviii. Earnings Per Share:**
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**xix. Statement of cash flows:**
Cash flows are reported using the indirect method where by the profit after tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**3. Standards issued but not yet effective:**
The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide notification no. G.S.R 255(E) dated 23rd March 2022. Given below are the amendment made in brief and their possible impact on the financial statements of the company. The company will apply the amendments from 1 April 2022 being the effective date of the amendments:

**Ind AS 101 - First-time adoption of Indian Accounting Standards:** The amendment removes the conflict between the requirements of paragraph D16(a) of Ind AS 101 which provides exemptions where a subsidiary adopts Ind AS later than its parent and the exemptions on cumulative translation differences. The amendment permits the subsidiary to measure cumulative translation differences at the carrying amount included in the parent's consolidated financial statements. Similar exemption is available to associate and joint venture that uses the exemption in paragraph D16(a) of Ind AS 101. Paragraph D16(a) of Ind AS 101 provides that the subsidiary can measure its assets and liabilities at the carrying amounts in parent's consolidated financial statements. The amendment is applicable for entities adopting Ind AS from 1 April 2022. As the company has already adopted Ind AS. there is no impact of this amendment on the company. Ind AS 103 - Business Combinations: The amendments are made to enable change of reference to Conceptual Framework for Financial Reporting under Indian Accounting Standards issued by The Institute of Chartered Accountants of India and have no impact on the financial statements of the company. The amendments are applicable for business combinations having acquisition date on or after 1 April 2022.

**Ind AS 109 - Financial Instruments:** The amendments clarify that only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf will be included in calculating the

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

discounted present value of the cash flow under the new terms on modification of financial liability. The amendment is applicable for modification / exchange of financial liabilities on or after 1 April 2022. The amendment has no impact on the financial statements of the company.

**Ind AS 16 - Property, plant and Equipment:** The amendment creates a carve-out from IAS 16. IAS 16 requires any sale proceeds and cost of samples produced when testing whether the asset is functioning properly to be recognised in profit or loss whereas the amendment clarifies that the same shall be deducted from the cost of the property, plant and equipment. No transition provisions have been specified and therefore, this amendment shall be applicable retrospectively. The company has been following the practice as clarified by the amendment and hence no impact on the financial statements of the company.

**Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets:** The paragraph clarifies what cost needs to be considered in the costs to fulfil a contract while determining whether the contract is onerous. Changes previous practice of considering only incremental costs in the costs to fulfil a contract for determination of onerous contract. Now apart from incremental costs, the costs to fulfil a contact includes an allocation of directly attributable costs. The amendments apply to unfulfilled onerous contracts as on 1 April 2022. As the company does not have any onerous contract, the said amendment has no impact on the financial statements of the company.

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

## Note '4' CASH AND CASH EQUIVALENTS

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Cash in hand | 67.80 | 27.03 |
| Balance with banks | | |
| - in current accounts | 73.11 | 12.93 |
| **Total** | **140.91** | **39.96** |

## Note '5' BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Earmarked balances with banks- | | |
| - in unpaid dividend account | 15.64 | 8.44 |
| **Total** | **15.64** | **8.44** |

## Note '6' RECEIVABLES

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Unsecured, considered good | 29.50 | 31.71 |
| **Total** | **29.50** | **31.71** |

## OTHER RECEIVABLES

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Other receivables** | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 29.50 | 31.71 |
| Other receivableswhich have significant increase in credit risk | - | - |
| Other receivables- credit impaired | - | - |
| | **29.50** | **31.71** |
| **Impairment Allowance (allowance for bad and doubtful debts)** | | |
| Unsecured, considered good | - | - |
| Other receivableswhich have significant increase in credit Risk | - | - |
| Other receivables- credit impaired | - | - |
| **Total** | **-** | **-** |

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

Other receivables are non-interest bearing and are generally on terms of 30 to 90 days. The company has assesed that , the impact of impairment of other receivables is immaterial and hence no impairment loss has been provided.

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

**Other receivables Ageing Schedule**
**As at 31 March 2022**

₹ in Lakhs

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 Months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Other receivables– considered good | 29.50 | - | - | - | - | 29.50 |
| Undisputed Other receivables– which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade receivable – credit impaired | - | - | - | - | - | - |
| **Total** | **29.50** | **-** | **-** | **-** | **-** | **29.50** |

**As at 31 March 2021**

₹ in Lakhs

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 Months | 6 months – 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Other receivables– considered good | 9.93 | 5.71 | 16.07 | - | - | 31.71 |
| Undisputed Other receivables– which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade receivable – credit impaired | - | - | - | - | - | - |
| **Total** | **9.93** | **5.71** | **16.07** | **-** | **-** | **31.71** |

## Note '7' LOANS

**Loans at Amortised cost**

₹ in Lakhs

| Particulars | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (A) | (i) Term loans | 10,482.44 | 8,411.04 |
| | **Total A (Gross)** | **10,482.44** | **8,411.04** |
| | Less: Impairment loss allowance* | (132.42) | (38.35) |
| | **Total A (Net)** | **10,350.02** | **8,372.69** |
| (B) | (i) Secured by tangible asset | 3,953.54 | 3,557.26 |
| | (ii) Unsecured | 6,528.90 | 4,853.78 |
| | **Total B (Gross)** | **10,482.44** | **8,411.04** |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Less: Impairment loss allowance | (132.42) | (38.35) |
| **Total B (Net)** | **10,350.02** | **8,372.69** |
| (C) (i) Loans in India | | |
| - Public sector | - | - |
| - Others | 10,482.44 | 8,411.04 |
| **Total C (i) (Gross)** | **10,482.44** | **8,411.04** |
| Less: Impairment loss allowance | (132.42) | (38.35) |
| **Total C (i) (Net)** | **10,350.02** | **8,372.69** |
| (ii) Loans outside India | - | - |
| Less: Impairment loss allowance | - | - |
| **Total C (ii) (Net)** | **-** | **-** |
| **Total C (i+ii) (Net)** | **10,350.02** | **8,372.69** |

*Impairement Allowance includes management provision of ₹ 15.35 Lakhs.

## Note '8' INVESTMENTS

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Investment in unquoted equity instruments of other entities at FVTOCI** | | |
| - Unquoted Equity Shares | 1,680.70 | 1,547.21 |
| **Total** | **1,680.70** | **1,547.21** |

## Note '9' OTHER FINANCIAL ASSET

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Security Deposits | 44.20 | 36.63 |
| **Total** | **44.20** | **36.63** |

## Note '10' INCOME TAX ASSETS (NET)

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Advance tax | 28.98 | 83.98 |
| **Total** | **28.98** | **83.98** |

## Note 11 - Investment Property

₹ in Lakhs

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Carried at cost | | |
| Investment in land | 1,316.11 | 1,316.11 |
| **Total** | **1,316.11** | **1,316.11** |
| *Fair Market Value | ₹ 1433.80 | ₹ 1317.93 |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

## Note 12(A) - Property, plant and equipment

₹ in Lakhs

| Description of assets | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipments/ Computer Peripherals | Total |
|---|---|---|---|---|---|
| **I. Cost** | | | | | |
| **Balance as at April 01, 2020** | **29.99** | **159.53** | **0.60** | **61.11** | **251.24** |
| Additions | - | - | - | 5.92 | 5.92 |
| Disposals | - | - | - | - | - |
| **Balance as at March 31, 2021** | **29.99** | **159.53** | **0.60** | **67.03** | **257.16** |
| Additions | 0.60 | 4.61 | | 4.84 | 10.05 |
| Additions on Acquisition | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| **Balance as at March 31, 2022** | **30.59** | **164.14** | **0.60** | **71.87** | **267.21** |
| **II. Accumulated depreciation/ impairment** | | | | | |
| **Balance as at April 01, 2020** | **19.94** | **136.42** | **0.57** | **53.99** | **210.93** |
| Depreciation for the year | 1.87 | 6.08 | - | 3.80 | 11.75 |
| Disposals | - | - | - | - | - |
| **Balance as at March 31, 2021** | **21.81** | **142.50** | **0.57** | **57.79** | **222.68** |
| Depreciation for the year | 1.59 | 5.16 | | 4.86 | 11.61 |
| Disposals | - | - | - | - | - |
| **Balance as at March 31, 2022** | **23.40** | **147.66** | **0.57** | **62.65** | **234.29** |
| **Net block (I-II)** | | | | | |
| **Balance as at March 31, 2022** | **7.19** | **16.48** | **0.03** | **9.22** | **32.92** |
| **Balance as at March 31, 2021** | **8.18** | **17.03** | **0.03** | **9.24** | **34.48** |

## Note 12(B) - Intangible assets

₹ in Lakhs

| Description of asset | Intangible Assets |
|---|---|
| **I. Cost** | |
| **Balance as at April 01, 2020** | **9.62** |
| Additions | 0.51 |
| Disposals | - |
| **Balance as at March 31, 2021** | **10.13** |
| Additions | 0.16 |
| Disposals | - |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

₹ in Lakhs

| Description of asset | Intangible Assets |
|---|---|
| **Balance as at March 31, 2022** | **10.29** |
| **II. Accumulated impairment losses** | |
| Balance as at April 01, 2020 | 3.15 |
| Amortization for the year | 3.42 |
| Disposals | - |
| **Balance as at March 31, 2021** | **6.57** |
| Amortization for the year | 2.02 |
| Disposals | - |
| **Balance as at March 31, 2022** | **8.59** |
| **Net block (I-II)** | |
| **Balance as at March 31, 2022** | **1.70** |
| **Balance as at March 31, 2021** | **4.35** |

## Note '13' OTHER NON FINANCIAL ASSET

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Balances with Revenue Authorities* | 7.96 | 7.96 |
| Prepaid Expenses | 24.82 | 24.87 |
| Other advances | 0.28 | 11.52 |
| Advance to Staff | - | 0.24 |
| **Total** | **33.06** | **44.59** |

*Balances with Revenue Authorities includes cash of the Company seized by the Income Tax Authorities on 01.10.2013 from the residence of director of the company.

## Note '14' PAYABLES

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Trade Payables** | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - |
| **Other payables** | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | - | - |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 24.63 | 45.59 |
| **Total** | **24.63** | **45.59** |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

**Ageing Schedule**

₹ in Lakhs

| As at 31 March 2021 | | | | |
|---|---|---|---|---|
| Particulars | Outstanding for following periods from due date of payment | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 43.28 | 2.31 | - | - |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - |
| **Total** | **43.28** | **2.31** | **-** | **-** |

| As at 31 March 2022 | | | | |
|---|---|---|---|---|
| Particulars | Outstanding for following periods from due date of payment | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 24.63 | - | - | - |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - |
| **Total** | **24.63** | **-** | **-** | **-** |

## Note '15' BORROWINGS (OTHER THAN DEBT SECURITIES)-At amortised cost

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Secured Loan** | | |
| **(i) Term Loan** | | |
| -Federal Bank | 487.65 | 490.44 |
| **(ii) Loan repayable on demand** | | |
| -South Indian Bank | 927.57 | 434.18 |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| -City Union Bank | 535.94 | - |
| **Unsecured Loan** | | |
| **Loan repayable on demand** | | |
| -Inter-Corporate Loans | 100.00 | - |
| -Loan from Directors | 775.00 | 386.52 |
| **Total** | **2,826.16** | **1,311.14** |

Note:

**Secured Loan**

**Federal Bank:**

1. The company has taken the secured facility having Sanction Limit of ₹ 5 Crores and current outstanding of ₹ 487.66 Lakhs.

2. Security:

   a. Primary security-
   Receivable of Borrower(s) arising out of loan extended to obligors against security of pledge of gold ornaments which are repledged in favour of the bank and Statement for the same is to be submitted

   b. Collateral Security-
   Repledge of gold ornaments pledged by Obligors

3. Tenure of loan: 12 months

4. Rate of interest:
   Rate of interest is 8.40% p.a.

**South Indian Bank:**

1. The company has taken the working capital facility payable on demad having Sanction limit of ₹ 10 Crores and Current Outstanding of ₹ 927.57 Lakhs.

2. Collateral Security:
   Repledge of gold ornaments pledged by Obligors

3. Rate of interest:
   Rate of interest is 9.75%

**City Union Bank:**

1. The company has taken the working capital facility payable on demand having Sanction limit of ₹ 9 Crores and Current Outstanding of ₹ 535.94 Lakhs.

2. Collateral Security:
   Repledge of gold ornaments pledged by Obligors

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

3. Rate of interest:
   Rate of interest is 10%

**Unsecured loan:**
All loans are payable on demand from the reporting date having interest rate ranging from 9%- 12%.p.a.

## Note '16' OTHER FINANCIAL LIABILITIES

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Unpaid Dividends | 15.44 | 8.24 |
| Auction Surplus Refundable | 1.20 | - |
| Interest Accrued on borrowings | 0.03 | 26.69 |
| **Total** | **16.67** | **34.93** |

## Note '17' CURRENT TAX LIABILITY

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Provision for tax [net of advance tax ₹ 57.74 Lakhs (as at 31 March 2021: ₹62.26 Lakhs)] | 177.48 | 139.75 |
| **Total** | **177.48** | **139.75** |

## Note '18' OTHER NON FINANCIAL LIABILITIES

₹ in Lakhs

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Loan Disbursement Reimbursement | - | 8.45 |
| Unearned interest income | 12.75 | 3.22 |
| Other Payables | 1.17 | 0.15 |
| Statutory dues | 14.43 | 12.89 |
| **Total** | **28.35** | **24.71** |

## Note '19A' - EQUITY SHARE CAPITAL

| Particulars | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Number of Shares | Amount in Lakhs | Number of Shares | Amount in Lakhs |
| **(a) Authorised** | | | | |
| Equity Shares of ₹10/- each | 25,000,000 | 2,500.00 | 25,000,000 | 2,500.00 |
| **Total** | **25,000,000** | **2,500.00** | **25,000,000** | **2,500.00** |
| **(b) Issued, Subscribed and Paid up** | | | | |
| Equity Shares of ₹10/- each | 19,313,986 | 1,931.40 | 19,313,986 | 1,931.40 |
| **Total** | **19,313,986** | **1,931.40** | **19,313,986** | **1,931.40** |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

**Note :- The Company has only one class of Share referred to as Equity Share having a Par Value of ₹10/- per share. Each Shareholder of Equity share is entitled to one vote per Share.**

In the event of liquidation of the Company, the shareholder of Equity Share will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholder, after distribution of all preferential amounts.

The company declares and pays dividend in Indian Rupees (₹). The dividend proposed by the Board of Directors is subject to the approval of shareolders in ensuing Annual General Meeting, except incase of Interim dividend. The distribution will be propotional to the number of Equity Shares held by the shareholders.

**(c) Reconciliation of the number of shares outstanding at the beginning and at the end of F.Y. 2021-22**

| Particulars | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Number of Shares | Amount in Lakhs | Number of Shares | Amount in Lakhs |
| At the beginning of the year | 19,313,986 | 1,931.40 | 19,313,986 | 1,931.40 |
| Issued during the year | | | | |
| - on account of equity shares to the promoters/ non-promoters against share warrants | - | - | - | - |
| **Outstanding at the end of the year** | **19,313,986** | **1,931.40** | **19,313,986** | **1,931.40** |

**(d) Rights attached to equity Shares**

- The Company has only one class of equity shares having face value of ₹10/- per share. Each holder of equity share is entitled to one vote per share.
- Every share is entitled to receive dividends in Indian Rupees, if declared.
- In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the company after distribution of the preferential amounts.
- The distribution will be in proportion to the number of equity shares held by the shareholders.

**(e) Details of shares held by each shareholder holding more than 5% equity shares**

| Name of Shareholder | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Number of Shares | % of Holding | Number of Shares | % of Holding |
| Meghraj S Jain | 4,562,731 | 23.62 | 4,470,342 | 23.15 |
| Ajit S Jain HUF | 2,484,240 | 12.86 | 2,484,240 | 12.86 |
| M/s E-ally Consulting (I) Pvt. Ltd | 1,679,700 | 8.70 | 1,679,700 | 8.70 |
| M/s Dhakad Properties and Financial Services Pvt Ltd | 1,259,205 | 6.52 | 1,259,205 | 6.52 |
| Chandanmal Hasmukh | 1,000,000 | 5.18 | - | - |
| *Rekha Jagdish Jain | 258,665 | 1.34 | 1,000,000 | 5.18 |

*Rekha Jagdish Jain shareholding is less than 5% as on 31st March 2022 (more than 5% as on 31st March 2021).

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

**(f)** 1,93,13,986 Equity shares of face value of ₹ 10 each includes 70,44,075 fully paid Equity shares of face value of ₹ 10 each issued as bonus shares during the quarter ended December 31, 2015 pursuant to shareholders approval of issue of 5 bonus Equity shares for every 1 existing shares held.

**(g) Split of shares:-**

The 'Record Date' for the purpose of ascertaining the Members entitled to receive the said sub-divided equity shares of the Company was fixed by the Board of Directors of the Company as '06/05/2017. Subsequently, the Company has issued ten (10) sub-divided equity shares of ₹1/- each in lieu of one (1) equity share of ₹10/- each to the eligible Members of the Company. In case of Members holding equity shares of the Company in physical form, the Company, without requiring the surrender of old share certificate(s), has directly issued and dispatched the new share certificate(s) of the Company for the sub-divided equity shares of ₹1/- each. The said new share certificate(s) were issued in lieu of the old share certificate(s), which were deemed to have been automatically cancelled and be of no effect. In the case of equity shares of the Company held in dematerialized form, the sub-divided equity shares have been duly credited to the respective beneficiary accounts of the Members with the respective Depository Participants, as per the existing credits representing the equity shares of the Company. In view of the aforesaid Stock Split, the number of equity shares of the Company and price of underlying equity share in the stock markets has been correspondingly adjusted by the Stock Exchanges, where the Company's shares are listed (i.e. BSE). The details of the Authorised and Paid-up share capital of the Company (pre & post Stock Split) is as follows:

| Particulars | Authorised Share Capital | | Paid up Share Capital | |
|---|---|---|---|---|
| | No. of Shares | Amount (₹ in Lakhs) | No. of Shares | Amount (₹ in Lakhs) |
| Pre Stock Split | 25,000,000 | 2,500.00 | 16,112,038 | 1,611.20 |
| Post stock Split | 250,000,000 | 2,500.00 | 161,120,380 | 1,611.20 |

**(h) Consolidation of shares:-**

During the year 2017, pursuant to the shareholders approval the face value of existing equity shares of ₹ 1 each has been consolidated to ₹ 10 each . Accordingly , the Company has issued one (1) consolidated equity share of ₹10/- each in lieu of ten (10) sub-divided equity share of ₹1/- each to the eligible Members of the Company. In case of Members holding equity shares of the Company in physical form, the Company, without requiring the surrender of old share certificate(s), has directly issued and dispatched the new share certificate(s) of the Company for the consolidated equity share of ₹10/- each. The said new share certificate(s) were issued in lieu of the old share certificate(s), which were deemed to have been automatically cancelled and be of no effect. In the case of equity shares of the Company held in dematerialized form, the sub-divided equity shares have been duly credited to the respective beneficiary accounts of the Members with the respective Depository Participants, as per the existing credits representing the equity shares of the Company. In view of the aforesaid Stock Consolidation, the number of equity shares of the Company and price of underlying equity share in the stock markets has been correspondingly adjusted by the Stock Exchanges, where the Company's shares are listed (i.e. BSE). The details of the Authorised and Paid-up share capital of the Company (pre & post Stock Consolidation ) is as follows:

| Particulars | Authorised Share Capital | | Paid up Share Capital | |
|---|---|---|---|---|
| | No. of Shares | Amount (₹ In Lakhs) | No. of Shares | Amount (₹ in Lakhs) |
| Pre Stock Consolidation | 250,000,000 | 2,500.00 | 193,139,860 | 1,931.40 |
| Post stock Consolidation | 25,000,000 | 2,500.00 | 19,313,986 | 1,931.40 |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

* Consolidation of Shares
The consolidation of equity shares of the company from face value ₹1/- each to face value of ₹10/- each (""Stock Sumup"") and consequent alteration in Capital clause of MOA of the company was approved by the Members on 29/09/2018.

**(i) Details of shares held by promoters**
**March 31, 2022**

| Promoter Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|---|---|---|---|---|---|
| Meghraj Sohanlal Jain | 4,470,342 | 92,389 | 4,562,731 | 23.62% | 2.07% |
| Ajit S Jain HUF | 2,484,240 | - | 2,484,240 | 12.86% | 0.00% |
| Ajit Sohanlal Jain | 399,696 | - | 399,696 | 2.07% | 0.00% |
| Neeta Maloo | 600 | - | 600 | 0.00% | 0.00% |
| Sandeep Maloo | 600 | - | 600 | 0.00% | 0.00% |
| Hardik Meghraj Jain | 561,280 | 16,114 | 577,394 | 2.99% | 2.87% |
| Bhavika Meghraj Jain | - | 86,898 | 86,898 | 0.45% | 100.00% |
| Indra Meghraj Jain | - | 63,036 | 63,036 | 0.33% | 100.00% |
| Seema Ajit Jain | 1,000 | - | 1,000 | 0.01% | 0.00% |
| E Ally Consulting India Private Limited | 1,679,700 | - | 1,679,700 | 8.70% | 0.00% |
| Dhakad Properties Private Limited | 1,259,205 | - | 1,259,205 | 6.52% | 0.00% |
| Shree Jaisal Electronics And Industries Limited | 929,400 | - | 929,400 | 4.81% | 0.00% |
| **Total** | **11,786,063** | **258,437** | **12,044,500** | **62.36%** | |

**March 31, 2021**

| Promoter Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|---|---|---|---|---|---|
| Meghraj Sohanlal Jain | 4,114,372 | 355,970 | 4,470,342 | 23.15% | 8.65% |
| Ajit S Jain HUF | 2,484,240 | - | 2,484,240 | 12.86% | 0.00% |
| Ajit Sohanlal Jain | 336,547 | 63,149 | 399,696 | 2.07% | 18.76% |
| Neeta Maloo | 600 | - | 600 | 0.00% | 0.00% |
| Sandeep Maloo | 600 | - | 600 | 0.00% | 0.00% |
| Hardik Meghraj Jain | 442,883 | 118,397 | 561,280 | 2.91% | 26.73% |
| Seema Ajit Jain | - | 1,000 | 1,000 | 0.01% | 100.00% |
| E Ally Consulting India Private Limited | 1,679,700 | - | 1,679,700 | 8.70% | 0.00% |
| Dhakad Properties Private Limited | 1,259,205 | - | 1,259,205 | 6.52% | 0.00% |
| Shree Jaisal Electronics And Industries Limited | 929,400 | - | 929,400 | 4.81% | 0.00% |
| **Total** | **11,247,547** | **538,516** | **11,786,063** | **61.03%** | |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

## Note '19B'- OTHER EQUITY

| Particulars | Amount in ₹ in Lakhs | |
|---|---|---|
| | March 31, 2022 | March 31, 2021 |
| (a) Capital reserve | 150.46 | 150.46 |
| (b) Security premium reserve | 3,588.19 | 3,588.19 |
| (c) General reserve | 365.00 | 365.00 |
| (d) Statutory reserve fund | 1,021.61 | 899.98 |
| (e) Contingency reserve | 25.00 | 25.00 |
| (f) Investment reserve | 7.00 | 7.00 |
| (g) Retained earnings | 3,364.35 | 2,974.41 |
| (h) Other Comprehensive Income | 139.32 | 36.37 |
| **Total** | **8,660.93** | **8,046.41** |

**Nature and purpose of reserve**

**Capital reserve**
This reserve is created out of amount received against equity share warrants (first tranch i.e. 25% of total value of warrants) due to non excercising of options of converstion and the said amount is forfitted.

**Securities premium reserve**
The amount received in excess of face value of the equity shares is recognised in Securities premium reserve. This reserve is utilised in accordance with the provisions of the Companies Act 2013.

**General reserve**
This reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

**Statutory fund reserve**
Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of Profit for the period is transferred to the fund for the year.

**Contingency reserve**
The extant guidelines provide for a lower appropriation to Contingency Reserves if provision made towards losses exceed 35% of the premium or fee earned during a financial year.

**Retained earnings**
Retained earnings represent the accumulated earnings net of losses, if any, made by the Company over the years.

**Other Comprehensive Income**
Other Comprehensive Income includes fair value on investment through OCI, net of taxes that will not be reclassfied to profit & loss.

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

## Note '20' INTEREST INCOME

₹ in Lakhs

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **On financial instruments measured at Amortised cost** | | |
| Interest on loans | 1,303.89 | 1,059.76 |
| **Total** | **1,303.89** | **1,059.76** |

## Note '21' FEES AND COMMISSION INCOME

₹ in Lakhs

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Fees on corporate guarantee | 3.66 | 22.74 |
| Service charges and other fees on loan transaction | 27.48 | 15.56 |
| Loan Foreclosure Charges - Income | 4.54 | 1.94 |
| Financial Consultancy Fees | 25.00 | 30.50 |
| **Total** | **60.68** | **70.74** |

## Note '22' OTHER INCOME

₹ in Lakhs

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Reimbursement of expenses | 11.67 | 8.92 |
| Interest income on fixed deposit | 0.40 | - |
| Interest income on security deposit discounting | 4.38 | 1.62 |
| Interest on income tax refund | 3.55 | - |
| **Total** | **20.00** | **10.54** |

## Note '23' FINANCE COSTS

₹ in Lakhs

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **On financial liabilities measured at Amortised cost** | | |
| Interest from bank and Financial Institutions | 115.23 | 18.22 |
| Interest on other borrowings | 44.62 | 32.90 |
| Interest on lease liability | 10.61 | 4.28 |
| Other finance cost | 7.40 | 1.54 |
| **Total** | **177.86** | **56.94** |

## Note '24' IMPAIRMENT ON FINANCIAL INSTRUMENT

₹ in Lakhs

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **On financial instruments measured at Amortised cost** | | |
| Loans and advanvces to customer | 94.08 | 22.54 |
| Bad debt and write offs | 2.57 | - |
| Bad debts recovered | (97.00) | - |
| **Total** | **(0.35)** | **22.54** |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

## Note '25' EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Director's Remuneration | 47.00 | 21.00 |
| Directors Sitting Fees | 2.65 | 1.30 |
| Salaries, Bonus and Allowances | 161.12 | 114.67 |
| Staff Welfare Expenses | 1.30 | 3.02 |
| **Total** | **212.07** | **139.99** |

## Note '26' OTHER EXPENSES

₹ in Lakhs

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Valuation Expenses | 1.72 | 0.19 |
| Credit Enquiry Expenses | 1.07 | 0.76 |
| Commission Expenses | 3.40 | 0.24 |
| Advertisement Expenses | 1.13 | 0.82 |
| Payment to Auditor | | |
| - Statutory Audit Fees | 2.50 | 2.50 |
| - Tax Audit Fees | 0.25 | 0.25 |
| - Others | - | 0.20 |
| Internal Audit Fees | 1.50 | 0.60 |
| Secretial Audit Fees | 0.50 | 1.00 |
| Conveyance Expenses | - | 0.52 |
| CDSL/NSDL custody fees | 0.96 | 1.14 |
| Office Expenses | 2.25 | 1.08 |
| Business promotion expenses | 0.03 | 0.53 |
| Electricity Charges | 17.02 | 11.23 |
| Legal & Professional Charges | 10.42 | 18.43 |
| CSR expense ( Note 33 ) | 14.28 | 12.73 |
| Repair & Maintenance | 0.18 | 0.09 |
| Registration charges | 0.31 | 0.82 |
| Annual Maintenance Charges | 0.17 | 0.32 |
| Membership Fees | 0.15 | 0.10 |
| Listing Fees | 3.00 | 3.00 |
| GST Exp - Others | 5.56 | 5.21 |
| Software expense | 1.62 | 1.68 |
| Computer Expense | 0.28 | 0.25 |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Postage, Courier & Telegrams | 0.17 | 0.35 |
| Printing & Stationery | 2.33 | 2.01 |
| Insurance premium | 0.62 | 0.45 |
| Rent, Rates and Taxes | 7.38 | 6.63 |
| ROC Filling Fee | 0.12 | 0.14 |
| Professional tax | 0.08 | 0.05 |
| Travelling Expenses | 0.69 | 1.38 |
| Telephone & Internet Charges | 4.23 | 3.83 |
| Miscellaneous Expenses | 0.26 | 0.70 |
| Over Due Charges Waived Off | 0.19 | - |
| Interest on TDS | 0.25 | - |
| Penalty | 2.09 | - |
| **Total** | **86.71** | **79.23** |

## Note '27' CURRENT TAX AND DEFERRED TAX

**(A) Major Components of income tax expenses** ₹ in Lakhs

| Particulars | April 1, 2021 to March 31, 2022 | April 1, 2020 to March 31, 2021 |
|---|---|---|
| **(a) Statement of profit and loss:** | | |
| (i) Current tax: | | |
| - In respect of current year | 235.22 | 230.54 |
| - In respect of earlier year | 38.00 | - |
| (ii) Deferred tax: | | |
| - Relating to origination and reversal of temporary differences | (13.11) | 16.70 |
| **Total tax expense recognised in statement of profit and loss** | **260.11** | **247.24** |
| **(b) Other comprehensive income:** | | |
| (i) Deferred tax impact | 30.54 | 4.52 |
| **Total tax expense recognised in total comprehensive loss** | **290.65** | **251.76** |

**(B) Numerical reconciliation between average effective tax rate and applicable tax rate :** ₹ in Lakhs

| Particulars | April 1, 2021 to March 31, 2022 | April 1, 2020 to March 31, 2021 |
|---|---|---|
| **Profit before tax** | **868.25** | **818.34** |
| Applicable tax rate | 25.17% | 25.17% |
| Computed tax expense | 218.54 | 205.98 |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

| Particulars | April 1, 2021 to March 31, 2022 | April 1, 2020 to March 31, 2021 |
|---|---|---|
| Effect of expenses that is non-deductible in determining taxable profit / accounting profit | 34.12 | 17.24 |
| Exempted income | - | - |
| Adjustments in respect of current income tax of previous years | 38.00 | 28.54 |
| Effect of different tax rates (tax on capital gain) | - | - |
| **Income tax expense recognised in statement of profit and loss** | **290.65** | **251.76** |
| **Effective tax rate** | **33.48%** | **30.76%** |

**(C) Deferred Tax**

₹ in Lakhs

| Particulars | For the year ended March 31, 2022 | | | |
|---|---|---|---|---|
| | As at April 01, 2021 | Recognised in Profit and Loss | Recognised in OCI | As at March 31, 2022 |
| Tax effect of items constituting deferred tax liability on: | | | | |
| On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961 | (0.87) | (0.40) | | (1.27) |
| On Right to use assets | 21.47 | (6.64) | | 14.83 |
| Lease accounting impact | | | | |
| Fair value of investment through OCI | - | | | - |
| **(A)** | **20.60** | **(7.04)** | **-** | **13.54** |
| Tax effect of items constituting deferred tax assets: | | | | |
| Provision for impairment loss | - | 11.30 | | 11.30 |
| Property, plant and equipment and intangible assets | 12.54 | 0.29 | | 12.83 |
| Provision for CSR | - | | | - |
| Fair value of investment through OCI | 1.75 | | (30.54) | (28.79) |
| Deferred tax asset on lease liability | 21.94 | (5.52) | | 16.41 |
| **(B)** | **36.23** | **6.07** | **(30.54)** | **11.75** |
| Deferred tax assets have been restricted to the extent of deferred tax liabilities | | | | |
| **Deferred tax liabilities/(assets) (net) (A-B)** | **(15.63)** | **(13.11)** | **30.54** | **1.80** |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

₹ in Lakhs

| Particulars | For the year ended March 31, 2021 | | | |
|---|---|---|---|---|
| | As at April 01, 2020 | Recognised in Profit and Loss | Recognised in OCI | As at March 31, 2021 |
| Tax effect of items constituting deferred tax liability on: | | | | |
| On Amortisation of expenses under Effective Interest Rate method for financial liabilities not permitted under Income Tax Act, 1961 | (0.90) | 0.02 | - | (0.87) |
| On Right to use assets | - | 21.47 | - | 21.47 |
| **(A)** | **(0.90)** | **21.49** | **-** | **20.60** |
| Tax effect of items constituting deferred tax assets: | | | | |
| Provision for impairment loss | 17.07 | (17.07) | | - |
| Property, plant and equipment and intangible assets | 12.61 | (0.07) | | 12.54 |
| Provision for CSR | - | - | | - |
| Fair value of investment through OCI | 6.27 | - | (4.52) | 1.75 |
| Deferred tax asset on lease liability | | 21.94 | | 21.94 |
| **(B)** | **35.95** | **4.80** | **(4.52)** | **36.23** |
| Deferred tax assets have been restricted to the extent of deferred tax liabilities | - | - | - | - |
| **Deferred tax liabilities/(assets) (net) (A-B)** | **(36.85)** | **16.69** | **4.52** | **(15.63)** |

## Note '28' - EARNING PER SHARE

₹ in Lakhs

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Profit after tax for the year attributable to the equity shareholders | 608.14 | 571.10 |
| No. of Equity Shares Outstanding at the end of the year | 193.14 | 193.14 |
| Weighted average number of equity shares (Nos.) | 193.14 | 193.14 |
| Face value per share (In ₹) | 10 | 10 |
| Basic and Diluted earnings per share (in ₹) | 3.15 | 2.96 |

## Note '29' - CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Lakhs

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **(i) Contingent Liabilities** | | |
| (a) Claims against company not acknowledged as debt* | 59.83 | 59.83 |
| (b) Guarantees Counter Guarantees Provided to Bank ** | 732.00 | 2,732.00 |
| | **791.83** | **2,791.83** |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| **(ii) Commitements** | | |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - |
| (b) Other commitments (loan sanctioned but not disbursed) | - | - |
| | **-** | **-** |

*Claims against the company not acknowledged as debts for the year ended 31st March, 2022 include demand from the Income Tax Authorities for payment of tax of ₹ 59,83,730/- upon completion of their tax assessment for Assessment Years 2017-18. The company has filed an appeal with the income tax appellate authorities.The company is contesting the demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings wll not have a material adverse effect on the company's financial position and result of operation.

** current outstanding of counter guarantee is ₹ 652 Lakhs as on 31st March 2022(₹ 2,672 Lakhs as on 31st March 2021)

## Note '30' - DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Based on the information available with the Company and has been relied upon by the auditors, none of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, no disclosures relating to principal amounts unpaid as at the period ended March 31, 2022 together with interest paid /payable are required to be furnished.

## Note '31'- LEASES

The Company has entered into lease contracts for office premises used in its operation. The Company has adopted Indian Accounting Standard (Ind AS) 116 on 'Leases'. The Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has used a single discount rate to a portfolio of leases with similar characteristics. The Company recognised a lease liability and asset measured at the present value of the lease payments. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The weighted average incremental borrowing rate of 10% has been applied to lease liabilities recognised in the balance sheet. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

The details of the right of use held by the Company is as follows: ₹ in Lakhs

| Particulars | Office premises | Total |
|---|---|---|
| **As at 1st April 2020** | **-** | **-** |
| Additions | 94.13 | 94.13 |
| Depreciation for the year | (8.82) | (8.82) |
| **As at 31st March 2021** | **85.31** | **85.11** |
| Additions | 41.15 | 41.15 |
| Depreciation for the year | (26.40) | (26.40) |
| **As at 31st March 2022** | **100.06** | **99.86** |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

Depreciation of right of use asset is as follows: ₹ in Lakhs

| Particulars | Year ended March 31 2022 | Year ended March 31 2021 |
|---|---|---|
| Office premises | 26.40 | 8.82 |
| | **26.40** | **8.82** |

The total cash outflow for leases is ₹ 32.55 Lakhs for the year ended March 31, 2022.

Below are the carrying amounts of lease liabilities and movement during the period : ₹ in Lakhs

| Particulars | Office premises | Total |
|---|---|---|
| **As at 1st April 2020** | **-** | **-** |
| Additions | 94.13 | 94.13 |
| Accretion of interest | 4.28 | 4.28 |
| Payments | (11.25) | (11.25) |
| **As at 31st March 2021** | **87.16** | **87.16** |
| Additions | 41.15 | 41.15 |
| Accretion of interest | 10.61 | 10.61 |
| Payments | (32.55) | (32.55) |
| **As at 31st March 2022** | **106.37** | **106.37** |

| Particulars | Year ended March 31 2022 | Year ended March 31 2021 |
|---|---|---|
| Non- current Financial liability | 78.60 | 71.15 |
| Current Financial liability | 27.77 | 16.00 |

The following are the amounts recognised in profit and loss account :

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Depreciation expense of right-of-use assets | 26.40 | 8.82 |
| Interest expense on lease liabilities | 10.61 | 4.28 |
| **Total amount recognised in profit or loss** | **37.01** | **13.10** |

The table below provides details regarding the contractual maturities of lease liabilities under Ind AS 116 as at March 31, 2022, on an undiscounted basis:

₹ in Lakhs

| Tenure | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Less than 1 year | 27.77 | 16.00 |
| 1-5 years | 78.60 | 71.15 |
| More than 5 years | - | - |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

## Note '32' - OPERATING SEGMENT

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company. The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

## Note '33' - CORPORATE SOCIAL RESPONSIBILITY (CSR)

**Details of CSR expenditure:** ₹ in Lakhs

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| (a) Gross amount required to be spent by the Company during the year | 14.28 | 12.73 |
| (b) Amount approved by the Board to be spent during the year | 14.28 | 12.73 |

**(c) Amount spent during the year ending on 31 March 2022:** ₹ in Lakhs

| | In Cash | Yet to be paid in Cash | Total |
|---|---|---|---|
| (i) Construction/acquisition of any asset | - | - | - |
| (ii) On purposes other than (i) above | 14.28 | - | 14.28 |

**(d) Amount spent during the year ending on 31 March 2021:** ₹ in Lakhs

| | In Cash | Yet to be paid in Cash | Total |
|---|---|---|---|
| (i) Construction/acquisition of any asset | - | - | - |
| (ii) On purposes other than (i) above | 23.23 | - | 23.23 |

**(e) Details related to spent / unspent obligations:** ₹ in Lakhs

| | March 31, 2022 | March 31, 2021 |
|---|---|---|
| (i) Contribution to Public Trust | - | - |
| (ii) Contribution to Charitable Trust | 14.28 | 23.23 |
| (iii) Unspent amount in relation to: | | |
| - ongoing project | - | - |
| - Other than ongoing project | - | - |
| | 14.28 | 23.23 |

The Company has spent during the year ended 31 March 2022: ₹ 14.28 Lakhs (year ended 31 March 2021: ₹ 23.23 Lakhs) towards various schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013.

## Note '34' - CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating and healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the Company's capital is monitored by the Board using, among other measures, the regulations issued by RBI.

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

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.

The Company has complied in full with the capital requirements prescribed by RBI over the reported period. below given disclosure of capital adequacy as per applicable RBI regulations (Refer note no. 37).

## Note '35'- FINANCIAL RISK MANAGEMENT FRAMEWORK

The company is committed to create value for its stakeholders through sustainable business growth and with that intent has put in place a robust risk management framework to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. Given the nature of the business the company is engaged in, the risk framework recognizes that there is uncertainty in creating and sustaining such value as well as in identifying opportunities. Risk management is therefore made an integral part of the company's effective management practice.

### (i) Credit Risk

The 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 receivable from loans and advances, investments other than the quoted securities given. Credit risk in respect of quoted securities is expected to have a direct correaltion with the quoted market price and risk.

The Company is exposed to the risk that third parties that owe money will not perform their obligations. These parties may default on their obligations owed to the company due to insolvency, lack of liquidity, operational failure etc. Significant failures by third parties to timely perform their obligations owed could materially and adversely affect the company 's financial position, and ability to borrow incremental funds and ability to meet business expenses and to repay.make the payment to its creditors in timely manner.
The credit risk may also arise due to the business, operational and technological parameters and business environment in which the company operates. Due to some challenges specific to his/her business or profession, a customer may not be able to meet its performance obligations and credit risk may arise. On the operational side, there could be a slippage in operational procedure and execution of policies leading to credit risk. Similarly technological redundancy and obsoleteness may also pose credit risk.

### (A) Management /mitigation of credit risk

The Company's main business is to grant loans to its customer. The Company is exposed to high credit risk due to the inherent nature of its business. The Company lends both secured and unsecured loans to its customer. To mitigate the credit risk, the company has implemented various policies and mechanisms, including credit policy to define the broad principles which the company follows to accept borrowers and loan proposals, to manage loan portfolio and recover its dues so as to protect business revenues with customers satisafction. To reduce the credit risk in financing ,the company perform a detail credit assessment on the prospective borrower or seek security over some assets of the borrower or a gurantee from a third party . The Company takes all reasonable and business precautions through policies and procedure to mitigate and manage the credit risk.

The Senior management in the company is resposible for evaluation of internal financial controls and risk management systems. The Company conducts regular internal audits of various business units to identify scope of improvement/enhancement in the company 's processes, quality control, fraud prevention and compliance with law & regulations. The internal audit reports are reviewed by the Audit committee and also placed before the board.

As the portfolio level, the company manges credit risk through limiting concentration of credit at individual borrower

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

level, group levels, industry level etc. The loan proposals are assessed based on various factors like repayment capacity, credit worthiness, repayment history, business/ professional profile, future business prospects etc of prospective borrower, field investigation, quality & value of security etc.

Despite all measure taken by the company and its management it is inherent in the financing business that the customer may default in the repayment of the loan granted to him. The Company employs all recovery procedures including follow up with the customer for payment, legal remedies for recovery, invocation and sale of collateral.

The credit risk is managed by a robust control framework by the risk and collection department which continously align credit and collection policies and resourcing, obatining external data from credit bureaus and reviews of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, collection and fraud containment along with business. The same is periodically reviewed by the board appointed Risk Management Commitee.

**(a) Credit Exposure:**

The carrying amount of financial assets represents the maximum credit exposure to credit risk at the reporting date was:

₹ in Lakhs

| Particulars | As at March 31, 2022 |
|---|---|
| Trade receivable and other receivables | 29.50 |
| Loans (gross carrying amount) | 10,482.44 |
| Other financial assets | 44.20 |
| **Total** | **10,556.15** |

**(b) Credit quality if the loan assets and provision against the same**

₹ in Lakhs

| Particulars | | As at March 31,2022 | | |
|---|---|---|---|---|
| | | Gross carrying amount | Provision | Net Carrying amount |
| **Performing Assets** | | | | |
| Standard | Stage 1 | 9,751.03 | 2.98 | 9,748.05 |
| | Stage 2 | 463.04 | 24.05 | 438.99 |
| | Stage 3 | 131.79 | 1.33 | 130.46 |
| **Subtotal** | | - | - | - |
| | | - | - | - |
| **Non-Performing Assets (NPA)** | | - | - | - |
| Substandard | Stage 3 | 61.13 | 17.69 | 43.44 |
| Doubtful - Upto 1 year | Stage 3 | 5.45 | 1.02 | 4.43 |
| 1 to 3 years | Stage 3 | - | - | - |
| More Than 3 Years | Stage 3 | 70.00 | 70.00 | - |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

| Particulars | | As at March 31,2022 | | |
|---|---|---|---|---|
| | | Gross carrying amount | Provision | Net Carrying amount |
| **Subtotal for Doubtful** | **Stage 3** | **-** | **-** | **-** |
| 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, under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage 1 | - | - | - |
| | Stage 2 | - | - | - |
| | Stage 3 | - | - | - |
| **Subtotal** | | | | |
| **Total** | **Stage 1** | **9,751.03** | **2.98** | **9,748.05** |
| | **Stage 2** | **463.04** | **24.05** | **438.99** |
| | **Stage 3** | **268.37** | **90.04** | **178.33** |
| **Management provison** | | **-** | **15.35** | **(15.35)** |
| | **Total** | **10,482.44** | **132.42** | **10,350.02** |

**(c) Impairment of financial assets**

The Company monitors all the loans continuously basis the factors cosidered while sanctioning the loan. If there are any indicators of impairment on mangement assessment of these loans ,these are provided for. The company uses ECL method of impairment and the prudential norms for the income recognition and asset reclassification issued by RBI for the purpose of impairment of loans and other financial assets. Following are the reconcilations of the provision for impairment of financial assets.

**Reconciliations of the provision for impairment of loans** ₹ in Lakhs

| Particulars | As at March 31, 2022 |
|---|---|
| Opening Balance at the beginning of the year | 38.35 |
| Addition/(reversal) during the year | 94.08 |
| Write offs during the year | - |
| **Closing balance at the end of the year** | **132.43** |

**(ii) Operational Risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The operational risks of the company are managed through comprehensive internal control systems and procedures and key back up processes. In order to further strengthen the control framework and effectiveness, the company has established risk control self-assessment at branches to identify process lapses

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

by way of exception reporting. This enables the management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis. The company also undertakes risk based audits on a regular basis across all business units / functions. While examining the effectiveness of control framework through self-assessment, the risk-based audit would assure effective implementation of selfcertification and internal financial controls adherence, thereby, reducing enterprise exposure.

**(iii) Market risk**

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices. The company's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The company is exposed to interest rate risk and liquidity risk, if the same is not managed properly. The company continuously monitors these risks and manages them through appropriate risk limits. The Board of the company reviews market-related trends and risks and adopts various strategies related to assets and liabilities, in line with the company's risk management framework.

**(iv) Foreign currency risk**

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. However the company is not exposed to the risk of fluctuations on change in exchange rates as company does not have any foreign transaction.

**(v) Liquidity Risk**

**(1) Liquidity risk management**

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of availing funding in line with the tenor and repayment pattern of its receivables and monitors future cash flows and liquidity on a daily basis. The Company has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of unencumbered receivables which could be used to secure funding by way of assignment if required.

₹ in Lakhs

| Particulars | Maturity within 12 months | Maturity after 12 months | Total contracted cash flows | Carrying value |
|---|---|---|---|---|
| **As at March 31, 2022** | | | | |
| Other payables and other financial liabilities | 41.30 | - | 41.30 | 41.30 |
| Borrowings (Other than debt securities) | 2,051.16 | 775.00 | 2,826.16 | 2,826.16 |
| Lease liability | 27.77 | 78.60 | 106.37 | 106.37 |
| **Total** | **2,120.23** | **853.60** | **2,973.83** | **2,973.83** |
| **As at March 31, 2021** | | | | |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

| Particulars | Maturity within 12 months | Maturity after 12 months | Total contracted cash flows | Carrying value |
|---|---|---|---|---|
| Other payables and other financial liabilities | 80.52 | - | 80.52 | 80.52 |
| Borrowings (Other than debt securities) | 924.62 | 386.52 | 1,311.14 | 1,311.14 |
| Lease liability | 16.00 | 71.15 | 87.16 | 87.16 |
| **Total** | **1,021.14** | **457.67** | **1,478.82** | **1,478.82** |

The amount of financial guarantees included in contingent liabilities are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if the amount is claimed by the counterparty to the guarantee.

## Note '36'- FAIR VALUE MEASUREMENT

### (a) Fair value hierarchy and Categories of financial instruments

₹ in Lakhs

| | Level | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|---|
| | | Carrying amount | Fair value | Carrying amount | Fair value |
| **A Financial assets** | | | | | |
| **i) Measured at cost** | | | | | |
| Investment in subsidiary | | - | - | - | - |
| **ii) Measured at fair value through OCI** | | | | | |
| Investment | 3 | 1,680.70 | 1,680.70 | 1,547.21 | 1,547.21 |
| **iii) Measured at amortised cost** | | | | | |
| Cash and cash equivalents | 1 | 140.91 | 140.91 | 39.96 | 39.96 |
| Bank balances other than above | 1 | 15.64 | 15.64 | 8.44 | 8.44 |
| Loan | 3 | 10,350.02 | 10,350.02 | 8,372.69 | 8,372.69 |
| Other Receivables | 3 | 29.50 | 29.50 | 31.71 | 31.71 |
| Other financial assets | 3 | 44.20 | 44.20 | 36.63 | 36.63 |
| **Total** | | **12,260.97** | **12,260.97** | **10,036.65** | **10,036.65** |
| **B Financial liabilities** | | | | | |
| **i) Measured at amortised cost** | | | | | |
| Borrowings | 2 | 2,826.16 | 2,826.16 | 1,311.14 | 1,311.14 |
| Other payables | 3 | 24.63 | 24.63 | 45.59 | 45.59 |
| Lease liabilities | 3 | 106.37 | 106.37 | 87.16 | 87.16 |
| Other financial liabilities | 3 | 16.67 | 16.67 | 34.93 | 34.93 |
| **Total** | | **2,973.83** | **2,973.83** | **1,478.82** | **1,478.82** |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

**Financial instruments measured at amortised cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values,except for investment since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

The fair value of the financial assets and liabilities is included the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All the financial assets and liabilities of the Company are measured at amortised cost except for investment.

**Quantative disclosure fair value measurement hierarchy:**

₹ in Lakhs

| Particulars | Fair value hierarchy | March 31, 2022 | March 31, 2021 |
|---|---|---|---|
| | | Fair Value | Fair Value |
| Assets for which fair value is disclosed | | | |
| Investment in equity instruments - unquoted | Level 3 | 1,680.70 | 1,547.21 |

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

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

## Note '37' - CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

₹ in Lakhs

| Particulars | As at April 1, 2021 | Cash flows | Other | As at March 31, 2022 |
|---|---|---|---|---|
| Borrowings other than debt securities | 1,311.14 | 1,515.02 | - | 2,826.16 |
| Total liabilities from financing activities | 1,311.14 | 1,515.02 | - | 2,826.16 |

| Particulars | As at April 1, 2020 | Cash flows | Other | As at March 31, 2021 |
|---|---|---|---|---|
| Borrowings other than debt securities | 629.69 | 681.44 | - | 1,311.14 |
| Total liabilities from financing activities | 629.69 | 681.44 | - | 1,311.14 |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

## Note '38' - DISCLUSURE UNDER PRUDENTIAL NORMS & RBI GUIDELINES

**Note '38(i)'-**

The leverage ratio of the Non-Banking Finance Company is less than 7 as per norms prescribed by Reserve Bank of India vide circular no. RBI/2016-17/44 DNBR (PD) CC No.077/ 03.10.119/2016-17 dated 01 September, 2016 for NBFCs-ND.

**Note '38(ii)'-**

The company has complied with norms prescribed by Reserve Bank of India vide circular no. RBI/2016-17/44 DNBR (PD) CC No.077/ 03.10.119/2016-17 dated 01 September, 2016 for NBFCs-ND.

**Note '38(iii)'-**

**Additional disclosures:**

**Capital to Risk Assets Ratio (CRAR)**

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| CRAR (percent) | 77.67% | 86.43% |
| CRAR - Tier I Capital (percent) | 77.67% | 86.43% |
| CRAR - Tier II Capital (percent) | - | - |

**Liquidity Coverage Ratio (LCR) -** The computation of LCR is not applicabe to our company in terms of RBI notification no. RBI/2019-20/88/ FOR.NBFC (PD) CC No.102/03.10.001/2019-20 dated November 4, 2019.

**Note '38(iv)'-**

**Loan portfolio classification and provision (As per RBI Prudential Norms)**

| Particulars | March 31, 2022 | | | March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | Gross Loan Outstanding | Provision For Assets | Net Loan Outstanding | Gross Loan Outstanding | Provision For Assets | Net Loan Outstanding |
| Standard Asset | 10,346.22 | 25.59 | 10,320.63 | 8,300.95 | 20.34 | 8,280.60 |
| Sub Standard Asset | 61.22 | 6.12 | 55.10 | 40.09 | 4.01 | 36.08 |
| Doubtful Asset | 75.00 | 75.00 | - | 70.00 | 14.00 | 56.00 |
| Loss Asset | - | - | - | - | - | - |
| **Total** | **10,482.44** | **106.71** | **10,375.73** | **8,411.04** | **38.35** | **8,372.68** |

**Note '38(v)'-**

**Schedule to the Balance Sheet of Non-Deposit Taking Non-Banking Financial Company**

(as required in terms of paragraph 18 of chapter IV - Prudential Regulations of Master Directions – Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking company (Reserve Bank) Directions, 2016

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

(₹ in Lakhs)

| Particulars | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Amount O/s | Amount Overdue | Amount O/s | Amount Overdue |
| **Liability side:** | | | | |
| **1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:** | | | | |
| (a) Debenture : Secured<br>Unsecured | -<br>- | -<br>- | -<br>- | -<br>- |
| (Other than falling within the meaning of public deposits*) | | | | |
| (b) Deferred Credits | - | - | - | - |
| (c) Term Loans | 487.65 | - | 490.44 | - |
| (d) Inter-Corporate Loans and Borrowings | 100.00 | - | - | - |
| (e) Commercial Paper | - | - | - | - |
| (f) Public Deposits* | - | - | - | - |
| (g) Other Loans; | | | | |
| - Working capital Demand Loan Facility | 1,463.50 | - | 434.18 | - |
| - Loan from Directors | 775.00 | - | 386.51 | - |
| *Please see **Note (a)** Below | | | | |
| **2. Break up of (1)(f) above (Outstanding Public Deposits inclusive of Interest accrued thereon but not paid):** | | | | |
| (a) In the form of Unsecured Debenture | - | - | - | - |
| (b) In the form of Partly Secured Debenture i.e. debenture where there is a shortfall in the value of securities. | - | - | - | - |
| (c) Other Public Deposits* | - | - | - | - |
| *Please see **Note (a)** Below | | | | |

(₹ in Lakhs)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| | Amount O/s | Amount O/s |
| **Assets Side :** | | |
| **3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below ] :** | | |
| (a) Secured | 3,953.54 | 3,557.26 |
| (b) Unsecured | 6,528.90 | 4,853.78 |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

| Particulars | March 31, 2022 Amount O/s | March 31, 2021 Amount O/s |
|---|---|---|
| **4. Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities :** | | |
| (i) Lease assets including lease rentals under sundry debtors: | | |
| (a) Financing Lease | - | - |
| (b) Operating Lease | - | - |
| (ii) Stock on hire including hire charges under sundry debtors: | | |
| (a) Asset on hire | - | - |
| (b) Repossessed Asset | - | - |
| (iii) Other loans counting towards AFC activities | | |
| (a) Loans where asset have been repossessed | - | - |
| (b) Loans other than (a) above | - | - |

(₹ in Lakhs)

| Particulars | March 31, 2022 Amount O/s | March 31, 2021 Amount O/s |
|---|---|---|
| **5. Break-up of Investments :** | | |
| **Current Investments :** | | |
| 1. Quoted | | |
| (i) Shares : (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of mutual funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others | - | - |
| 2. Unquoted | | |
| (i) Shares : (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of mutual funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others | - | - |
| **Long Term Investments :** | | |
| 1. Quoted | | |
| (i) Shares : (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of mutual funds | - | - |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

| Particulars | March 31, 2022 Amount O/s | March 31, 2021 Amount O/s |
|---|---|---|
| (iv) Government Securities | - | - |
| (v) Others | - | - |
| 2. Unquoted | | |
| (i) Shares : (a) Equity | 1,680.70 | 1,547.21 |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of mutual funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others | 1,316.11 | 1,316.11 |

**(6) Borrower group-wise classification of assets financed as in (3) and (4) above:**
Please see **Note (b)** below

(₹ in Lakhs)

| Category | March 31, 2022 Amount Net Of Provision as per Prudential Norms | | | March 31, 2021 Amount Net Of Provision as per Prudential Norms | | |
|---|---|---|---|---|---|---|
| | Secured | Unsecured | TOTAL | Secured | Unsecured | TOTAL |
| 1. Related Parties | | | | | | |
| (a) Subsidiaries | - | - | - | - | - | - |
| (b) Companies in the same group | - | - | - | - | - | - |
| (c) Other related parties | 226.16 | - | 226.16 | 1,014.96 | 182.56 | 1,197.52 |
| 2. Other than related parties | 3,713.53 | 6,436.04 | 10,149.57 | 2,533.56 | 4,641.65 | 7,175.21 |
| **TOTAL** | **3,939.69** | **6,436.04** | **10,375.73** | **3,548.52** | **4,824.21** | **8,372.73** |

**(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**
Please see **Note (c)** below

(₹ in Lakhs)

| Category | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Market Value Break up or fair value or NAV | Book Value (Net of Provisions) | Market Value Break up or fair value or NAV | Book Value (Net of Provisions) |
| 1. Related Parties | | | | |
| (a) Subsidiaries | - | - | - | - |
| (b) Companies in the same group | - | - | - | - |
| (c) Other related parties | - | - | - | - |
| 2. Other than related parties | 1,680.70 | 1,680.70 | 1,547.21 | 1,547.21 |
| **TOTAL** | **1,680.70** | **1,680.70** | **1,547.21** | **1,547.21** |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

**(8) Other Information:**

(₹ in Lakhs)

| Category | March 31, 2022 Amount | March 31, 2021 Amount |
|---|---|---|
| (i) Gross Non-Performing Assets | | |
| (a) Related Parties | - | - |
| (b) Other than related parties | 136.22 | 110.09 |
| (ii) Net Non-Performing Assets | | |
| (a) Related Parties | - | - |
| (b) Other than related parties | 55.10 | 92.08 |
| Assets acquired in satisfaction of debt | - | - |

**(9) Movement of NPAs:**

(₹ in Lakhs)

| Particulars | March 31, 2022 Amount | March 31, 2021 Amount |
|---|---|---|
| **Net NPA to Net Advances (%)** | | |
| **Movement of NPA(Gross)** | | |
| Opening Balance | 110.09 | 246.50 |
| Additions during the year | 26.13 | - |
| Reduction during the year (including loans written off) | - | 136.41 |
| **Closing Balances** | **136.22** | **110.09** |
| **Movement of NPA(Net)** | | |
| Opening Balance | 92.08 | 194.25 |
| Additions during the year | (36.98) | - |
| Reduction during the year (including loans written off) | - | 102.17 |
| **Closing Balances** | **55.10** | **92.08** |
| **Movement of Provision for NPAs(excluding provision on standard assets)** | | |
| Opening Balance | 18.01 | 52.25 |
| Additions during the year | 63.11 | - |
| Reduction during the year (including loans written off/ written back) | - | 34.24 |
| **Closing Balances** | **81.12** | **18.01** |

** Excluding write back of ₹ 97 Lakhs for the year ended on 31st March 2022.

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

**Sub Notes:**

a. As defined in point xix of paragraph 3 of chapter II of Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking company (Reserve Bank) Directions, 2016.

b. Provisioning norms shall be applicable as prescribed in Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking company (Reserve Bank) Directions, 2016

c. All 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 should be disclosed irrespective of whether they are classified as long term or current in (5) above.

**Note 38(vi): Disclosure required as per Reserve Bank of India Notification No. DOR (NBFC). CC . PD. No.109/ 22.10.106/2019-20 dated March 13, 2020**

In accordance with the regulatory guidance on implementation of Ind AS issued by RBI on March 13, 2020, the company has computed provisions as per Income Recognition Asset Classification and Provisioning (IRACP) norms issued by RBI solely for comparative purposes as specified therein. A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 is given below:

₹ in Lakhs

| Assets Classification as per RBI norms | Assets Classification as per IND AS 109 | Gross Carrying Amounts as per IND AS 109 | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5)=(3)-(4) | (6) | (7)=(4)-(6) |
| **Performing Assets** | | | | | | |
| Standard | Stage 1 | 9,751.03 | 2.98 | 9,748.05 | 24.20 | (21.22) |
| | Stage 2 | 463.04 | 24.05 | 438.99 | 1.09 | 22.96 |
| | Stage 3 | 131.79 | 1.33 | 130.46 | 0.30 | 1.03 |
| **Subtotal** | | **10,345.86** | **28.37** | **10,317.49** | **25.59** | **2.78** |
| **Non-Performing Assets (NPA)** | | | | - | | |
| Substandard | Stage 3 | 61.13 | 17.69 | 43.44 | 6.12 | 11.57 |
| Doubtful - Upto 1 year | Stage 3 | 5.45 | 1.02 | 4.43 | 5.00 | (3.97) |
| 1 to 3 years | Stage 3 | - | - | - | - | - |
| More Than 3 Years | Stage 3 | 70.00 | 70.00 | - | 70.00 | - |
| **Subtotal for Doubtful** | | **75.45** | **71.02** | **4.43** | **75.00** | **(3.97)** |
| Loss | Stage 3 | - | - | | | |
| **Subtotal for NPA** | | **136.58** | **88.71** | **47.87** | **81.12** | **7.60** |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

| Assets Classification as per RBI norms | Assets Classification as per IND AS 109 | Gross Carrying Amounts as per IND AS 109 | Loss Allowances (Provisions) as required under Ind AS 109 | Net Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5)=(3)-(4) | (6) | (7)=(4)-(6) |
| Other items such as guarantees, loan, commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage 1 | - | - | - | | - |
| | Stage 2 | - | - | - | | - |
| | Stage 3 | - | - | - | | - |
| **Subtotal** | | - | - | - | - | - |
| **Total** | **Stage 1** | **9,751.03** | **2.98** | **9,748.05** | **24.20** | **(21.22)** |
| | **Stage 2** | **463.04** | **24.05** | **438.99** | **1.09** | **22.96** |
| | **Stage 3** | **268.37** | **90.05** | **178.33** | **81.42** | **8.63** |
| | **Total** | **10,482.44** | **117.08** | **10,365.37** | **106.71** | **10.37** |

The aggregate impairment loss on application of expected credit loss method (ECL) as per Ind AS, as stated above, is more than the provisioning required under IRACP norms (including standard asset provisioning). Further, as stated in Note 7 the company has retained provision in excess of ECL in the books of account as a matter of prudence.

** In addition to ECL & RBI provision, company has provided management provision of ₹ 15.35 Lakhs.

**Note 38(vii):- Public Disclosure on Liquidity Risk for the year ended March 31, 2022 pursuant to RBI circular dated 4 November 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)**

| Particular | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Number of Significant Counter parties | 4 | 3 |
| Amount (₹ in Lakhs) | 2,726.15 | 1,289.38 |
| % of Total Deposits | NA | NA |
| % of Total Liabilities | 85.69% | 78.47% |

**ii. Top 20 large deposits**

Not applicable, the Company being a Non-Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

### iii. Top 10 borrowings

| Particular | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Amount (₹ Lakhs) of Borrowings from Top 10 Lenders | 2,826.16 | 1,311.14 |
| % of Total Borrowings | 100% | 100% |

### iv. Funding Concentration based on significant instrument / product

| Name of Instrument / Product4 | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Amount (₹ lakhs) | % of Total Liabilities | Amount (₹ lakhs) | % of Total Liabilities |
| Loan from Bank | 1,951.16 | 61.33% | 924.63 | 56.27% |
| Loan from Directors | 775.00 | 24.36% | 386.51 | 23.52% |
| Loans from ICD | 1.00 | 3.14% | NA | NA |

### v. Stock Ratios

| Particulars | March 31, 2022 | | | March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | As a % of Total Public Funds | As a % of Total Liabilities | As a % of Total Assets | As a % of Total Public Funds | As a % of Total Liabilities | As a % of Total Assets |
| Commercial Papers* | 0% | 0% | 0% | 0% | 0% | 0% |
| Non-convertible debentures (NCD's)* (original maturity of less than a year) | 0% | 0% | 0% | 0% | 0% | 0% |
| Other short-term liabilities | 72.58% | 64.47% | 14.89% | 72.58% | 64.47% | 14.89% |

*No Commercial Papers and NCD's are issued during current financial year and are outstanding as on reporting date, hence not applicable.

### vi. Institutional set-up for liquidity risk management

In compliance with liquidity circular, the Board of Directors has approved constitution of Asset Liability Committee (ALCO) which reviews and monitors Asset Liability Management (ALM) mismatch on regular basis. The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the balance sheet.

**Notes:**

1. The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2022.

2. Total liabilities refer to the aggregate of financial liabilities and non-financial liabilities.

3. Significant counter party is as defined in RBI Circular RBI/2019-20/88 DOR. NBFC (PD CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

4. Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

## Note '39'- MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled

₹ in Lakhs

| Particulars | | March 31, 2022 | | | March 31, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| **ASSETS** | | | | | | | |
| **1** | **Financial Assets** | | | | | | |
| a) | Cash and cash equivalents | 140.91 | - | 140.91 | 39.96 | - | 39.96 |
| b) | Bank balances other than (a) above | 15.64 | - | 15.64 | 8.44 | - | 8.44 |
| c) | Receivables | | | | | | |
| | i) Trade receivables | - | - | - | - | - | - |
| | ii) Other receivables | 29.50 | - | 29.50 | 31.71 | - | 31.71 |
| d) | Loans | 3,439.27 | 6,910.75 | 10,350.02 | 2,984.97 | 5,387.71 | 8,372.69 |
| e) | Investments | - | 1,680.70 | 1,680.70 | - | 1,547.21 | 1,547.21 |
| f) | Other financial assets | - | 44.20 | 44.20 | - | 36.63 | 36.63 |
| **2** | **Non- Financial Assets** | | | | | | |
| a) | Income tax assets (net) | - | 28.98 | 28.98 | - | 83.98 | 83.98 |
| b) | Deferred tax assets (net) | - | - | - | - | 15.63 | 15.63 |
| c) | Investment property | - | 1,316.11 | 1,316.11 | - | 1,316.11 | 1,316.11 |
| d) | Property, plant and equipment | - | 32.92 | 32.92 | - | 34.48 | 34.48 |
| e) | Right of use asset | - | 100.06 | 100.06 | - | 85.31 | 85.31 |
| f) | Intangible Assets | - | 1.70 | 1.70 | - | 4.35 | 4.35 |
| g) | Other non-financial assets | 33.06 | - | 33.06 | 22.16 | 22.44 | 44.59 |
| | **TOTAL ASSETS** | **3,658.38** | **10,115.42** | **13,773.81** | **3,087.25** | **8,533.85** | **11,621.10** |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

| Particulars | | March 31, 2022 | | | March 31, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| **LIABILITIES** | | | | | | | |
| **1** | **Financial Liabilities** | | | | | | |
| a) | Payables | | | | | | |
| i) | Other payables | | | | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| | (ii) total outstanding dues of micro enterprises other than micro enterprises and small enterprises | 24.63 | - | 24.63 | 45.59 | - | 45.59 |
| b) | Lease liability | 27.77 | 78.60 | 106.37 | 16.00 | 71.15 | 87.16 |
| c) | Borrowings(Other than debt securities) | 2,051.16 | 775.00 | 2,826.16 | 924.62 | 386.52 | 1,311.14 |
| d) | Other financial liabilities | 16.67 | - | 16.67 | 34.93 | - | 34.93 |
| **2** | **Non-Financial Liabilities** | | | | | | |
| a) | Current tax liabilties (net) | 177.48 | - | 177.48 | 139.75 | - | 139.75 |
| b) | Deferred tax liabilities (net) | 1.81 | - | 1.81 | - | - | - |
| c) | Other non- financial liabilities | 28.35 | - | 28.35 | 24.71 | - | 24.71 |
| | **TOTAL LIABILITIES** | **2,327.87** | **853.60** | **3,181.47** | **1,185.60** | **457.68** | **1,643.28** |
| | **NET** | **1,330.52** | **9,261.83** | **10,592.34** | **1,901.65** | **8,076.17** | **9,977.82** |
| | **Other undrawn commitments** | **-** | **-** | **-** | **-** | **-** | **-** |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

## Note '40'- RELATED PARTY DISCLOSURE

**Details of related parties and their relationship:**

**(a) Enterprises where control exists**

NA

**(b) Enterprises owned or significantly influenced by key management personnel or their relatives**

| S.no. | Name of related party | Status |
|---|---|---|
| 1 | Mangal Finserv Private Limited | |
| 2 | Mangal Compusolution Private Limited | |
| 3 | Indtrans Container Lines Private Limited | |
| 4 | Chakshu Realtors Private Limited | |
| 5 | Mangal Buildhome Private Limited | |
| 6 | Woodland Constructions Private Limited | It was related party upto January 17, 2022 |
| 7 | Mangal Royal Jewels Private Limited | |
| 8 | Shree Mangal Jewels Private Limited | |
| 9 | Shree Ratna Mangal Jewels Private Limited | |
| 10 | Shree Radhey Mangal Gold Chain Private Limited | It was related party upto December 12, 2021 |
| 11 | Swarna Bhavya Mangal Jewels private Limited | |
| 12 | Dhakad Properties Private Limited | |
| 13 | Digital Edge Technology | |
| 14 | Mangal Entertainment Private Limited | |
| 15 | Satco Capital Market Ltd. | It was related party upto July 07, 2021 |
| 16 | Mangal Charitable trust | |

**(c) Key Managerial Personnel**

| S.no. | Name | Designation | Status |
|---|---|---|---|
| 1 | Meghraj Sohanlal Jain | Chairman & Managing Director | |
| 2 | Naval KamalKishor Maniyar | Executive Director and CFO | resigned w.e.f. March 05, 2022 |
| 3 | Nilesh Jain | Additional Director | appointed w.e.f. October 30, 2021 |
| 4 | Srichand Tekchand Gerela | Independent Director | resigned w.e.f. May 27, 2020 |
| 5 | Nirupama Dattatraya Pendurkar | Independent Director | |
| 6 | Subramanyam Ganesh | Independent Director | |
| 7 | Ramanathan Annamalai | Independent Director | |
| 8 | Supriya Rajkumar Agarwal | Company Secretary | |
| 9 | Sujan Sinha | Non Executive Non Independent Director | appointed w.e.f. November 11, 2020 |
| 10 | Sriram Sankaranarayanan | Independent Director | appointed w.e.f. November 11, 2020 |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

## Note '40.1'- RELATED PARTY DISCLOSURE

List of transactions with related parties

₹ in Lakhs

| S. No. | Particular | Year ended March 31, 2022 | Year ended March 31, 2021 | |
|---|---|---|---|---|
| 1 | **Purchase of Fixed Asset** | | | |
| | Mangal Compusolution Pvt Ltd | 0.04 | 2.29 | |
| | | **0.04** | **2.29** | |
| 2 | **Guarantee Commission income** | | | |
| | Mangal Compusolution Pvt Ltd | 3.66 | 10.60 | |
| | Mangal Buildhome Pvt Ltd | - | 1.48 | |
| | Mangal Globle Marble Pvt Ltd | - | 0.66 | |
| | Satco Capital Market Ltd | - | 10.00 | |
| | | **3.66** | **22.74** | |
| 3 | **Loan Given** | | | |
| | Mangal Compusolution Pvt Ltd | - | 395.00 | |
| | Woodland Construction Pvt Ltd | - | 3.25 | |
| | | **-** | **398.25** | |
| 4 | **Loan Repayment Received** | | | **Status** |
| | Satco Capital Markets Ltd | 146.46 | - | Closed |
| | Mangal Globle Marble Pvt Ltd | - | 701.57 | Not a related party |
| | Mangal Buildhome Pvt Ltd | 31.25 | 18.75 | Closed |
| | Shree Mangal Jewels Pvt Ltd | 20.00 | 17.50 | Active |
| | Shree Radhey Mangal Gold Chain Pvt Ltd | 182.50 | 17.50 | Closed |
| | Shree Ratna Mangal Jewels Pvt Ltd | 20.00 | 15.00 | Active |
| | Swarna Bhavya Mangal Jewels Pvt Ltd | 20.00 | 15.00 | Active |
| | Mangal Royal Jewels Pvt Ltd | 10.00 | 57.50 | Active |
| | Mangal Compusolution Pvt Ltd | - | 395.00 | Closed |
| | Woodland Construction Pvt Ltd | 453.21 | 46.79 | Closed |
| | | **883.42** | **1,284.61** | |
| 5 | **Reimbursement of expenses** | | | |
| | Indtrans Container Lines Pvt Ltd | - | 2.03 | |
| | Mangal Buildhome Pvt Ltd | 4.34 | 3.02 | |
| | Chakshu Realtors Pvt Ltd | 3.58 | 2.79 | |
| | Digital Edge Technology | 0.55 | 0.62 | |
| | Dhakad Properties Pvt Ltd | - | 0.03 | |
| | Mangal Entertainment Pvt Ltd | - | 0.40 | |
| | | **8.47** | **8.89** | |
| 6 | **Interest Income** | | | |
| | Satco Capital Markets Ltd | 16.55 | 21.97 | |
| | Mangal Globle Marble Pvt Ltd | - | 52.76 | |
| | Mangal Buildhome Pvt Ltd | 2.41 | 6.33 | |
| | Mangal Royal Jewels Pvt Ltd | 5.73 | 12.10 | |
| | Shree Mangal Jewels Pvt Ltd | 11.09 | 14.19 | |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

₹ in Lakhs

| S. No. | Particular | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| | Shree Radhey Mangal Gold Chain Pvt Ltd | 19.55 | 28.68 |
| | Shree Ratna Mangal Jewels Pvt Ltd | 11.46 | 14.38 |
| | Swarna Bhavya Mangal Jewels Pvt Ltd | 11.46 | 14.38 |
| | Mangal Compusolution Pvt Ltd | - | 4.09 |
| | Woodland Construction Pvt Ltd | 34.54 | 73.14 |
| | | **112.79** | **242.02** |
| 7 | **Service charge and other fees on loan transaction** | | |
| | Mangal Buildhome Pvt Ltd | - | 0.25 |
| | Mangal Royal Jewels Pvt Ltd | - | 0.50 |
| | Shree Mangal Jewels Pvt Ltd | - | 0.50 |
| | Shree Radhey Mangal Gold Chain Pvt Ltd | - | 0.50 |
| | Shree Ratna Mangal Jewels Pvt Ltd | - | 0.50 |
| | Swarna Bhavya Mangal Jewels Pvt Ltd | - | 0.25 |
| | Woodland Construction Pvt Ltd | - | 5.00 |
| | | **-** | **7.50** |
| 8 | **Rent expense** | | |
| | Chakshu Realtors Pvt Ltd | 9.00 | 7.75 |
| | | 9.00 | 7.75 |
| 9 | **Loans Taken** | | |
| | Mangal Entertainment Pvt. Ltd. | - | 50.00 |
| | Meghraj Sohanlal Jain | 3,808.85 | 2,743.82 |
| | Naval Kamalkishore Maniyar | 17.00 | 21.75 |
| | | **3,825.85** | **2,815.57** |
| 10 | **Repayment of loans taken** | | |
| | Mangal Entertainment Pvt. Ltd. | - | 50.00 |
| | Meghraj Sohanlal Jain | 3,398.62 | 2,459.43 |
| | Naval Kamalkishore Maniyar | 38.75 | - |
| | | **3,437.37** | **2,509.43** |
| 11 | **Advertisement expense** | | |
| | Digital Edge Technology | - | 0.15 |
| | | **-** | **0.15** |
| 12 | **Social Media Integrity Charges** | | |
| | Digital Edge Technology | - | 0.25 |
| | | - | 0.25 |
| 13 | **Directors Remuneration** | | |
| | Meghraj Sohanlal Jain | 30.00 | 7.50 |
| | Naval Kamalkishore Maniyar | 17.00 | 13.50 |
| | | **47.00** | **21.00** |
| 14 | **Interest on Loans taken** | | |
| | Mangal Entertainment Pvt. Ltd. | - | 0.35 |
| | Meghraj Sohanlal Jain | 41.56 | 28.14 |
| | Naval Kamalkishore Maniyar | 1.52 | 0.71 |
| | | **43.08** | **29.20** |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

₹ in Lakhs

| S. No. | Particular | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| 15 | **Reimbursement of expense- paid** | | |
| | Naval Kamalkishore Maniyar | 0.55 | 8.69 |
| | | **0.55** | **8.69** |
| 16 | **Computer Rental Expense** | | |
| | Mangal Compusolution Pvt Ltd | 0.20 | 0.61 |
| | | **0.20** | **0.61** |
| 17 | **Computer Repair Expense** | | |
| | Mangal Compusolution Pvt Ltd | 0.02 | 0.05 |
| | | **0.02** | **0.05** |
| 18 | **Professional Fees** | | |
| | Sujan Sinha | 4.70 | 1.60 |
| | | **4.70** | **1.60** |
| 19 | **Director Sitting Fees** | | |
| | Nirupama Dattatraya Pendurkar | 0.55 | 0.40 |
| | Subramanyam Ganesh | 0.55 | 0.40 |
| | Ramanathan Annamalai | 0.45 | 0.40 |
| | Sujan Sinha | 0.55 | 0.10 |
| | Sriram Sankaranarayanan | 0.55 | - |
| | | **2.65** | **1.30** |
| 20 | **CSR Expense** | | |
| | Mangal Charitable Trust | 14.28 | 23.23 |
| | | **14.28** | **23.23** |
| | **Balance payable at the end of the year** | | |
| | **Other payables** | | |
| | Mangal Compusolution Pvt Ltd | - | 0.69 |
| | Naval Kamalkishore Maniyar | - | 8.24 |
| | | **-** | **8.93** |
| | **Loans Taken** | | |
| | Meghraj Sohanlal Jain | 775.00 | 364.76 |
| | Naval Kamalkishore Maniyar | - | 21.75 |
| | | **775.00** | **386.51** |
| | **Other financial liability- Interest Payable** | | |
| | Meghraj Sohanlal Jain | - | 26.03 |
| | Naval Kamalkishore Maniyar | - | 0.65 |
| | | **-** | **26.68** |
| | **Balance receivable at the end of the year** | | |
| | **Loans Given to related parties** | | |
| | Satco Capital Markets Ltd | - | 146.46 |
| | Mangal Buildhome Pvt Ltd | - | 31.25 |
| | Mangal Royal Jewels Pvt Ltd | 32.50 | 42.50 |
| | Shree Mangal Jewels Pvt Ltd | 62.50 | 82.50 |
| | Shree Radhey Mangal Gold Chain Pvt Ltd | - | 182.50 |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

₹ in Lakhs

| S. No. | Particular | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| | Shree Ratna Mangal Jewels Pvt Ltd | 65.00 | 85.00 |
| | Swarna Bhavya Mangal Jewels Pvt Ltd | 65.00 | 85.00 |
| | Woodland Construction Pvt Ltd | - | 453.21 |
| | | **225.00** | **1,108.42** |
| | **Percentage to total loans and advances in the nature of Loans** | **2.17%** | **14.44%** |
| | **Loan- Interest and fees receivable** | | |
| | Satco Capital Markets Ltd | - | 5.01 |
| | Mangal Royal Jewels Pvt Ltd | 0.25 | 0.33 |
| | Shree Mangal Jewels Pvt Ltd | 0.48 | 0.63 |
| | Shree Radhey Mangal Gold Chain Pvt Ltd | - | 1.40 |
| | Shree Ratna Mangal Jewels Pvt Ltd | 0.50 | 0.65 |
| | Swarna Bhavya Mangal Jewels Pvt Ltd | 0.50 | 0.65 |
| | Mangal Buildhome Pvt Ltd | - | 0.24 |
| | | **1.73** | **8.91** |
| | **Other receivable** | | |
| | Mangal Buildhome Pvt Ltd | - | 1.12 |
| | Chakshu Realtors Pvt Ltd | - | 0.99 |
| | Digital Edge Technology | - | 0.20 |
| | Mangal Entertainment Pvt Ltd | - | 0.20 |
| | Satco Capital Markets Ltd | - | 27.49 |
| | Mangal Compusolution Pvt. Ltd | - | 1.05 |
| | | **-** | **31.05** |
| | **Off balance sheet item- Contingent liability at the end of the year** | | |
| | Mangal Compusolution Pvt Ltd * | 732.00 | 732.00 |
| | Satco Capital Markets Ltd (BG AGAINST FD) | - | 2,000.00 |
| | | **732.00** | **2,732.00** |

** current outstanding of counter guarantee is ₹ 652.56 Lakhs as on 31st March 2022 (₹ 2,672.10 Lakhs as on 31st March 2021)

**Note '40.2' - Disclosures Required as per Clause 32 of the Listing Agreement :**

₹ in Lakhs

| Name of Company | Loans & Advances | | Loans & Advances | |
|---|---|---|---|---|
| | Amount O/s as on | Maxium Balance O/s | Amount O/s as on | Maxium Balance O/s |
| | 31-Mar-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-21 |
| Companies Under Common Control | | | | |
| Mangal Compusolution Pvt Ltd | - | - | - | 395.00 |
| Satco Capital Markets Ltd | - | 156.94 | 146.46 | 151.47 |
| Mangal Buildhome Pvt Ltd | - | 31.25 | 31.25 | 50.00 |

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

| Name of Company | Loans & Advances | | Loans & Advances | |
|---|---|---|---|---|
| | Amount O/s as on | Maxium Balance O/s | Amount O/s as on | Maxium Balance O/s |
| | 31-Mar-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-21 |
| Mangal Globle Marble Pvt Ltd | - | - | - | 701.57 |
| Mangal Royal Jewels Pvt Ltd | 32.50 | 42.50 | 42.50 | 100.00 |
| Shree Mangal Jewels Pvt Ltd | 62.50 | 82.50 | 82.50 | 100.00 |
| Shree Radhey Mangal Gold Chain Pvt Ltd | - | 182.50 | 182.50 | 200.00 |
| Shree Ratna Mangal Jewels Pvt Ltd | 65.00 | 85.00 | 85.00 | 100.00 |
| Swarna Bhavya Mangal Jewels Pvt Ltd | 65.00 | 85.00 | 85.00 | 100.00 |
| Woodland Construction Private Limited | - | 453.21 | 453.21 | 496.75 |
| **Total** | **225.00** | **1,118.90** | **1,108.42** | **2,394.79** |

## Note 41 - ADDITIONAL REGULATORY INFORMATION UNDER DIVISION III TO SCHEDULE III AS PER NOTIFICATION DATED MARCH 24, 2021

(i) Title deeds of Immovable Property not held in the name of the Company - All immovable property are in the name of the Company itself.

(ii) Revaluation of Investment Property - The Company has not revalued Investment Property during the year.

(iii) Revaluation of Property, Plant and Equipment - The Company has not revalued Property, Plant & Equipment during the year.

(iv) Revaluation of Intangible Assets - The Company has not revalued Intangible assets during the year.

(v) Loans or Advances - During the year, the Company has not provided any loans or advances granted to promoters, directors, KMPs and the related parties.

(vi) Capital Work-in-Progress (CWIP) ageing schedule / completion schedule - The Company has no CWIP as on March 31, 2022.

(vii) There are no Intangible assets under development.

(viii) Details of Benami Property held - No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

(ix) Security of current assets against borrowings - Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.-NA

(x) Wilful Defaulter - The Company has not declared as wilful defaulter by any bank or financial institution or other lender.

# Notes Forming Part of Financial Statement

**for the year ended on 31st March, 2022**

(xi) Relationship with Struck off Companies - During the year, the company has not entered into any transaction with struck off companies.

(xii) Registration of charges or satisfaction with Registrar of Companies (ROC) - During the year, there was no delay in registration of charge or satisfaction with ROC.

(xiii) Compliance with number of layers of companies - The Company has complied with the requirements of number of layers.

(xiv) Analytical Ratios - NA

(xv) Compliance with approved Scheme(s) of Arrangements - Not applicable

(xvi) Utilisation of Borrowed funds and share premium - Borrowed funds have been utilised for the purpose they have been sanctioned and share premium has been utilised in working capital.

(xvii) There is no undisclosed income during the year in the tax assessments under the Income Tax Act 1961

(xviii) Details of Crypto Currency or Virtual Currency - The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**Note '42'**

Previous year's figures have been regrouped/reclassified and reclassified wherever necessary to confirm to current year's presentation. In accordance with amendments in Schedule III to the companies Act, 2013.

**In terms of our audit report of even date**
**FOR MGB & Co. LLP**
Chartered Accountants
FRN: 101169W/W-100035

**For and on behalf of the board of directors**
**Mangal Credit & Fincorp Limited**

Sd/-
**Sandeep Jhanwar**
Partner
M.No. 078146

Sd/-
**Meghraj Jain**
Managing Director
DIN: 01311041

Sd/-
**Nilesh Jain**
Director
DIN-08788781

Sd/-
**Supriya Agarwal**
Company Secretary
M.No. A35286

Place: Mumbai
Date : 2nd May 2022
UDIN : 22078146ALPLXN3546

BHAGWAGAR DALAL & DOSHI (Regd.)
CHARTERED ACCOUNTANTS

Partners : Yezdi K. Bhagwagar B.COM. (HONS.) F.C.A. | Jatin V. Dalal B.COM., F.C.A., LL.B. | Hiren A. Darji B.COM., A.C.A. | Associate : Petarasp K. Bhagwagar B.COM. (HONS.) F.C.A.

**Independent Auditor's Limited Review Report on Review of Interim Unaudited Standalone Financial Results**

To,
The Board of Directors of
**Mangal Credit and Fincorp Limited**

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of **Mangal Credit and Fincorp Limited** ("the Company"), for the quarter and nine months ended 31st December, 2024 ("the Statement"), being submitted by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related reviewed interim standalone financial information which has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited, primarily to inquiries of Company's personnel responsible for financial and accounting matters, and analytical procedures applied to financial data. A review is substantially less assurance than an audit in accordance with Standards on Auditing specified under section 143(10) of the Companies Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

BHAGWAGAR DALAL & DOSHI
F.R. No.: 128093W
CHARTERED ACCOUNTANTS

Shiv Sagar Estate, D- Block, 4th Floor, Dr. Annie Besant Road, Worli, Mumbai - 400 018. Tel : (91-22) 6777 8555 Fax : (91-22) 6777 8500
E-mail : ykbco@ykbco.in, jatin@ykbco.in, hiren@ykbco.in, pkb@ykbco.in

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable Indian Accounting Standards prescribed under Section 133 of the Companies, Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

BHAGWAGAR DALAL & DOSHI
F.R.No.: 128093W
CHARTERED ACCOUNTANTS

For, Bhagwagar Dalal & Doshi
Chartered Accountants
Firm Registration No. 128093W

Jatin V. Dalal
Partner
Membership No. 124528

UDIN: 25124528BMOKPR5020
Place: Mumbai
Dated: 10th February, 2025

MANGAL CREDIT AND FINCORP LIMITED
A-1701/1702, LOTUS CORPORATE PARK, RAM MANDIR ROAD
GOREGAON (EAST), MUMBAI - 400 063
CIN NO - L65990MH1961PLC012227

MANGAL
CREDIT & FINCORP LIMITED

**Unaudited Standalone Financial Results for the Quarter and Nine Months Ended on 31st December, 2024**

(₹ in Lakhs)

| | Particulars | Standalone | | | | | |
|---|---|---|---|---|---|---|---|
| | | Quarter Ended | | | Nine Months Ended | | Year ended |
| | | 31-12-2024 | 30-09-2024 | 31-12-2023 | 31-12-2024 | 31-12-2023 | 31-03-2024 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | **Revenue from Operations** | | | | | | |
| a | Interest Income | 1,229.02 | 1,130.79 | 831.02 | 3,502.95 | 2,299.81 | 3,215.28 |
| b | Fees & Commission Income | 39.29 | 34.80 | 36.66 | 118.12 | 76.45 | 104.23 |
| | **Total Revenue from Operations** | **1,268.31** | **1,165.59** | **867.68** | **3,621.07** | **2,376.26** | **3,319.51** |
| 2 | Other Income | - | - | - | - | 7.98 | 7.98 |
| | **Total Revenue** | **1,268.31** | **1,165.59** | **867.68** | **3,621.07** | **2,384.24** | **3,327.49** |
| 3 | **Expenses** | | | | | | |
| a | Finance Costs | 475.80 | 438.54 | 234.40 | 1,301.97 | 674.85 | 949.51 |
| b | Impairment on Financial Instruments | 24.09 | 3.10 | 15.01 | 39.26 | 26.14 | 74.18 |
| c | Employee Benefits Expense | 176.58 | 172.75 | 136.66 | 505.37 | 356.25 | 515.91 |
| d | Depreciation and Amortization Expenses | 32.44 | 28.04 | 18.08 | 85.49 | 50.64 | 71.37 |
| e | Other Expenses | 85.55 | 90.59 | 73.01 | 250.43 | 194.32 | 284.02 |
| | **Total Expenses** | **794.46** | **733.02** | **477.16** | **2,182.52** | **1,302.20** | **1,894.99** |
| 4 | **Profit Before Tax** | **473.85** | **432.57** | **390.52** | **1,438.55** | **1,082.04** | **1,432.50** |
| 5 | **Tax Expense** | | | | | | |
| | Current Tax | 127.87 | 109.01 | 103.77 | 376.57 | 285.44 | 396.00 |
| | Previous' year tax | - | - | 1.85 | 16.34 | 1.85 | 2.14 |
| | Deferred Tax | (1.89) | 1.13 | (0.81) | 0.64 | (0.53) | (20.23) |
| | **Total Tax Expenses** | **125.98** | **110.14** | **104.81** | **393.55** | **286.76** | **377.91** |
| 6 | **Profit for the period / year** | **347.87** | **322.43** | **285.71** | **1,045.00** | **795.28** | **1,054.59** |
| 7 | **Other Comprehensive Income/ (Loss)** | | | | | | |
| | A) (i) Items that will not be reclassified to profit or loss | 0.27 | 133.97 | 9.25 | 132.34 | (124.72) | (132.17) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | (0.07) | (30.63) | (2.14) | (30.22) | 11.74 | 13.60 |
| | B) (i) Items that will be reclassified to profit or loss | - | - | - | | | |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | - | - | - | | | |
| | **Total Other Comprehensive Income/ (Loss)** | **0.20** | **103.34** | **7.11** | **102.12** | **(112.98)** | **(118.57)** |
| 8 | **Total Comprehensive Income for the period / year** | **348.07** | **425.77** | **292.82** | **1,147.12** | **682.30** | **936.02** |
| 9 | **Paid-up equity share capital (Face value of ₹ 10/-)** | 1,956.40 | 1,956.40 | 1,931.40 | 1,956.40 | 1,931.40 | 1,956.40 |
| 10 | **Other Equity** | | | | | | 10,778.58 |
| | **No. of Equity Shares of par value ₹10/- each** | 1,95,63,986 | 1,95,63,986 | 1,93,13,986 | 1,95,63,986 | 1,93,13,986 | 1,95,63,986 |
| | Basic EPS Per Share (in ₹) | **1.78** | **1.65** | **1.48** | **5.34** | **4.12** | **5.45** |
| | Diluted EPS Per Share (in ₹) | **1.75** | **1.63** | **1.48** | **5.28** | **4.12** | **5.45** |
| | *Earning per share is not annualised for the interim period | | | | | | |

**Notes:**

1 The Company is a Non Banking Financial Company ( NBFC) registered with Reserve Bank of India and in accordance with Scale Based Regulations, a Base Layer NBFC (NBFC- BL).

2 The above financial results for the quarter and nine months ended 31st December, 2024 have been reviewed by the Audit Committee and on its recommendation approved by the Board of Directors at their meeting held on 10th February, 2025. The Statutory Auditors of the Company have expressed an unmodified opinion based on their limited review of Unaudited Standalone Financial Results for the quarter and nine months ended 31st December, 2024.

3 The above financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the other accounting principles generally accepted in India.

4 The Company is operating in a single reportable segment i.e. Non Banking Financial Activities . All activities are carried out within India. As such there are no separate reportable segments as per Indian Accounting Standard -108 (Ind AS) "Operating Segments".

5 The results of the Company have been prepared in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and will be available on the website of the Company (www.mangalfincorp.com) and the Stock Exchanges i.e. BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).

6 Previous periods/year's figures have been regrouped / reclassified, wherever necessary, to make them comparable with the figures of the current period.

For Mangal Credit and Fincorp Limited

Meghraj Jain
Chairman and Managing Director
DIN:1311041

PLACE : MUMBAI
DATED: 10th February, 2025