

### Independent Auditor's Report

To the Members of Techfino Capital Private Limited.

### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **Techfino Capital Private Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, 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, except for the effect of matters described in the "Emphasis of Matter" section of our report, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profits and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 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 qualified opinion.

#### Emphasis of Matter

- a) We draw attention to Note No. 9.2 of the standalone financial statements of the Company with respect to ₹ 8,28,24,715 payable to business partners with whom lead referral and financing agreements have been entered into by the Company. This includes money withheld towards tranches payable, payable to partners based on the realization from customers and as margin money. The corresponding loans and advances have been included in the "Short Term Loans and Advances" referred to in Note No. 15 of the standalone financial statements.
- b) We draw attention to Note No. 28.11 to the standalone financial statements which states that the records relating to processing, disbursement and collection of loans and advances are maintained in a loan management software ("LMS") which is separate from the books of account. The books of account have been primarily maintained in TallyPrime ERP. The LMS and TallyPrime have been reconciled annually on an overall basis.

- c) Further, we draw attention to Note No. 27 of the standalone financial statements of the Company which states that the Compulsory Convertible Debentures (CCD) have been considered as part of the equity to calculate debt equity ratio. The same has been considered based on the Master Circular issued by the Reserve Bank of India (RBI).

Our opinion is not modified with respect to the aforesaid matters.

### **Key audit matters**

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

Reporting of key audit matters as per SA 701 is not applicable to the Company as it is an unlisted Company.

### **Information other than Standalone 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 Director's report (but does not include the standalone financial statements and our auditor's report thereon).

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management for the Standalone Financial Statements**

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



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

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

### **Auditor's Responsibility 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 the SA's, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 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 standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements 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 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 Companies Act, 2013, we give in the "**Annexure A**" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that except for the matters specified in the "Emphasis of Matter" paragraph:
  - 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 31<sup>st</sup> March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on balance sheet date 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". Our report expresses a disclaimer of opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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, we report that Section 197 is not applicable to a private Company. Hence, reporting as per Section 197(16) is not required.
- 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 does not have any pending litigations which would impact on its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the 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, 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  
c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

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

for **Devas & Venu**

Chartered Accountants

Firm registration number: 014057S



Vinayak Devas

Partner

Membership No: 225341



Place: Bengaluru

Date: 14/09/2023

UDIN: 23225341BGRYOU5784



## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details of Property, Plant and Equipment.  
  
(b) The Company has maintained proper records showing full particulars of Intangible Assets.  
  
(c) During the year, the Company has conducted the physical verification of the Property, Plant and Equipment during the year.  
  
(d) According to the information and explanations given to us and there are no immovable properties of land and building were held in the name of the Company as at the balance sheet date.  
  
(e) The Company has not initiated any proceedings or no proceedings 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) As the Company is an NBFC and do not have any inventory, reporting under the clause (ii) of the Order is not applicable.  
  
(b) During any point of time of the year, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and hence this clause is not applicable to the Company.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and Section 186 of the Companies Act, 2013 to the extent applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. However, the Company has entered into lead referral and financing agreement with partners where a total amount of ₹ 8,28,24,715 (Previous Year ₹ 3,85,29,585) has been withheld towards tranches payable, payable to partners based on the realization of from customers and as margin money.



(vi) In our opinion and according to the information and explanations given to us, sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company, hence, reporting under clause (vi) of the Order is not applicable.

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

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

However, Goods and Services Tax of ₹ 8,93,459, Employees State Insurance of ₹ 38,647, excess input of tax credit of Goods and Services Tax taken of ₹ 1,05,322 and interest on tax deducted at source and delay in filing of electronic tax deducted at source statements of ₹4,460 are due as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) There were no disputed dues of Income Tax, Goods and Services Tax, Custom Duty, Excise Duty and Value Added Tax which have not been deposited as on balance sheet date.

(viii) According to the information and explanations given to us, the Company has no transactions to be recorded in the books of account which have been surrendered and disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of borrowings from banks and financial institution as on the date of balance sheet. Hence, reporting under clause (ix) of the Order is not applicable;

(b) the Company has not been declared as willful defaulter by any bank or financial institution or other lender;

(c) According to the information and explanations given to us and based on our review of documents provided to us, we are in opinion of that, the Company has borrowed term loan during the financial year and pending utilization of the term loan for the stated purpose, the surplus funds have been temporarily invested in short term securities to reduce the cost of capital. However, the same has been ultimately utilized for the stated end-use of the funds.

(d) The funds raised on short term basis have been utilized for short-term purposes only and hence this subclause is not applicable;

(e) The Company doesn't have any subsidiaries, associates or joint ventures and hence this subclause is not applicable;

(f) The Company doesn't have any subsidiaries, associates or joint ventures and hence this subclause is not applicable



- (x) (a) According to the information and explanations given to us and based on our review of documents provided to us, we are in opinion of that, the Company has raised funds through private placement during the financial year and the surplus fund has been temporarily invested in short term securities to reduce the cost of capital. However, the same has been ultimately utilized for the stated end-use of the funds.
- (b) According to the information and explanations given to us, the Company has made private placement of compulsorily convertible debentures (fully convertible) during the year and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with. Further, the surplus fund has been temporarily invested in short term securities to reduce the cost of capital. However, the same has been ultimately utilized for the stated end-use of the funds.
- (xi) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of audit.
- (xii) The Company is not a Nidhi Company and hence reporting under this clause of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with section 188 of the Companies Act, 2013 for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc., as required by the applicable accounting standards and Section 177 of the Companies Act, 2013 is not applicable to the Company.
- (xiv) In our opinion and according to the information and the explanations given to us, Section 138 of the Companies Act, 2013 is not applicable, as the Company is not covered under the criteria for the appointment of internal auditor.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) According to the information and explanation given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained by the Company.
- (xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year or in the immediately preceding previous financial year.
- (xviii) According to the information and explanations given to us, there has not been any resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, auditor is of the opinion that no 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.

- (xx) In our opinion, provisions of section 135 of the Companies Act, 2013 is not applicable to the company. Hence reporting under this clause of the order is not applicable to the company.
- (xxi) As we are reporting on the standalone financial statements, the said clause of the Order is not applicable.

for **Devas & Venu**

Chartered Accountants

Firm registration number: 014057S



**Vinayak Devas**

Partner

Membership No: 225341



Place: Bengaluru

Date: 14/09/2023

UDIN: 23225341BGRYOU5784



**Annexure B referred to in paragraph 2(f) under the heading “Report on other Legal and Regulatory Requirements” of our report to the members of Techfino Capital Private Limited for the year ended 31<sup>st</sup> March 2023.**

**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 **Techfino Capital Private 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”. 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.

Because of the matter described in the Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

**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 authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Disclaimer of Opinion**

As explained to us, the Company has initiated the exercise of implementing internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India during the year. During the year, the Company has made significant progress in implementing the same and was in the process of fully implementing the same by the year-end. Thus, we are not opining on the above.

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

for **Devas & Venu**

Chartered Accountants

Firm registration number: 014057S



Vinayak Devas

Partner

Membership No: 225341



Place: Bengaluru

Date: 14/09/2023

UDIN: 23225341BGRYOU5784



**Techfino Capital Private Limited**

CIN: U65999KA2018PTC114532

(All amounts in Indian Rupees and in thousands except as otherwise stated)

**Balance Sheet as at 31st March, 2023**

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
<b>A. Equity and Liabilities</b>			
<b>1. Shareholders' Funds</b>			
a. Share Capital	3	82,000.00	82,000.00
b. Reserves and Surplus	4	58,586.65	32,776.99
		<b>1,40,586.65</b>	<b>1,14,776.99</b>
<b>2. Non Current Liabilities</b>			
a. Long Term Borrowings	5	2,85,572.90	1,89,764.98
b. Deferred Tax Liabilities (Net)	6	-	-
c. Long Term Provisions	7	1,579.21	277.56
		<b>2,87,152.11</b>	<b>1,90,042.54</b>
<b>3. Current Liabilities</b>			
a. Short Term Borrowings	8	4,01,162.59	2,21,565.04
b. Other Current Liabilities	9	1,02,610.72	56,418.08
c. Short Term Provisions	10	1,057.41	0.86
		<b>5,04,830.72</b>	<b>2,77,983.98</b>
<b>Total</b>		<b>9,32,569.48</b>	<b>5,82,803.51</b>
<b>B. Assets</b>			
<b>1. Non Current Assets</b>			
a. Property, Plant, Equipments and Intangible Assets			
- Property, Plant and Equipments	17	1,697.18	1,029.19
- Intangible Assets	17	266.64	1,459.60
c. Deferred Tax Assets (Net)	6	1,884.44	55.71
c. Other Non-Current Assets	11	1,480.00	400.00
		<b>5,328.26</b>	<b>2,944.50</b>
<b>2. Current Assets</b>			
a. Current Investments	12	77,013.00	16,476.94
b. Trade Receivables	13	5,309.80	-
c. Cash and Cash Equivalents	14	78,036.73	69,978.64
d. Short Term Loans and Advances	15	7,65,398.69	4,92,797.87
e. Other Current Assets	16	1,483.00	605.56
		<b>9,27,241.22</b>	<b>5,79,859.01</b>
<b>Total</b>		<b>9,32,569.48</b>	<b>5,82,803.51</b>

Significant accounting policies and notes to the financial statements

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As per our attached report of even date  
for Devas & Venu  
Chartered Accountants  
Firm Registration No. 014057S

*Vinayak*  
Vinayak Devas  
Partner  
Membership No. 225341



Place: Bengaluru  
Date: 14-Sep-2023

for and on behalf of the Board of Directors of  
Techfino Capital Private Limited

*Jayaprakash Patra* *Rajesh K. Panda* *Ratikanta Satapathy*  
Jayaprakash Patra Rajesh Kumar Panda Ratikanta Satapathy  
Director Director Director  
DIN: 08173623 DIN: 08682733 DIN: 08285737

Place: Bengaluru Place: Bengaluru Place: Bengaluru  
Date: 14-Sep-2023 Date: 14-Sep-2023 Date: 14-Sep-2023

**Techfino Capital Private Limited**

CIN: U65999KA2018PTC114532

(All amounts in Indian Rupees and in thousands except as otherwise stated)

**Statement of Profit and Loss for the year ended 31st March, 2023**

Sl. No.	Particulars	Note No.	Year Ended 31st March 2023	Year Ended 31st March 2022
I	Revenue from Operations	18	1,87,958.97	97,993.54
II	Other Income	19	5,543.88	1,008.15
III	<b>Total Income (I+II)</b>		<b>1,93,502.85</b>	<b>99,001.69</b>
IV	Expenses:			
	Employee Benefit Expense	20	58,534.80	23,214.33
	Depreciation and Amortization	16	1,928.79	964.27
	Loan Provision and Write Offs	21	14,077.11	7,881.85
	Finance Cost	22	73,380.04	26,598.26
	Other Expenses	23	18,693.45	9,291.08
	<b>Total Expenses (IV)</b>		<b>1,66,614.19</b>	<b>67,949.79</b>
V	<b>Profit before Exceptional and extraordinary items and tax (III - IV)</b>		26,888.66	31,051.90
VI	Exceptional Item			
VII	<b>Profit before Extraordinary items and tax (V - VI)</b>		26,888.66	31,051.90
VIII	Extraordinary items			
IX	<b>Profit before tax (VII - VIII)</b>		26,888.66	31,051.90
X	Tax Expense			
	1. Current Tax			
	- for the year		8,005.00	7,998.00
	- for earlier years		-	(494.88)
	2. Deferred Tax		(1,828.73)	(141.96)
XI	<b>Profit (Loss) for the period from continuing operations (IX-X)</b>		<b>20,712.39</b>	<b>23,690.73</b>
XII	Profit / (Loss) from Discontinuing Operations		-	-
XIII	Tax Expense of Discontinuing Operations		-	-
XIV	<b>Profit / (Loss) from discontinuing operations (after tax)(XII-XIII)</b>		-	-
XV	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>20,712.39</b>	<b>23,690.73</b>
XVI	Earnings per Equity Share			
	1. Basic		2.57	3.01
	2. Diluted		2.12	2.96

Significant accounting policies and notes to the financial statements

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As per our attached report of even date

for Devas &amp; Venu

Chartered Accountants

Firm Registration No. 014057S



Vinayak Devas

Partner

Membership No. 225341



Place: Bengaluru

Date: 14-Sep-2023

for and on behalf of the Board of Directors of  
Techfino Capital Private Limited

  
Jayaprakash Patra  
Director  
DIN: 08173623


  
Rajesh Kumar Panda  
Director  
DIN: 08682733


  
Ratikanta Satapathy  
Director  
DIN: 08285737
Place: Bengaluru  
Date: 14-Sep-2023Place: Bengaluru  
Date: 14-Sep-2023Place: Bengaluru  
Date: 14-Sep-2023



Statement of Cash Flows for the year ended 31st March, 2023 Amounts in '000

Particulars	Year Ended 31-Mar-23	Year Ended 31-Mar-22
<b>I. Cash flow from operating activities</b>		
Net profit after tax	20,712.39	23,690.74
<b>adjustments for:</b>		
Income Tax	8,005.00	7,503.12
Deferred Tax	1,828.73	(141.96)
Depreciation	1,928.79	964.27
Gratuity	1,399.48	112.88
Expense on Employee Stock Option Scheme	5,097.26	432.00
Provision for Standard Assets and NPA	14,077.11	7,881.85
Loss on sale of Property, Plant and Equipment	28.31	2.21
Capital Gain	(1,658.89)	(498.42)
Dividend Income	-	(20.81)
Interest Income on Income Tax Refund	(105.87)	
Interest income	(1,717.31)	(388.91)
	<u>28,882.61</u>	<u>15,846.24</u>
<b>Operating profit before working capital changes</b>	<b>49,595.00</b>	<b>39,536.98</b>
<b>Adjustments for:</b>		
Decrease/(Increase) in other assets	(8,015.97)	(186.41)
Decrease/(Increase) in long term loans and advances	(1,080.00)	-
Decrease/(Increase) in short term loans and advances	(2,94,681.93)	(4,08,189.91)
(Decrease)/Increase in provisions	13,107.10	3,001.62
(Decrease)/Increase in other liabilities	44,363.91	52,402.31
	<u>(2,46,306.90)</u>	<u>(3,52,972.39)</u>
<b>Cash generated from operations</b>	<b>(1,96,711.90)</b>	<b>(3,13,435.42)</b>
Less: Income tax paid (net off refund)	12,042.51	10,719.56
<b>Net cash flow from operating activities</b>	<b>(2,08,754.41)</b>	<b>(3,24,154.98)</b>
<b>II. Cash flow from investing activities</b>		
Interest received	1,717.31	388.91
Purchase of Mutual Fund	(6,73,000.02)	(3,00,004.03)
Sale of Mutual Fund	6,14,122.85	2,84,665.28
Dividend Income	-	20.81
Sale of property, plant and equipment	3.78	13.00
Payments for acquisition of property, plant and equipment	(1,435.91)	(855.75)
	<u>(58,591.99)</u>	<u>(15,771.77)</u>
<b>Net cash used in investing activities</b>	<b>(58,591.99)</b>	<b>(15,771.77)</b>
<b>III. Cash flow from financing activities</b>		
Proceeds from issue of share capital	-	18,000.00
Proceeds /(Repayment) of borrowings	2,75,405.49	3,64,098.11
<b>Net cash used in financing activities</b>	<b>2,75,405.49</b>	<b>3,82,098.11</b>
<b>Net increase in cash &amp; cash equivalents</b>	<b>8,059.09</b>	<b>42,171.37</b>
Cash and cash equivalents as at the beginning	69,978.64	27,808.28
<b>Cash and cash equivalents as at the end of the period</b>	<b>78,036.73</b>	<b>69,978.64</b>
<b>Cash &amp; cash equivalents as on :</b>	<b>31st March, 2023</b>	<b>31st March, 2022</b>
Cash in hand	-	-
Cash at bank	78,036.73	69,978.64
<b>Cash &amp; cash equivalents as stated</b>	<b>78,036.73</b>	<b>69,978.64</b>

As per our attached report of even date  
for Devas & Venu  
Chartered Accountants  
Firm Registration No. 014057S

  
Vinayak Devas  
Partner  
Membership No. 225341



Place: Bengaluru  
Date: 14-Sep-2023

for and on behalf of the Board of Directors of  
Techfino Capital Private Limited

  
Jayaprakash Patra  
Director  
DIN: 08173623

  
Rajesh Kumar Panda  
Director  
DIN: 08682733

  
Ratikanta Satapathy  
Director  
DIN: 08285737

Place: Bengaluru  
Date: 14-Sep-2023

Place: Bengaluru  
Date: 14-Sep-2023

Place: Bengaluru  
Date: 14-Sep-2023

## Notes to the financial statements

### 1 Company Overview

Techfino Capital Private Limited ('the Company'), was incorporated on July 5, 2018 under the Companies Act, 2013. The Company is a Non-Banking Financial Company ('NBFC') engaged in providing end use ensured, short term consumer loans. The Company is registered with the Reserve Bank of India as Type II - Non-Deposit taking NBFC-ND.

### 2 Significant Accounting Policies

#### 2.01 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared, in accordance with Generally Accepted Accounting principles in India (Indian GAAP), to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), except where otherwise stated. Further, the Company follows prudential norms for Income Recognition, assets classification and provisioning for Non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India for Non-Banking Financial Companies. Further, the Company follows the Reserve Bank of India ('RBI') Directions issued for Non-Banking Financial Companies ('NBFC'). The Company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

The financial statements have been prepared based on the going concern concept.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Companies Act, 2013. Based on the nature of assets and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

#### 2.02 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

#### 2.03 Property, Plant, Equipments and Intangibles

a) Property, Plant, Equipments and Intangibles are stated at cost, less accumulated depreciation / amortisation. Costs include all expenses incurred to bring the asset to its present location and condition.

Depreciation is provided as per the life of the assets specified under Schedule II of the Companies Act, 2013. Depreciation on additions to assets or sale/disposal is calculated on pro-rata basis on the number of days assets have been put to use. Further, assets having an original cost of less than Rs. 5,000 individually are fully depreciated in the year of purchase. Intangible assets are amortised over the period of three years.

#### 2.04 Revenue recognition

Revenue is considered to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. The Company follows accrual basis of accounting for its income and expenditure except income on assets classified as non-performing assets, which in accordance with the guidelines issued by the Reserve Bank of India for Non-Banking Financial Companies, is recognised on receipt basis.

- a) Interest income from retail loan transactions is recognised on an accrual basis over the period of the contract by applying the interest rate implicit in such contracts.
- b) Service charges and other fees on loan transactions are recognised at the commencement of the contract.
- c) Commission and brokerage income: Commission and brokerage income earned for the services rendered are recognised as and when they are due.
- d) Subvention income on loan transactions are recognised upon disbursement of the same.
- e) Penalty collected as bounce charges has been recognised on realisation basis.

Income from investments:

- Dividend from investments is accounted for as income when the right to receive dividend is established.
- Interest income from investments is accounted on accrual basis.
- Capital gain on sale of investments recognised as when the investments have been sold.





## Notes to the financial statements

### 2.05 Provisions for Standard / Non-Performing Assets and Doubtful Debts

#### a) The provisioning / write-off on overdue assets

The provisioning / write-off on overdue assets is as per the management estimates, subject to the minimum provision required as per Master Direction-Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

#### b) Provision on standard assets

Provision on standard assets has been made at 1.00% which is in accordance with Reserve Bank of India ('RBI') guidelines.

### 2.06 Foreign currency transactions and translations

The transactions in foreign currency are recognized at the exchange rate prevailing as at the date of the transaction. Any fluctuation in the currency rates upon settlement of the transaction are recognized in the Statement of Profit and Loss either as gain or loss on account of currency fluctuation except otherwise stated. Assets and liabilities denominated in foreign currency and outstanding as at the end of the year are restated for the movement in the currency rates except otherwise stated.

### 2.07 Investments

Investments are classified into non-current and current investments.

#### a) Non-Current Investments:

Non-current investments are investments intended to be held for a period of more than a year. Non-current investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

#### b) Current Investments:

Current investments are investments intended to be held for a period of less than a year. Current investments are stated at the lower of cost and market value, determined on an individual investment basis.

### 2.08 Employee Benefits

#### i) Short Term Employee Benefits:

All employee benefits falling due within twelve months of rendering the service are classified as short term employee benefits, which include benefits like salaries, bonus, performance incentives, etc. and are recognized as expense in the period in which the employee renders the related service.

#### ii) Long Term Employee Benefits:

a) Defined contribution plan: The Company has defined contribution plans for post-employment benefits, namely, Provident Fund. The Company's contributions thereto are charged to Statement of Profit and Loss every year. The Company has contributed to Provident fund which is a defined contribution plan. The contribution paid or payable under the scheme is recognized during the year in which employee renders the related service.

b) Defined benefit plan: The Company has a defined benefit plan for employees, namely Gratuity, the liability for which is determined on the basis of valuation carried out by an independent actuary under projected unit credit method which considers each year of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains or losses are recognized immediately in statement of profit and loss.

#### iii) Employee Stock Purchase Plan:

The Company is covered under certain share based compensation plans. Under the plan, the employees/directors of the Company may be granted stock options, stock grants and stock purchase rights of Techfino Capital Private Limited, in accordance with the terms and conditions as specified in these plans. As per the Guidance Note on "Accounting for Employee Share Based Payments", issued by institute of Chartered Accountants of India, the Company is required to record compensation cost and disclose information relating to the options /shares granted to the employees of the Company under the above plan. These plans are assessed, managed and administered by the company whose options/shares have granted to the employees of the Company. The Company has accounted for and disclosed the details of the above plan as per the Guidance Note. All relevant taxes will be borne by the respective employees and the same has been deducted and remitted to the department by the company.

### 2.09 Related party disclosure

Disclosure of transactions with Related Parties, as required by Accounting Standard 18 "Related Party Disclosures" have been set out in a separate statement annexed to this Schedule. Related parties as defined under clause 3 of the Accounting Standard have been identified on the basis of representations made by key managerial personnel and information available with the Company.



## Notes to the financial statements

### 2.10 Earnings per share

In determining Earnings per Share, the Company considers the Net Profit after tax and includes the Post Tax effect of any extraordinary/ exceptional item. The number of shares used in computing Basic and Diluted Earnings per Share is the weighted average number of shares outstanding during the period.

### 2.11 Taxes on income

**Current Tax:** Provision for current tax is made on the basis of taxable income for the year under the provisions of Income Tax Act, 1961.

**Deferred Tax** is recognized, subject to the consideration of prudence as per Accounting Standard 22 – Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India, on the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a reasonable/ virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

### 2.12 Impairment of assets

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Statement of Profit and Loss to the extent the carrying amount exceeds the recoverable amount.

### 2.13 Provisions and contingencies

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

### 2.14 Cash and cash equivalents

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, but excludes restricted cash balances.

### 2.15 Cash flow statement

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

### 2.16 Accounting for leases

Lease rent in respect of renewable operating leases which are cancellable are charged to profit and loss account. Lease rent in respect of other operating lease are recognized over the lease period and charged to the profit and loss account accordingly.

### 2.17 Events occurring after balance sheet date

Events which occur between the balance sheet date and the date on which the financial statements are approved, may indicate the need for adjustments to assets and liabilities as at the balance sheet date or may require a disclosure.

There are events which if material, although they take place after the balance sheet date, are required to be reflected in the financial statements (i.e. adjustments to assets and liabilities).

Events occurring after the balance sheet date which do not affect the figures stated in the financial statements would require disclosure in the financial statements.





**Techfino Capital Private Limited**

CIN: U65999KA2018PTC114532

(Number of shares are in absolute number and the value in Indian Rupees and in thousands)

**Notes to the financial statements**

Note No.	Particulars	As at 31-03-2023		As at 31-03-2022	
		No. of Shares	Amount	No. of Shares	Amount
<b>3</b>	<b>Share Capital</b>				
	<b>Equity Shares</b>				
	<b>A. Authorized</b>				
	Equity shares of Rs.10/- each fully paid up	1,60,00,000	16,00,00,000	1,60,00,000	16,00,00,000
	<b>B. Issued</b>				
	Equity shares of Rs.10/- each fully paid up	80,50,000	8,05,00,000	80,50,000	8,05,00,000
	<b>C. Subscribed and fully paid-up</b>				
	Equity shares of Rs.10/- each fully paid up	80,50,000	8,05,00,000	80,50,000	8,05,00,000
	<b>Total Equity</b>	<b>80,50,000</b>	<b>8,05,00,000</b>	<b>80,50,000</b>	<b>8,05,00,000</b>
	<b>Preference Shares</b>				
	<b>A. Authorized</b>				
	Non-Cumulative, Compulsory Convertible 0.01% Preference shares of Rs.10/- each	40,00,000	4,00,00,000	40,00,000	4,00,00,000
	<b>B. Issued</b>				
	Non-Cumulative, Compulsory Convertible 0.01% Preference shares of Rs.10/- each	15,00,000	1,50,00,000	15,00,000	1,50,00,000
	<b>C. Subscribed and partly paid-up</b>				
	Non-Cumulative, Compulsory Convertible 0.01% Preference shares of Rs.10/- each (Rs.1/- paid)	15,00,000	15,00,000	15,00,000	15,00,000
	<b>Total Preference shares</b>	<b>15,00,000</b>	<b>15,00,000</b>	<b>15,00,000</b>	<b>15,00,000</b>

**3.1 Reconciliation of number of shares at the beginning and end of the year**

Particulars	As at 31-03-2023	As at 31-03-2022
<b>Equity Shares</b>		
Opening balance	80,50,000	70,50,000
Add : Fresh Issue	-	10,00,000
Add : Rights issue during the year	-	-
Less: Bought back during the year	-	-
<b>Closing balance</b>	<b>80,50,000</b>	<b>80,50,000</b>
<b>Preference Shares</b>		
Opening balance	15,00,000	15,00,000
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
<b>Closing Balance</b>	<b>15,00,000</b>	<b>15,00,000</b>

**3.2 Details of shares held by each shareholder holding more than 5% shares**

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number of Shares	Percent of holding	Number of Shares	Percent of holding
<b>Equity Shares</b>				
DCB Bank	6,00,000	7.45%	6,00,000	7.45%
Jayaprakash Patra	21,50,000	26.71%	21,50,000	26.71%
Ratikanta Satapathy	21,50,000	26.71%	21,50,000	26.71%
Rajesh Kumar Panda	21,50,000	26.71%	21,50,000	26.71%
<b>Total</b>	<b>70,50,000</b>	<b>87.58%</b>	<b>70,50,000</b>	<b>87.58%</b>

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number of Shares	Percent of holding	Number of Shares	Percent of holding
<b>Non-Cumulative, Compulsory Convertible Preference Shares</b>				
Jayaprakash Patra	5,00,000	33.333%	5,00,000	33.333%
Ratikanta Satapathy	5,00,000	33.333%	5,00,000	33.333%
Rajesh Kumar Panda	5,00,000	33.333%	5,00,000	33.333%
<b>Total</b>	<b>15,00,000</b>	<b>100.00%</b>	<b>15,00,000</b>	<b>100.00%</b>

### 3.3 Details of shares held by promoters

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number of Shares	Percent of holding	Number of Shares	Percent of holding
<b>Equity Shares</b>				
Jayaprakash Patra	21,50,000	26.71%	21,50,000	26.71%
Ratikanta Satapathy	21,50,000	26.71%	21,50,000	26.71%
Rajesh Kumar Panda	21,50,000	26.71%	21,50,000	26.71%
<b>Total</b>	<b>64,50,000</b>	<b>80.13%</b>	<b>64,50,000</b>	<b>80.13%</b>
<b>Preference Shares</b>				
Jayaprakash Patra	5,00,000	33.333%	5,00,000	33.333%
Ratikanta Satapathy	5,00,000	33.333%	5,00,000	33.333%
Rajesh Kumar Panda	5,00,000	33.333%	5,00,000	33.333%
<b>Total</b>	<b>15,00,000</b>	<b>100.00%</b>	<b>15,00,000</b>	<b>100.00%</b>





### **3.4 Rights, preferences and restrictions attached to shares**

The Company has only one class of equity share, having a par value of ₹ 10 each. Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference shares carry a preferential right as to dividend over equity shareholders. Where dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward whereas in the case of non-cumulative preference shares, the entitlement for that year lapses. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights. However, a cumulative preference shareholder acquires voting rights on par with an equity shareholder if the dividend on preference shares has remained unpaid for a period of not less than two years. For a non-cumulative preference shareholder, such a right arises if the dividend has remained unpaid for a period of not less than two years or for any three years during a period of six years ending with the financial year preceding the meeting. However non cumulative preference shareholder can waive the dividend payable on such shares. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

As per the terms of conversion, Preference Shares shall be convertible into Equity Shares at a 1:1 conversion ratio in accordance with the provisions of Companies Act 2013, and the rules made thereunder.



Notes to the financial statements

Amounts in '000

Note No.	Particulars	As at 31st March 2023	As at 31st March 2022
<b>4</b>	<b>Reserves and Surplus</b>		
<b>4.1</b>	<b>Special Reserve *</b>		
	Opening Balance	5,619.03	880.89
	Add: Transferred from the Profit for the year	4,142.55	4,738.15
	Less: Appropriation during the year	-	-
	<b>Closing Balance</b>	<b>9,761.58</b>	<b>5,619.03</b>
<b>4.2</b>	<b>Securities Premium</b>		
	Opening Balance	8,000.00	-
	Add: Issued during the year	-	8,000.00
	Less: Appropriation during the year	-	-
	<b>Closing Balance</b>	<b>8,000.00</b>	<b>8,000.00</b>
<b>4.3</b>	<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
	Opening Balance	18,725.97	(226.62)
	Add: Profit / (Loss) for the year	20,712.39	23,690.73
	Less: Transferred to Special Reserve *	4,142.55	4,738.15
	<b>Closing Balance</b>	<b>35,295.80</b>	<b>18,725.96</b>
<b>4.4</b>	<b>Employee Stock Options Outstanding</b>		
	Options granted till date	432.00	-
	Add: Compensation for options granted during the year	5,097.26	432.00
	Less: Transfer to Security Premium on exercise of stock options during the year	-	-
	<b>Closing Balance</b>	<b>5,529.26</b>	<b>432.00</b>
	<b>Total Reserves and Surplus (4.1) + (4.2) + (4.3) + (4.4)</b>	<b>58,586.65</b>	<b>32,776.99</b>

\* Special Reserve has been created as per the provisions of Section 45-IC of the Reserve Bank of India Act, 1934. As per the requirements of the said Section, 20% of the profit for the year has been transferred to special reserve.





Notes to the financial statements

Amounts in '000

Note No.	Particulars	As at 31st March 2023	As at 31st March 2022
5	<b>Long Term Borrowings (Secured Loan)</b>		
	<b>Debentures</b>		
	12.9% Secured, Non-Convertible Debentures (Refer Note 5.1 below)	26,900.00	53,800.00
	14% Secured, Non-Convertible Debentures (Refer Note 5.2 below)	14,874.95	44,625.00
	12% Secured, Non-Convertible Debentures (Refer Note 5.3 below)	16,400.00	
	12.9% Secured, Non-Convertible Debentures (Refer Note 5.4 below)	40,000.00	
	(A)	<u>98,174.95</u>	<u>98,425.00</u>
	Less: Current Maturities of Non-Convertible Debentures	38,324.95	56,650.00
	(B)	<u>38,324.95</u>	<u>56,650.00</u>
	C = (A-B)	<u>59,850.00</u>	<u>41,775.00</u>
	-From Banks (Refer Note 5.5 and Note 5.6 below)	2,67,558.96	87,416.69
	-From Non Banking Financial Companies (Refer Note 5.5 and Note 5.6 below)	2,63,851.59	1,82,504.99
	(D)	<u>5,31,410.55</u>	<u>2,69,921.67</u>
	Less: Current Maturities of Long Term Debt		
	-From Banks	1,70,101.47	62,000.01
	-From Non Banking Financial Companies	1,92,736.18	1,02,081.69
	(E)	<u>3,62,837.64</u>	<u>1,64,081.70</u>
	F = (D-E)	<u>1,68,572.90</u>	<u>1,05,839.98</u>
	<b>(Unsecured Loan)</b>		
	<b>Debentures</b>		
	1% Unsecured Compulsory Convertible Debentures (Refer Note 28.02.02)	57,150.00	42,150.00
	(G)	<u>57,150.00</u>	<u>42,150.00</u>
	<b>Total [H = (C+F+G)]</b>	<u>2,85,572.90</u>	<u>1,89,764.98</u>

- 5.1 Debentures are secured by identified receivables as per the terms and conditions stipulated in the transaction documents. Interest of 12.9% to be paid on quarterly on the last working day of March, June, September and December on the outstanding balances of NCD. Tenure of the debenture is 24 months and to be redeemed in four equal tranches on completion of 6, 12, 18 and 24 months from the closure of the issue. Each debenture will be redeemed at par.
- 5.2 Debentures are secured by identified receivables as per the terms and conditions stipulated in the transaction documents. Interest of 14% to be paid on quarterly basis. Tenure of the debenture is 24 months and to be redeemed in four equal tranches on completion of 6, 12, 18 and 24 months from the closure of the issue. Each debenture will be redeemed at par.
- 5.3 Debentures are secured by identified receivables as per the terms and conditions stipulated in the transaction documents. Interest of 12% to be paid on quarterly basis. Tenure of the debenture is 24 months and to be redeemed on completion of the tenure from the closure of the issue. Each debenture will be redeemed at par.
- 5.4 Debentures are secured by identified receivables as per the terms and conditions stipulated in the transaction documents. Interest of 12.9% to be paid on quarterly basis. Tenure of the debenture is 24 months and to be redeemed in four equal tranches on completion of 6, 12, 18 and 24 months from the closure of the issue. Each debenture will be redeemed at par.
- 5.5 All the loans and advances from the banks and others are secured by exclusive charge on the receivables. Further, directors have given the personal guarantee for loan of ₹ Nil (previous year: ₹ 8,76,88,541) which is outstanding as on 31st March 2023. Also, margin money of 10% is given in the form of fixed deposit against the loan taken from the banks.



Notes to the financial statements

Amounts in '000

Note No.	Particulars	As at 31st March 2023	As at 31st March 2022
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5.6 Terms of repayment of borrowings and rate of interest:

Loan taken from	Outstanding Amount	Interest Rate at the time of draw down	Repayment Duration
- Bank	10,35,72,634	10.00%	24 months
	16,66,695	12.00%	15 months
	2,45,83,329	11.25%	26 months
	10,02,36,301	11.00%	30 months
	3,75,00,003	11.75%	24 months
- Non Banking Financial Companies	3,47,16,107	13.50%	24 months
	2,95,53,499	13.50%	24 months
	10,39,46,534	14.00%	24 months
	5,00,00,000	14.50%	30 months
	4,37,50,001	14.75%	24 months
	18,85,444	14.35%	24 months

Previous year

Loan taken from	Outstanding Amount	Interest Rate at the time of draw down	Repayment Duration
- Bank	2,20,00,000	12.00%	15 months
	1,66,66,688	12.00%	26 months
	4,87,50,000	11.25%	26 months
- Non Banking Financial Companies	1,27,71,864	14.35%	24 months
	1,00,00,000	13.50%	24 months
	15,97,33,122	14.00%	24 months

6 Deferred Tax (Asset) / Liability

Property, Plant, equipment and Intangible: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting

(57.65) 174.28

Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis

(1,826.80) (229.99)

Net Deferred Tax (Asset) / Liability

(1,884.44) (55.71)

7 Long Term Provision

Provision for Employee Benefit (Refer Note No. 24)  
Rent Equalisation Reserve

1,547.49 277.56

31.72 -

1,579.21 277.56





Notes to the financial statements

Amounts in '000

Note No.	Particulars	As at 31st March 2023	As at 31st March 2022
<b>8</b>	<b>Short Term Borrowings (Secured Loan)</b>		
	<b>Term Loan</b>		
	-From Banks (Refer Note No. 8.1 below)	-	833.34
	<b>Current Maturities of Long Term Debt</b>		
	-From Banks	1,70,101.47	62,000.01
	-From Non Banking Financial Companies	1,92,736.18	1,02,081.69
	-Non-Convertible Debentures	38,324.95	56,650.00
		<b>4,01,162.59</b>	<b>2,21,565.04</b>
<b>8.1</b>	<b>Terms of repayment of borrowings and rate of interest:</b>		
	As per terms of agreements, loan from banks aggregating ₹ NIL (Previous Year: ₹ 8,33,337) are repayable at maturity of 12 months from the date of loan. Rate of interest payable on term loans is 12%.		
<b>9</b>	<b>Other Current Liabilities / Expenses Payable</b>		
	Interest Accrued But Not Due	1,663.17	1,730.41
	Statutory Dues	5,250.47	5,922.29
	Creditors for Expenses (Refer Note No. 9.1)	369.51	4,428.00
	Accrued Liabilities (Refer Note No. 9.2)	86,202.80	42,875.67
	Other Payables	6,285.92	
	Employee Dues	2,838.84	1,461.71
	<b>Total</b>	<b>1,02,610.72</b>	<b>56,418.08</b>
<b>9.1</b>	As per the information available with the Company, there are no outstanding dues payable to MSME. Also refer note 28.05 for the detailed disclosure.		
<b>9.2</b>	Accrued Liabilities includes an amount of ₹ 8,28,24,715 (PY: ₹ 3,85,29,585) payable to business partners with whom lead referral and financing agreements have been entered. This includes money withheld towards tranches payable, payable to partners based on the realization from customers and as margin money. The corresponding loans and advances have been included in the "Short Term Loans and Advances" referred to in Note No. 15 of the standalone financial statements.		
<b>10</b>	<b>Short Term Provision</b>		
	Provision for Income Tax (net of Advance Tax and TDS Receivable)	-	-
	Provision for Employee Benefit	130.41	0.86
	Provision for Expenses	927.00	
	<b>Total</b>	<b>1,057.41</b>	<b>0.86</b>
<b>11</b>	<b>Other non-current assets</b> (unsecured, considered good unless otherwise stated)		
	Rental Deposit	1,480.00	400.00
	<b>Total</b>	<b>1,480.00</b>	<b>400.00</b>
<b>12</b>	<b>Current Investments (Quoted Investments)</b>		
	Investments in Mutual Funds	77,013.00	16,476.94
	<b>Total</b>	<b>77,013.00</b>	<b>16,476.94</b>

Cost of the investment: Rs.7,70,12,995 /- (PY: Rs.1,64,76,937 /-)  
Market Value of the investment: Rs.7,71,23,769 /- (PY: Rs.1,64,96,880 /-)



Notes to the financial statements

Amounts in '000

Note No.	Particulars	As at 31st March 2023	As at 31st March 2022
13	<b>Trade Receivables</b>		
	<b>Undisputed trade receivables - considered good</b>		
	(a) Less than 6 months	5,309.80	-
	(b) 6 months -1 Year	-	-
	(c) 1-2 Years	-	-
	(d) 2-3 Years	-	-
	(e) More than 3 Years	-	-
	(f) Total	5,309.80	-
	<b>Undisputed trade receivables - considered doubtful</b>		
	(a) Less than 6 months	-	-
	(b) 6 months -1 Year	-	-
	(c) 1-2 Years	-	-
	(d) 2-3 Years	-	-
	(e) More than 3 Years	-	-
	(f) Total	-	-
	<b>Disputed trade receivables - considered good</b>		
	(a) Less than 6 months	-	-
	(b) 6 months -1 Year	-	-
	(c) 1-2 Years	-	-
	(d) 2-3 Years	-	-
	(e) More than 3 Years	-	-
	(f) Total	-	-
	<b>Disputed trade receivables - considered doubtful</b>		
	(a) Less than 6 months	-	-
	(b) 6 months -1 Year	-	-
	(c) 1-2 Years	-	-
	(d) 2-3 Years	-	-
	(e) More than 3 Years	-	-
	(f) Total	-	-
	<b>Total</b>	<b>5,309.80</b>	<b>-</b>
14	<b>Cash and Cash Equivalents</b>		
	(i) Balances with Bank		
	- in current accounts	26,284.55	57,745.02
	- in fixed deposit accounts (Refer Note No. 14.1)	51,752.18	12,233.62
	(ii) Cash on Hand	-	-
	<b>Total</b>	<b>78,036.73</b>	<b>69,978.64</b>
14.1	Out of the total Fixed Deposits, ₹ 4,17,52,179 has been issued as margin money towards bank guarantee against loan taken from the Banks and ₹ 1,00,00,000 has been liened against digital lending platform service.		
15	<b>Short Term Loans and Advances</b>		
	<b>Unsecured, considered good</b>		
	Loans and advances (Gross)	7,62,887.83	4,93,210.42
	Less: Provision for Standard Assets and Non-Performing Assets	(12,270.52)	(7,758.88)
	Loans and advances (Net)	7,50,617.31	4,85,451.54
	Receivable from Partners	5,858.27	270.50
	Prepaid Expense	1,496.30	3,990.12
	Balance with Government Authorities (Refer Note No. 15.1)	7,426.81	3,085.70
	<b>Total</b>	<b>7,65,398.69</b>	<b>4,92,797.87</b>
15.1	Balance with Government Authorities represents the Advance Tax and TDS Receivable which is net off of Provision for Income Tax.		
16	<b>Other Current Assets</b>		
	Accrued Interest on Bank Deposits	617.92	-
	Processing Fee Receivable	-	56.93
	EMI Receivable and TDS Reimbursement Receivable	840.08	548.63
	Receivable from Employees	25.36	-
	<b>Total</b>	<b>1,483.00</b>	<b>605.56</b>





**Note 17: Property, Plant, Equipment and Intangibles**

A. Property, Plant and Equipments:	Gross Block				Depreciation			Net Block	
	Balance as at 01/04/2022	Additions	Deletions	Balance as at 31/03/2023	Balance as at 01/04/2022	Depreciation for the year	Deletions	Balance as at 31/03/2023	Balance as at 31/03/2022
Computers & Components	1,359.99	1,152.01	39.75	2,472.26	409.67	605.60	7.66	1,464.65	950.32
Office Equipments	93.28	201.10	-	294.38	14.41	47.43	-	232.54	78.87
<b>Current Year</b>	<b>1,453.27</b>	<b>1,353.11</b>	<b>39.75</b>	<b>2,766.64</b>	<b>424.08</b>	<b>653.03</b>	<b>7.66</b>	<b>1,697.18</b>	<b>1,029.19</b>
<b>Previous Year</b>	<b>615.11</b>	<b>855.75</b>	<b>17.61</b>	<b>1,453.25</b>	<b>138.71</b>	<b>287.77</b>	<b>2.42</b>	<b>1,029.19</b>	<b>476.40</b>
		<b>Gross Block</b>				<b>Amortisation</b>			
<b>B. Intangible Assets:</b>	<b>Balance as at 01/04/2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance as at 31/03/2023</b>	<b>Balance as at 31/03/2022</b>	<b>Amortisation for the year</b>	<b>Deletions</b>	<b>Balance as at 31/03/2023</b>	<b>Balance as at 31/03/2022</b>
Computer software	3,817.69	82.80	-	3,900.49	2,358.09	1,275.76	-	266.64	1,459.60
<b>Current Year</b>	<b>3,817.69</b>	<b>82.80</b>	<b>-</b>	<b>3,900.49</b>	<b>2,358.09</b>	<b>1,275.76</b>	<b>-</b>	<b>266.64</b>	<b>1,459.60</b>
<b>Previous Year</b>	<b>3,817.69</b>	<b>-</b>	<b>-</b>	<b>3,817.69</b>	<b>1,681.58</b>	<b>676.50</b>	<b>-</b>	<b>1,459.60</b>	<b>2,136.11</b>



**Techfino Capital Private Limited**

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(All amounts in Indian Rupees and in thousands except as otherwise stated)

**Notes to the financial statements**

Note No.	Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
<b>18</b>	<b>Revenue from operations</b>		
	Subvention Income	1,50,018.23	82,280.61
	Interest Income	18,949.14	-
	Processing and Cancellation Fees	12,280.87	12,769.35
	Prorata Interest	2,823.54	1,668.99
	Penalty Income	3,887.20	1,274.59
	<b>Total</b>	<b>1,87,958.97</b>	<b>97,993.54</b>
<b>19</b>	<b>Other Income</b>		
	Interest Income on Income Tax Refund	105.87	-
	Interest on Fixed Deposits	1,717.31	388.91
	Dividend	-	20.81
	Capital Gains	1,658.89	498.42
	Miscellaneous Income	2,061.80	100.01
	<b>Total</b>	<b>5,543.88</b>	<b>1,008.15</b>
<b>20</b>	<b>Employee Benefits Expense</b>		
	Salaries, Stipend and Bonus	36,514.35	15,281.49
	Directors' Remuneration	13,365.79	6,671.32
	Contribution to provident funds and other funds	1,308.44	582.40
	Gratuity	1,399.48	112.88
	Staff welfare expenses	849.49	134.25
	Expense on Employee Stock Option Plan (ESOP)	5,097.26	432.00
	<b>Total</b>	<b>58,534.80</b>	<b>23,214.33</b>
<b>21</b>	<b>Loan Provisions And Write Offs</b>		
	Provision for standard assets	1,835.98	4,016.65
	Provision for non-performing assets	2,675.66	2,742.41
	Loan loss *	9,565.47	1,122.79
	<b>Total</b>	<b>14,077.11</b>	<b>7,881.85</b>
*	Loan loss is net off recovery of ₹ 17,79,449 during the year.		
<b>22</b>	<b>Finance Cost</b>		
	Bank Charges	13.26	741.65
	Loan Processing Fees	6,249.00	3,605.00
	Interest on Borrowings	67,117.79	22,251.60
	<b>Total</b>	<b>73,380.04</b>	<b>26,598.26</b>
<b>23</b>	<b>Other Expenses</b>		
	Payment to Auditors	895.00	718.00
	Business Promotion	1,678.97	273.06
	Bureau Expense	1,391.83	969.13
	Insurance Expense	335.57	80.00
	Legal, Professional and Technical Fees	4,706.13	2,416.56
	Office Expense	303.00	169.80
	Office Rent	2,485.80	909.88
	Rates & Taxes	923.00	1,273.37
	Travelling and Conveyance Expenses	509.08	114.18
	Webhosting, Domain & Subscription Charges	4,846.09	2,242.05
	Miscellaneous Expense	590.66	122.84
	Loss on Sale of Asset	28.31	2.21
	<b>Total</b>	<b>18,693.45</b>	<b>9,291.08</b>





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(All amounts in Indian Rupees and in thousands except as otherwise stated)

**24 Employee Benefits**

The company has accounted for defined benefit plans in the form of gratuity to employees as per actuary valuation as at 31-Mar-2023. The actuarial assumptions in respect of the benefit plan are as under:

## i) Principal Actuarial Assumptions

Particulars	2022-23	2021-22
Discount rate	7.36%	6.92%
Salary growth rate	10.00%	10.00%
Withdrawal rate	20.00%	20.00%

## ii) Table showing changes in present value of obligations

Particulars	2022-23	2021-22
Present value of obligations as at beginning of year	278.42	165.54
Current service cost	539.85	185.92
Interest cost	19.27	10.81
Actuarial gain/(loss)	840.36	(83.85)
Benefits settled	-	-
Present value of obligations as at end of year	1,677.90	278.42

## iii) Actuarial gain/loss recognised

Particulars	2022-23	2021-22
Total actuarial loss/gain	840.36	(83.85)

## iv) Amount to be recognised in the Balance Sheet

Particulars	2022-23	2021-22
Present value of obligations as at the end of year - Non Current	130.41	277.56
Present value of obligations as at the end of year - Current	1,547.49	0.86



**25 Other Statutory Information**

- (i) The Company does not have any proceeding initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibitions) Act, 1988.
- (ii) The company doesn't have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iii) The Company do not have charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- (iv) The Company has not traded or invested in crypto currency or virtual currency during the year.
- (v) The Company has not advanced or given loan or invested funds to any other person(s) or entity(ies), including foreign entities ('intermediaries') with the understanding that the intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities indentified in any manner whatsoever by or on behalf of the Company; or
  - (b) provide any gurantee, security or the like to or on behalf of the Company;
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities with the understanding that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities indentified in any manner whatsoever by or on behalf of the Funding person or entity; or
  - (b) provide any gurantee, security or the like on behalf of the funding person or entity;
- (vii) The Company does not have any transaction which is 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.
- (viii) The Company has borrowed money from banks and financial institutions on the basis of current assets during the year. Further, the quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the loan book maintained by the Company in a separate module.
- (ix) The Company has borrowed money from the banks and non banking financial institutions and have been used for the stated purpose. However, pending utilization during the interim period, surplus of such borrowed funds have been temporarily invested in short-term securities.
- (x) The Company has complied with the number of layers prescribed under the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- (xi) The Company is not declared as a wilful defaulter by any bank or financial institution
- (xii) The Company has not entered into any scheme or arrangement in terms of Section 230 to Section 237 of the Companies Act, 2013.
- (xiii) The provison of Section 135 relating to Corporate Social Responsibility is not applicable to the Company.





**26 Employee Stock Option Plan**

a)

The Company instituted the Employees Stock Option Plan ('ESOP 2021') during the year, which was approved by the Board of Directors. Options under this program have been granted to employees with an exercise price of Rs 10. All stock options have four years vesting term from the date of grant in proportions specified in scheme. Each option is entitled to 1 equity share of Rs.10 /- each. This program extends to employees who have been issued employment offer with ESOP as part of compensation.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	Options (Numbers )	Options (Numbers )
Granted during the year *	250.00	565.00
Vested during the year	83.75	-
Exercised during the year		-
Lapsed during the year**	145.00	160.00
Forfeited during the year		-
Outstanding options, end of the year	510.00	405.00
Options vested and exercisable, end of the year		-
Range of exercise price for options outstanding at the end of the year	NA	NA

\* ESOP granted during the financial yer (FY) 2021-22 includes 1,50,000 shares granted to directors who are also the promoters of the Company. As the Company has been recognised as a startup by the Department for Promotion of Industry and Internal Trade (DPIIT) vide certificate no. DIPP31214 dated 01st January 2019, the same is in line with the provisions of the section 62 of the Companies Act, 2013 read with rule 12 of the Companies (Share Capital and Debentures) Rules, 2014.

\*\*ESOP lapsed during the FY 2022-23 also includes 1,05,000 shares issued to two employees who have resigned after the balance sheet date but before the approval of standalone financial statements.

b)

The fair value of the options have been determined based on the valuation obtained from the registered valuer.

c)

The assumptions used in this model for calculating fair value are as below:

Assumptions	For the year ended 31 March 2023	For the year ended 31 March 2022
Stock price now (P)	35	18
Exercise price of Option (EX)	10	10
Number of periods to Exercise in years (t)	4	4

d)

Total expense recognised for the period arising from share based payments (Amount in '000)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Expense on Employee Stock Option Scheme (ESOP)	5,097.26	432.00
Total	5,097	432

Type of arrangement	General employee stock option
Date of initial grant	31-July-2021
Total Number of ESOP granted	5,10,000
Contractual life	8 Years
Vesting conditions	Vesting of Options so granted will take place over a period of four years in the manner, as may be decided by the Committee subject to the employees continuity in the employment of the organization
Exercise period	The vested Options can be exercised according to the terms and conditions as determined and mentioned under the Scheme
Method of Settlement	Through allotment of equity shares



**Techfino Capital Private Limited**

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(All amounts in thousands and the ratios are in absolute numbers)

**27 Ratios**

S.No.	Particulars	For the Year 2022-23		For the Year 2021-22		
1	<b>Current Ratio</b>					
	<i>Current Assets</i>					
	Current Investments	77,013.00		16,476.94		
	Cash and Bank Balances	78,036.73		69,978.64		
	Short term loans and advances	7,65,398.69		4,92,797.87		
	Other current assets	1,483.00		605.56		
			9,21,931.41		5,79,859.00	
	<i>Current Liabilities</i>					
	Short Term Borrowings	4,01,162.59		2,21,565.04		
	Other current liabilities	1,02,610.72		56,418.08		
Short Term Provisions	1,057.41		0.86			
		5,04,830.72		-	2,77,983.97	
	<b>Current Ratio</b>		<b>1.83</b>		<b>2.09</b>	
2	<b>Debt-Equity Ratio (refer note below)</b>					
	<i>Debts</i>					
	Long Term Borrowings	5,31,410.55		2,69,921.67		
	Non-Convertible Debentures	98,174.95		98,425.00		
	Short Term Borrowings	-		833.34		
			6,29,585.50		-	3,69,180.01
	<i>Equity</i>					
	Equity Share Capital	80,500.00		80,500.00		
	Preference Share Capital	1,500.00		1,500.00		
	Compulsory Convertible Debentures	57,150.00		42,150.00		
Reserves & Surplus	58,586.65		32,777.00			
		1,97,736.65			1,56,927.00	
	<b>Debt-Equity Ratio</b>		<b>3.18</b>		<b>2.35</b>	
<p>Note: As per the Master Circular issued by the RBI, Compulsory Convertible Debenture (CCD) are part of the net owned fund and the same has been considered accordingly to calculate Debt-Equity Ratio.</p>						
3	<b>Debt- Service Coverage Ratio</b>					
	<i>Debt - Earnings Available for Debt Service</i>					
	Net Profit	20,712.39		23,690.74		
	Non-Cash Operating Expenses	20,573.86		8,426.73		
	Non Operating Adjustments	-		-		
			41,286.25		-	32,117.47
	<i>Service</i>					
Interest	73,380.04		26,598.26			
Instalments	3,35,977.96		1,01,352.91			
		4,09,358.00			1,27,951.17	
	<b>Debt- Service Coverage Ratio</b>		<b>0.10</b>		<b>0.25</b>	





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(All amounts in thousands and the ratios are in absolute numbers)

**27 Ratios**

4	<b>Return on Equity Ratio</b>				
	<i>Profit After Taxes</i>	20,712.39	20,712.39	23,690.74	23,690.74
	<i>Net Worth</i>				
	Total Assets	9,32,569.48		5,82,803.51	
	Less: Liabilities				
	Non-Current Liabilities	2,30,002.11		1,47,892.54	
	Current Liabilities	5,04,830.72	1,97,736.65	2,77,983.97	1,56,927.00
	<b>Return on Equity Ratio</b>		<b>0.10</b>		<b>0.15</b>
5	<b>Inventory Turnover Ratio</b>				
	<i>Revenue</i>		-		-
	<i>Inventory</i>		-		-
	<b>Inventory Turnover Ratio</b>		<b>NA</b>		<b>NA</b>
6	<b>Trade Receivables Turnover Ratio</b>				
	<i>Turnover</i>	-	-	-	-
	Revenue				
	<i>Average Trade Receivables</i>				
	Opening Trade Receivables	-	-	-	-
	Closing Trade Receivables	-	-	-	-
	<b>Trade Receivables Turnover Ratio</b>		<b>NA</b>		<b>NA</b>
7	<b>Trade Payables Turnover Ratio</b>				
	<i>Turnover</i>				
	Revenue	-	-	-	-
	<i>Average Trade Payables</i>				
	Opening Trade Payables	-	-	-	-
	Closing Trade Payables	-	-	-	-
	<b>Trade Payables Turnover Ratio</b>		<b>NA</b>		<b>NA</b>
8	<b>Net Capital Turnover Ratio</b>				
	<i>Turnover</i>				
	Revenue	1,87,958.97	1,87,958.97	97,993.54	97,993.54
	<i>Capital Employed</i>				
	Total Assets	9,32,569.48		5,82,803.51	
	Less: Current Liability	(5,04,830.72)	4,27,738.76	(2,77,983.97)	3,04,819.54
	<b>Net Capital Turnover Ratio</b>		<b>0.44</b>		<b>0.32</b>



**Techfino Capital Private Limited**

CIN: U65999KA2018PTC114532

(All amounts in thousands and the ratios are in absolute numbers)

**27 Ratios**

<b>9</b>	<b>Net Profit Ratio</b>				
	<i>Net Profit</i>	20,712.39	20,712.39	23,690.74	23,690.74
	<i>Turnover Revenue</i>	1,87,958.97	1,87,958.97	97,993.54	97,993.54
	<b>Net Profit Ratio</b>		<b>0.11</b>		<b>0.24</b>
<b>10</b>	<b>Return on Capital Employed</b>				
	<i>Return</i>				
	Profit before Interest and tax	1,00,268.70	1,00,268.70	57,650.16	57,650.16
	<i>Capital Employed</i>				
	Total Assets	9,32,569.48		5,82,803.51	
Less: Current Liability	5,04,830.72	4,27,738.76	2,77,983.97	3,04,819.54	
	<b>Return on Capital Employed</b>		<b>0.23</b>		<b>0.19</b>
<b>11</b>	<b>Return on Asset</b>				
	<i>Return</i>				
	Profit after tax	20,712.39	20,712.39	23,690.74	23,690.74
	<i>Investment</i>				
	Capital Employed	9,32,569.48		5,82,803.51	
Total Assets	5,04,830.72	4,27,738.76	2,77,983.97	3,04,819.54	
Less: Current Liability					
Total Advance					
	<b>Return on Asset</b>		<b>0.05</b>		<b>0.08</b>

The Company has scaled up its operation in terms of lending, borrowing, revenue and expenditure. Hence, most of the ratios varied beyond 25%.





**Techfino Capital Private Limited**

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(All amounts in Indian Rupees and in thousands except as otherwise stated)

**Notes to the financial statements****28 General Notes****28.01 Auditors' Remuneration****Particulars**

As auditor for statutory audit  
As auditor for tax audit  
For other services

	For the year ended 31 March 2023	For the year ended 31 March 2022
	510	440
	135	-
	250	278
	<b>895</b>	<b>718</b>

Note: amount mentioned above is exclusive of goods and services tax.

**28.02 Events occurring after the Balance Sheet date**

**28.02.01** The Board of the Company has passed a resolution in the meeting held on 28th June 2023 that, "in pursuant to the provision of the section 49 of the Companies Act, 2013 ("the Act") read with Companies (share capital and debentures) rules, 2014 (including any statutory modifications or enactments there of for the time being in force) and other applicable provisions, if any, of the Act, and in accordance with the provision of the Article of Associations of the company, the consent of the board of directors be and is hereby accorded to make the first call of ₹.2.5/- (two rupees and fifty paise only) be made on 15,00,000 (fifteen lakhs number of shares) compulsory convertible preference shares (CCPs) to be payable on or before 05th August 2023".

The aforesaid event after the balance sheet date has resulted into infusion of the capital of ₹ 37,50,000/- (rupees thirty lakhs and fifty thousand) in the form of first call money of compulsory convertible preference shares which dilutes the percentage of total shareholdings.

**28.02.02** The Company has issued the Compulsory Convertible Debentures ('CCD') in Mar-22 and May-22 and the tenure of such CCD shall be 15 Months from the date of allotment. The CCD is unsecured and shall have a rate of interest of 1% p.a. payable annually.

Further, subject to the applicable regulations, including RBI approval as may be necessary, the CCD will be converted to equity shares immediately prior to or simultaneously with Series A Round Closing on the following basis:

• For every 9 CCD fully paid up equity shares to be issued would be computed as follows: 90 divided by 77% of Series A Round price.

In the event that the Series A Round is not completed within 12 months the date of Closing of the Bridge Round, then conversion ratio would be 9 CCD is equal to 1 Equity Share, subject to the applicable regulations, including RBI approval as may be necessary.

However, as the Series A round has not taken place within the stipulated time line, the members of the Company has passed a resolution in the extraordinary meeting held on 7th August, 2023 for extension of the conversion date and terms of 42,15,000 (fourty two lakhs fifteen thousand) CCDs of INR. 10/- each issued on 3rd March, 2022 for a period 15 months and 15,00,000 (fifteen lakhs) CCD of INR. 10/- each issued on 10th May, 2022 till 31st March 2025.

The member of the company has further passed a resolution that, on or before expire of aforesaid revised tenure, the CCDs shall be converted into 16,32,857 (Sixteen Lakhs Thirty-Two Thousand Eight Hundred and Fifty-Seven) equity shares of face value of INR. 10/- (Rupees Ten only) each at a price of INR. 35/- (Rupees Thirty-Five only) each including premium of INR. 25/- each (Rupees Twenty-Five only) and such equity share issued on conversion shall rank pari-passu in all respect with the existing issued and subscribed equity shares of the company.

The aforesaid event after the balance sheet date has resulted in dilution of percentage of shareholding as on the date of event occurred.



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**Notes to the financial statements****28.03 Earnings per share**

Net profit / (loss) attributable to equity shareholders for calculation of basic EPS	2,07,12,745	2,36,90,725
Weighted average number of equity shares for calculation of Basic Earnings Per Share	80,50,000	78,63,699
Weighted average number of equity shares for calculation of Diluted Earnings Per Share	97,63,581	80,13,699
Basic Earnings Per Share (Rs.)	2.57	3.01
Diluted Earnings Per Share (Rs.)	2.12	2.96

**28.04 Related party disclosures****Aggregate related party disclosures as at and for the year ended 31 March 2023****(A) Name of related parties and description of relationship:**

Parties where control exists

Key management personnel

Jayaprakash Patra  
Ratikanta Satapathy  
Rajesh Kumar Panda

**(B) Related party transactions**

a)	Name	Nature of Relationship
	Jayaprakash Patra	Director
	Ratikanta satapathy	Director
	Rajesh Kumar Panda	Director
	Madhuchhanda Mahapatra	Relative of Director
	Jayaprabha Patra	Relative of Director
	Shreeyasmita Mohanty	Relative of Director
	Rakesh Kumar Panda	Relative of Director
	Silpa Panda	Relative of Director

**Nature of transaction****Allotment of Non Convertible Debentures**

	For the year ended 31 March 2023	For the year ended 31 March 2022
Madhuchhanda Mahapatra	3,000	16,000
Rakesh Kumar Panda	1,000	3,000
Jayaprabha Patra	500	1,500
Shreeyasmita Mohanty	1,000	3,000
Silpa Panda	-	2,000

**Remuneration**

Jayaprakash Patra	4,309	2,249
Ratikanta Satapathy	4,490	2,044
Rajesh Kumar Panda	4,567	2,378

**Interest on Non Convertible Debentures**

Madhuchhanda Mahapatra	1,487	126
Shreeyasmita Mohanty	308	39
Jayaprabha Patra	188	12
Rakesh Kumar Panda	326	43
Silpa Panda	140	52





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**Notes to the financial statements**

	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Repayment of Non Convertible Debentures</b>		
Madhuchhanda Mahapatra	8,000	2,500
Shreeyasmita Mohanty	1,500	375
Rakesh Kumar Panda	1,500	250
Silpa Panda	1,000	500
Jayaprabha Patra	750	-
<b>Reimbursement of expense</b>		
Jayaprakash Patra	683	880
Ratikanta Satapathy	134	441
Rajesh Kumar Panda	163	344
<b>(C) Closing Balance</b>		
<b>Remuneration payable</b>		
Jayaprakash Patra	-	59
Ratikanta Satapathy	-	32
Rajesh Kumar Panda	-	28
<b>Expense reimbursable</b>		
Jayaprakash Patra	-	20
Ratikanta Satapathy	-	-
Rajesh Kumar Panda	-	19
<b>Non Convertible Debentures</b>		
Madhuchhanda Mahapatra	8,500	13,500
Rakesh Kumar Panda	2,250	2,750
Jayaprabha Patra	1,250	1,500
Shreeyasmita Mohanty	2,125	2,625
Silpa Panda	500	1,500



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**Notes to the financial statements****28.05 Dues to micro and small enterprises**

The Ministry of Micro, Small and Medium enterprises has issued an office Memorandum dated 26 August 2008 which recommends that the Micro and Small enterprises should mention in their correspondence with its customers the entrepreneur's Memorandum number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprise as at 31 March 2023 has been made in the financial statements based on information received and available with the Company. Further, in view of the Management, the impact of interest, if any, that may be payable in accordance with the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-





**Techfino Capital Private Limited**

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(All amounts in Indian Rupees and in thousands except as otherwise stated)

**Notes to the financial statements****28.06 Earnings / expenditure in foreign currency**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Earnings in foreign currency	Nil	Nil
Expenditure in foreign currency	Nil	Nil

**28.07 Leases**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
-------------	-------------------------------------	-------------------------------------

(a). Particulars of premises taken on operating lease:

The Company has entered into operating lease arrangements for a shared office premises in Bengaluru. The lease agreement provides for a lock in period of twenty one (21) months starting from December 1, 2022.

At the balance sheet date, the commitments in respect of operating leases were as follows:

- Not later than one year	4,535	-
- Later than one year, not later than five years	1,890	-
- More than five years	-	-

**28.08 Contingent liabilities and commitments**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
-------------	-------------------------------------	-------------------------------------

a) Contingent liabilities	Nil	Nil
b) Commitments	Nil	Nil
c) Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

**28.09** The Chapter IV - Prudential Regulations of Section II : Prudential Issues of the RBI Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 "Master Direction - Non-Banking Financial Company - Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 prescribe guidelines for asset classification / provisioning norms.

In this regard, the provision for non-performing assets as identified by the management of the Company has been made in accordance with the guidelines issued by the Reserve Bank of India (RBI). As per the practice consistently followed, the Company has also made accelerated provision of ₹ 26,75,664 (previous year ₹ 27,42,414) on a prudential basis. The Company has made provision on standard assets at the rate of 1.00% outstanding as on the date of the Balance Sheet and accordingly, provision of ₹ 18,35,979 (previous year: ₹ 40,16,649) has been made during the current year.

**28.10** The disclosure required in terms of paragraph 18 of Chapter IV - Prudential Regulations of Section II : Prudential Issues of the RBI Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 "Master Direction - Non-Banking Financial Company - Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 is given in Annexure A forming part of these financial statements.



**Techfino Capital Private Limited**

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(All amounts in Indian Rupees and in thousands except as otherwise stated)

**Notes to the financial statements**

- 28.11 The records relating to processing, disbursement and collection of loans and advances are maintained in a loan management software ('LMS') which is separate from the books of account. The books of account have been primarily maintained in TallyPrime ERP (last year the same was maintained in a cloud-based accounting tool QuickBooks). The LMS and Tally have been reconciled annually on an overall basis.
- 28.12 In the opinion of the Board of Directors; Current Assets, Loans and Advances have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated.
- 28.13 All the figures have been stated in thousands except number of shares, earning per share, ratios, footnotes and wherever stated otherwise.
- 28.14 Previous year figures have been regrouped/re-classified where necessary to conform to this year's classification.

As per our report of even date attached

for Devas & Venu  
Chartered Accountants

Firm registration number: 014057S

Vinayak Devas  
Partner

Membership number: 225341

Place: Bengaluru

Date: 14-Sep-2023

for and on behalf of the Board of Directors of  
Techfino Capital Private Limited

Jayaprakash Patra  
Director

DIN: 08173623

Place: Bengaluru

Date: 14-Sep-2023

Rajesh Kumar Panda  
Director

DIN: 08682733

Place: Bengaluru

Date: 14-Sep-2023

Ratikanta Satapathy  
Director

DIN: 08285737

Place: Bengaluru

Date: 14-Sep-2023





**Techfino Capital Private Limited**

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(All amounts in Indian Rupees and in thousands except as otherwise stated)

**4 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 (please specify)

2. Unquoted

i) Shares

a) Equity

b) Preference

ii) Debentures and bonds

iii) Units of mutual funds

iv) Government Securities

v) Others (please specify)

-	-
-	-
-	-
77,013.00	16,476.94
-	-
-	-
-	-
-	-
-	-
-	-
<u>77,013.00</u>	<u>16,476.94</u>

Asset Side	Amount Outstanding	Amount Outstanding
Long term Investment		
1. Quoted		
i) Shares		
a) Equity	Nil	Nil
b) Preference	Nil	Nil
ii) Debentures and bonds	Nil	Nil
iii) Units of mutual funds	Nil	Nil
iv) Government Securities	Nil	Nil
v) Others (please specify)	Nil	Nil
2. Unquoted		
i) Shares		
a) Equity	Nil	Nil
b) Preference	Nil	Nil
ii) Debentures and bonds	Nil	Nil
iii) Units of mutual funds	Nil	Nil
iv) Government Securities	Nil	Nil
v) Others (please specify)	Nil	Nil
	<u>Nil</u>	<u>Nil</u>



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(All amounts in Indian Rupees and in thousands except as otherwise stated)

**5 Borrower group-wise classification of assets financed as in (2) and (3) above :**

Category	FY 2022-23			FY 2021-22		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
a) Subsidiaries	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-
c) Other related parties	-	-	-	-	-	-
2. Other than related parties	-	7,50,617.31	7,50,617.31	-	4,85,451.54	4,85,451.54
<b>Total</b>	-	<b>7,50,617.31</b>	<b>7,50,617.31</b>	-	<b>4,85,451.54</b>	<b>4,85,451.54</b>

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

Category	FY 2022-23		FY 2021-22	
	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	77,123.77	77,013.00	16,496.88	16,476.94
<b>Total</b>	<b>77,123.77</b>	<b>77,013.00</b>	<b>16,496.88</b>	<b>16,476.94</b>

**7 Other information**

Amounts in '000

Particulars	FY 2022-23	FY 2021-22
i) Gross Non-Performing Assets		
a) Related parties	-	-
b) Other than related parties	2,675.66	2,742.41
ii) Net Non-Performing Assets		
a) Related parties	-	-
b) Other than related parties	-	-
iii) Assets acquired in satisfaction of debt	-	-
<b>Total</b>	<b>2,675.66</b>	<b>2,742.41</b>



**Techfino Capital Private Limited**

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(All amounts in Indian Rupees and in thousands except as otherwise stated)

**8 Disclosure of Complaints received by the Company****8.1 Complaints received by the Company from its customers**

SI No	Particulars	2022-23	2021-22
1	Number of complaints pending at the beginning of the year	100	200
2	Number of complaints received during the year	873	950
3	Number of complaints disposed during the year	934	1,050
3.1	Of Which, number of complaints rejected by the NBFC	1	-
4	Number of complaints pending at the end of the year	38	100

**8.2 Top five grounds of complaints received by the Company from its customers**

Grounds of complaints,(ie. 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 year	Of 5, number of complaints pending beyond 30 days,
1	2	3	4	5	6
<b>2022-23</b>					
Loan details	20	300	50% Increase	10	-
Cancellations	10	100	33.33% Decrease	8	-
Refund	10	200	33.33% Decrease	5	-
NOC	50	173	73% increase	5	-
EMI not debited from the account ( Bounce charge)	10	100	50% Decrease	10	-
<b>2021-22</b>					
Loan details	50	200		20	-
Cancellations	30	150		10	-
Refund	40	300		10	-
NOC	30	100		50	-
EMI not debited from the account ( Bounce charge)	50	200		10	-

