



INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PRADAKSHANA FINTECH PRIVATE LIMITED

Revised Report on Audit of Standalone Financial Statements

1. We have issued a report (hereinafter 'previous report') on Audit of Standalone Financial Statements of Pradakshana Fintech Private Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss for the year ended March 31, 2022, and Cash Flow Statement for the said period and notes to financial statements, including a summary of significant accounting policies and other explanatory information.
2. The previous report omitted to include matters to be reported under the provisions of Companies (Auditor's Report) Order, 2020 issued by the Government of India in terms of Section 143 (11) of the Companies Act 2013.
3. We accordingly withdraw the previous report issued on May 12, 2022 under UDIN 22209163AJAWTI1616 and issue this Revised report (hereinafter "report") duly incorporating the matters referred to in para 2 above. The revised report replaces the previous report in its entirety.
4. The management of the company is required to communicate the revised report to all those parties to whom the earlier report along with its financial statements were circulated.

Opinion

5. We have audited the standalone financial statements of Pradakshana Fintech Private Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss for the year ended March 31, 2022, and Cash Flow Statement for the said period and notes to financial statements, including a summary of significant accounting policies and other explanatory information.
6. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit/loss and its cash flows for the year ended March 31, 2022.





Basis for Opinion

7. 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors 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.





Key Audit Matters

9. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. As the company is private limited, reporting of Key Audit Matters is not mandatory.

Auditor's Responsibility for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal financial controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings 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.

Report on Other Legal and Regulatory Requirements

11. The provisions of Companies (Auditor's Report) Order, 2020 issued by the Government of India in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid 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) We do not have any observation or comment on the financial statements or matters which have any adverse effect on the functioning of the company.





- (f) On the basis of written representations received from the Directors on March 31, 2022 and taken on record by the Board of Directors, we report that none of the Directors is disqualified from being appointed as a director in terms of Section 164(2) of the Act;
- (g) In our opinion and according to the information and explanation given to us, during the current year, Internal financial controls with reference to financial statements is not applicable as the company is a private company with turnover less than Rs.50 Crores as per last audited financial statement and aggregate borrowings from banks or financial institutions or anybody corporate at any point of time during the financial year less than Rs. 25 Crore;
- (h) We do not have any qualification, reservation or adverse remark relating the maintenance of accounts and other matters connected herewith.
13. 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:
- (a) The Company does not have pending litigations to disclose in its financial statements.
- (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (d)
- i. 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 by the company to or in any other person(s) or entity(ies) including foreign entity ("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 security or the like on behalf of the ultimate beneficiaries;
- ii. 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

- iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement for the transactions during the year.

(e) There is no dividend declared or paid during the year by the company.

14. With respect to the matter to be included in the Auditors' Report under Section 197(16):

- (a) In our opinion and according to the information and explanation given to us, during the current year, the company is a private limited company and accordingly the provisions of Section 197 of the Act is not applicable to the company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Vaithisvaran & Co LLP
Chartered Accountants

S. Shankar Raman

Partner

Membership No. 209163

Firm Regn No.04494S/S200037

Place: Hyderabad

Date: May 12, 2022



UDIN: 22209163ALKYNV3950



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRADAKSHANA
FINTECH PRIVATE LIMITED (Referred to in our report of even date)

As required by the Companies (Auditor's Report) Order, 2020 issued by the Government of India in terms of Section 143 (11) of the Companies Act, 2013, we report that:

- i. In our opinion and according to the information and explanations given to us, in respect of its Property, Plant & Equipment and intangible assets:
 - a.
 - A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment;
 - B. The company has maintained proper records showing full particulars of intangible assets;
 - b. The Property, Plant & Equipment of the Company were physically verified during the period by the management. According to the information and explanations given to us no material discrepancies were noticed on such verification;
 - c. According to information and explanations given to us the company does not have any Immovable Property (Land) classified under Property, Plant and Equipment as on the date of Balance Sheet;
 - d. The company has not revalued its property, plant & equipment (including Right of Use assets) or intangible assets or both during the period;
 - e. No proceeding has been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1998 and rules made thereunder;
- ii. In our opinion and according to the information and explanations given to us;
 - a. The Company is a Non-Banking Finance Company. It does not hold any physical inventory. Hence provisions of 3(ii) of the Order are not applicable;
 - b. The Company has not been sanctioned any working capital limits in excess of five crore rupees during the period, in aggregate, from banks or financial institutions on the basis of security of current assets;





iii. During the period the company has made investments in or granted loans or advances in the nature of loans, secured or unsecured, to companies, firms or limited liability partnerships or other parties or stood guarantee or provided security to other entity and accordingly we report that in our opinion and according to the information and explanations given to us;

- a) As the principal business of the company is to give loans clause iii(a) is not applicable;
- b) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
- c) In respect of loans given (and outstanding as on balance sheet date mentioned in note 12 and 16 to the financial statement) in the normal course of the business the schedule of repayment of principal and payment of interest has been stipulated. The classification of the outstanding as per the prudential norms of the Reserve Bank of India based on the repayment regularity is mentioned in Note 16A of the Financial Statements.

In respect of advances of Rs.1,37,14,408 as mentioned in Note 17.1 to the financial statement, wherein the amounts paid by company under banking correspondent cum first loss default guarantee arrangement on behalf of borrowers sourced by the company to another company under banking correspondent arrangement, there is no schedule of principal and interest repayment stipulated and hence we cannot comment on the regularity of the repayment or receipts.

- d) In respect of loans given (and outstanding as on balance sheet date mentioned in note 12 and 16 to the financial statement) in the normal course of the business Rs.15,96,733/- is the amount overdue for more than ninety days. Reasonable steps have been taken by the company for recovery of the principal and interest.

Further in respect of Rs.1,37,14,408/- (mentioned in Note 17.1 to the financial statement) in the absence of schedule of principal and interest repayment stipulated, we are unable to comment on the amount overdue beyond ninety days.

- e) As the principal business of the company is to give loans clause iii(e) is not applicable
- f) In our opinion and according to the information and explanations given to us, no loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.





- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 is not applicable to the company and the provision of section 186 is complied as in our opinion section 186(2) covers loan to a person or body corporate exceeding the limit prescribed there in and section 186(3) covers aggregate of loan / securities / guarantees to bodies corporate.
- v. The Company has not accepted deposits.
- vi. To the best of our information, Central Government has not prescribed maintenance of Cost Records under Section 148 of The Companies Act, 2013 for any of the services rendered by the Company.
- vii.
- a. In respect of undisputed statutory dues including Employees Provident Fund, employee state insurance, Income-tax, Goods and Services tax, Service tax, duty of customs, cess and any other statutory dues with appropriate authorities, according to the information and explanations given to us, the Company has been generally regular in depositing with the appropriate authorities during the period.
- b. According to information and explanation given to us and records of the company examined by us, the particulars in respect of Employees Provident Fund, employee state insurance, Income-tax, Goods and Services tax, Service tax, duty of customs, cess and any other statutory dues with appropriate authorities that have not been deposited with the appropriate authorities on account of pending disputes are Nil as at March 31, 2022.
- viii. In our opinion and according to the information and explanations given to us, there were no transactions not recorded in the books of accounts being surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- ix. In our opinion and according to the information and explanations given to us;
- a. the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders and hence no further details to be provided in clause a and b of this para;
- b. as in 'a' above;
- c. Term loans have been applied for the purpose for which the loans were obtained;





- d. Funds raised on short term have not been used for long term purpose during the period;
 - e. During the period, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
 - f. The company has not raised loans during the period on the pledge of securities held in its subsidiaries, joint ventures or associate companies;
- x.
- a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the period. Accordingly, paragraph 3 (x) of the Order is not applicable.
 - b. The company has made preferential allotment or private placement of shares or convertible debenture during the period under review and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised to the extent used and balance unutilised funds are maintained as deposit with scheduled banks and investment in debt funds.
- xi. To the best of our knowledge and belief, and according to the information and explanations given to us,
- a. there are no frauds noticed or reported by or on the Company by its officers or employees during the period;
 - b. No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
 - c. The company does not have vigil and whistle-blower mechanism. Hence there is no requirement to consider whistle-blower complaints by the auditor;
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.





- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, Section 177 of the Act read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 is not applicable to the company. According to the information and explanations given to us and based on our examination of the records of the Company provisions of section 188 are complied.
- xiv. According to the information and explanations given to us
- Provision of internal audit under section 138 of the Act are not applicable to the company and company does not have an internal audit system.
 - As internal audit is not applicable and company does not have an internal audit system; the statutory auditor considering the reports of the internal auditor for the period under audit is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us and based on our examination of the records of the Company;
- The company is registered under section 45-IA of the Reserve Bank of India Act, 1934 vide Registration No.B-13.02187.
 - As the company is registered under section 45-IA of the Reserve Bank of India Act, 1984, paragraph 3 ((xvi)(b)) of the Order is not applicable;
 - the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;
 - there is no CIC in the group and hence this para is not applicable;
- xvii. Company has not incurred cash losses in the financial year and in the immediately preceding financial year;
- xviii. There is no resignation of the statutory auditors during the year. So, reporting whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors is not applicable.





- xix. On the basis of the financial ratios, ageing and expected dates of realisation 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, the 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. Provision of Corporate Social Responsibility under section 135 of the Act is not applicable to the company during the period and hence para (xx) of the order is not applicable.
- xxi. Being standalone financials para (xxi) of the order is not applicable.

For Vaithisvaran & Co LLP
Chartered Accountants

S. Shankar Raman



S. Shankar Raman

Partner

Membership No. 209163

Firm Regn No.04494S / S200037

Place: Hyderabad

Date: May 12, 2022

UDIN: 22209163ALKYNV3950

PRADAKSHANA FINTECH PRIVATE LIMITED

Regd Office: 151, 1st Floor, Farmland, Ramdaspath, Behind Hotel Tuli Imperial, Nagpur, Maharashtra - 440010

CIN: U15676MH1995PTC289611



PRADAKSHANA

BALANCE SHEET AS AT 31st March 2022

All amounts are in Indian Rupees in Lakhs

| Particulars | Note No. | As At 31st March 2022 | As At 31st March 2021 |
|---|----------|--------------------------|--------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| (a) Share capital | 2 | 739.14 | 739.14 |
| (b) Reserves and surplus | 3 | (169.36) | (197.54) |
| Non-current liabilities | | | |
| (a) Long-term borrowings | 4 | 139.79 | 71.96 |
| (b) Long-term Provisions | 5 | 23.98 | 18.70 |
| Current Liabilities | | | |
| (a) Short-term borrowings | 6 | 254.01 | 658.79 |
| (b) Other current liabilities | 7 | 84.06 | 70.26 |
| (c) Short-term provisions | 8 | 3.52 | 13.55 |
| TOTAL | | 1,075.13 | 1,374.86 |
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, Plant & Equipment & Intangible assets | 9 | | |
| (i) Property, Plant & Equipment | | 18.02 | 13.73 |
| (ii) Intangible assets | | 0.15 | 0.15 |
| (b) Non-current investments | 10 | 5.00 | 5.00 |
| (c) Deferred Tax Asset | 11 | 9.26 | 8.23 |
| (d) Long-term loans and advances (Net of provisions) | 12 | 40.94 | 103.64 |
| (e) Other Non Current Assets | 13 | 39.13 | 41.33 |
| Current assets | | | |
| (a) Current Investments | 14 | 77.45 | 161.39 |
| (b) Cash and Bank Balance | 15 | 344.48 | 231.20 |
| (c) Short-term loans and advances (Net of provisions) | 16 | 388.52 | 525.20 |
| (d) Other current assets | 17 | 152.19 | 285.00 |
| TOTAL | | 1,075.13 | 1,374.86 |
| Significant Accounting Policies | 1 | | |
| Notes to Accounts | 2 to 35 | | |

As per our report of even date

For Vaithisvaran & Co LLP

Chartered Accountants

S. Shankar Raman

S. Shankar Raman

Partner

M.No:209163

Firm Regn No: 0044945/S200037

Place: Hyderabad

Date: 12/05/2022



For and on behalf of the Board

Kishore Kumar Puli

Kishore Kumar Puli

Managing Director

01925566

Bhargavi Puli

Bhargavi Puli

Director

05291662



PRADAKSHANA FINTECH PRIVATE LIMITED

Regd Office: 151, 1st Floor, Farmland, Ramdaspath, Behind Hotel Tuli Imperial, Nagpur, Maharashtra - 440010

CIN: U15676MH1995PTC289611

PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2022

All amounts are in Indian Rupees in Lakhs



PRADAKSHANA

| Particulars | Note No. | For the Year Ended 31st March 2022 | For the year ended 31st March 2021 |
|--|----------|---------------------------------------|---------------------------------------|
| I. Revenue from operations | 18 | 536.90 | 448.16 |
| II. Other income (including provision write back, if any) | 19 | 31.08 | 24.10 |
| III. Total Revenue (I + II) | | 567.98 | 472.26 |
| Expenses: | | | |
| Employee benefits expense | 20 | 293.50 | 218.95 |
| Finance costs | 21 | 47.57 | 74.53 |
| Depreciation and amortisation expense | 9 | 7.14 | 3.86 |
| Other expenses | 22 | 129.07 | 77.68 |
| Provisions on Bad and Doubtful loans, Loan Losses and other assets | 23 | 39.37 | 38.51 |
| IV. Total Expenses | | 516.65 | 413.53 |
| V. Profit before Exceptional and Extraordinary items, Prior Period Adjustments and tax (III - IV) | | 51.32 | 58.73 |
| VI. Exceptional items / Extraordinary Items | | - | - |
| VII. Profit before Prior period items and Tax (V - VI) | | 51.32 | 58.73 |
| VIII. Prior Period Adjustments | | - | - |
| IX. Profit before tax (VII- VIII) | | 51.32 | 58.73 |
| X. Tax expense: | | | |
| (1) Current tax | | 23.08 | 23.56 |
| (2) Income tax of earlier years | | 1.09 | - |
| (3) Deferred tax | 11 | (1.03) | (3.99) |
| XI. Profit (Loss) for the period (IX - X) | | 28.18 | 39.16 |
| Earnings per equity share: | 24 | | |
| (1) Basic (amount in Rupees) | | 0.38 | 0.53 |
| (2) Diluted (amount in Rupees) | | 0.38 | 0.53 |

As per our report of even date

For Vaithisvaran & Co LLP

Chartered Accountants

S. Shankar Raman

S. Shankar Raman

Partner

M.No:209163

Firm Regn No: 004494S/S200037

Place: Hyderabad

Date: 12/05/2022



For and on behalf of the Board

Kishore Kumar Puli

Kishore Kumar Puli

Managing Director

01925566

Bhargavi Puli

Bhargavi Puli

Director

05291662





CASH FLOW STATEMENT AS AT 31st March 2022

All amounts are in Indian Rupees in Lakhs

| Particulars | For the Year Ended 31st March 2022 | For the year ended 31st March 2021 |
|---|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profits before Tax | 51.32 | 58.73 |
| Adjustments for non-cash expenditures / Other head of cash flow : | | |
| Depreciation on fixed assets | 7.14 | 3.86 |
| Provisions for Gratuity | 6.11 | 10.34 |
| Interest and finance charges paid on borrowings (including accrued interest) | 47.57 | 74.53 |
| Adjustments for non-cash Income / Other head of cash flow : | | |
| NPA provision add back | - | 0.70 |
| Accrued Interest | 5.92 | 19.20 |
| Investment Income considered in revenue statement | 30.22 | 22.92 |
| Operating profits / (losses) before working capital adjustments | 76.01 | 104.64 |
| Adjustments for Increase / decrease in working capital | | |
| Decrease / (Increase) in Short Term loans and advances | 136.68 | (26.37) |
| Decrease / (Increase) in other current assets (other than loans and advances) | 131.59 | 122.44 |
| Decrease / (Increase) in Long term loans & Advances | 61.61 | 101.34 |
| Increase / (Decrease) in current liabilities | 11.56 | 17.69 |
| Increase / (Decrease) in Long term provisions | (0.83) | (0.26) |
| Increase / (Decrease) in Short term provisions | (0.37) | 0.02 |
| Cash generated from operations | 416.24 | 319.50 |
| Less: Income tax | 32.75 | 11.32 |
| Net cash generated from operation activities | 383.50 | 308.19 |
| B. CASH FLOW FROM INVESTMENT ACTIVITIES | | |
| Purchase of Property, Plant & Equipment | (11.43) | (13.03) |
| Sale / (Purchase) of Investments | 83.94 | (161.31) |
| Income from Investments | 37.36 | 9.32 |
| Sale / (Purchase) of Non Current Assets | 2.20 | (14.23) |
| Net cash from investment activities | 112.07 | (179.25) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Long term borrowings received/(Paid) - Net | 70.07 | 10.92 |
| Short term borrowings received/(Paid) - Net | (404.78) | (78.85) |
| Interest and finance charges paid on borrowings | (47.57) | (74.53) |
| Net cash flow from Financing activities | (382.28) | (142.45) |
| NET INCREASE OR (DECREASE) IN CASH OR CASH EQUIVALENTS ("A" + "B" + "C") | 113.28 | (13.52) |
| Opening Cash and Bank balances | 231.20 | 244.71 |
| Closing Cash and Bank balances (read with note 15) | 344.48 | 231.20 |
| NET INFLOW / (OUTFLOW) DURING THE YEAR | 113.28 | (13.52) |

As per our report of even date
 For Vaithisvaran & Co LLP
 Chartered Accountants

S. Shankar Raman
 Partner
 M.No:209163
 Firm Regn No: 0044945/S200037
 Place: Hyderabad
 Date: 12/05/2022



For and on behalf of the Board

Kishore Kumar Puli
 Managing Director
 01925566

Bhargavi Puli
 Director
 05291662



PRADAKSHANA FINTECH PRIVATE LIMITED

Regd Office: 151, 1st Floor, Farmland, Ramdaspath, Behind Hotel Tuli Imperial, Nagpur, Maharashtra - 440010

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2022



NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Business

Pradakshana Fintech Private Limited is a Non-Banking Finance Company registered with Reserve Bank of India. The company provides secured and unsecured loan to individuals between Rs.50,000/- to Rs.15,00,000/-.

The company commenced its finance operations in the year 1995 and is operating in four states with six branches as on 31st March 2022. The loans are generally sanctioned for 12 to 60 months tenor with monthly repayments. Secured loans are generally against equitable mortgage of property & hypothecation of stock.

The Company adopts Know Your Customer (KYC) norms, Fair Practices Code for Non-Banking Financial (Non-Deposit accepting or holding) companies and other guidelines issued by Reserve Bank of India from time to time to the extent applicable.

B. Basis of preparation of financial statements

The financial statements are prepared under historical cost convention on going concern basis in accordance with the provisions of the Companies Act, 2013 and comply with the Accounting Standards as specified under Section 133 of Companies Act 2013, read with Rule 7 of Company (Accounts) Rules 2014 and in accordance with directions issued by the Reserve Bank of India (RBI) for Non-Banking Financial (Non-Deposit Accepting or Holding) companies prudential norms (Reserve Bank) Directions, 2007 as is applicable for these financial statements.

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statement and the reported incomes and expenses during the reporting period end, like estimation of contingent liabilities, provision for employee benefits, provisioning for receivables, useful life of fixed assets, provision for taxation etc. Although these estimates are made on reasonable and prudent basis based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

D. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and it can be reliably measured.

- Interest on loan is recognized at flat rate on accrual basis. However, income on non-performing assets (NPA) is recognized only when realized and unrealized interest on non-performing assets is reversed when an advance becomes an NPA.
- Charges like bounce cheque, penal interest, delayed payment etc are recognised on receipt basis.
- Any amount received from portfolio written off earlier is treated as income on realization basis.
- All other incomes and expenditures are recognized on accrual basis.

E. Property, Plant & Equipment

Property, Plant & Equipment are accounted at historical cost net of depreciation. The cost of the asset includes purchase price and any cost directly attributable to bringing the asset in working condition for its intended use. Assets retired from active use are carried at lower of book value and estimated net realizable value.

F. Depreciation

Depreciation has been provided on the written down value method as per useful life prescribed under Schedule II of the Companies Act, 2013.



G. Impairment of Assets

The carrying amount of asset is reviewed at each balance sheet date if there is any indication of impairments based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

H. Intangible Assets

Acquired goodwill, software etc are valued at cost of acquisition and amortised over five years on straight line basis.

I. Investments

Investments which are to be held for long term are stated at cost with provision, where necessary, for diminution, other than temporary, in the value of the investments.

Current investments are stated at lower of cost and fair value.

J. Employee Benefits

Provident Fund Contribution:

Monthly employer contribution towards provident fund is charged to Profit and Loss Account on actual liability basis as per the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952. The contribution is paid to the provident fund accounts of the employees as per existing provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952.

The Company provides PF benefit to its staff as per the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952 since it is covered under the purview of the said Act.

Employee State Insurance (ESI):

The Company provides ESI benefit to all its eligible staff as per Employee State Insurance Act, 1948

Gratuity:

- Gratuity liability is provided based on actuarial valuation at the end of each year under projected unit credit method.
- Gratuity is to be paid to all eligible employees at the rate of 15 days salary for each year of service as per Payment of Gratuity Act, 1972.
- Other short term employee benefits are recognized on payment basis and charged to profit and loss account.

K. Income Taxes

Tax expenses include current income tax and deferred income tax.

Current period tax is measured and accounted at the amount expected to be paid to Indian tax authorities in accordance with the provisions of Income Tax Act, 1961.

Deferred income tax reflects the effect of 'timing difference' between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured at the tax rates applicable for the relevant financial year as it stands at the time of finalization of the accounts.

Company has opted to forego the MAT credit under section 115BAA Of Income Tax Act, 1961

L. Earnings per share

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

For the purposes of calculating diluted earnings per share, the net profit or loss for the period and weighted average number of equity shares are adjusted for the effects of all dilutive potential equity shares.



M. Provisions, Contingent liabilities and Contingent assets

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation and in respect of which a reliable estimate is made.

Provisions are measured based on best judgment estimates of the management having regard to the prevailing conditions. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

N. Cash and Cash equivalents

Cash equivalents includes short term highly liquid investments.

O. Loan portfolio - Classification, provisioning, write off and rescheduling

The loan portfolio is classified as standard, sub-standard, doubtful or loss assets as per the directions issued by The Reserve Bank of India (RBI) for Non-Banking Financial (Non-Deposit Accepting or Holding) companies prudential norms (Reserve Bank) Directions, 2007.

Provisioning for standard assets is maintained at 0.25% of the portfolio outstanding (as prescribed by The Reserve Bank Of India vide its circular DNBS.223/ CGM (US)-2011, dated 17-01-2011) and in respect of other class of assets provisioning is as per the above directions of Reserve Bank of India vide its circular DBOD.BP.BC. 83 /21.01.002/2008-09 dated 15th November 2008 titled Review of Prudential Norms - Provisioning for Standard Assets and Risk Weights for Exposures to Corporates, Commercial Real Estate and NBFC-ND.

Loan assets (Loss Assets) are written off as per above directions issued by The Reserve Bank of India (RBI) for Non-Banking Financial (Non-Deposit Accepting or Holding) companies prudential norms (Reserve Bank) Directions, 2007.

Further under following circumstances, loans are written off:

- Where in the opinion of the management amount is not recoverable consequent to prolonged default; customer death; fraud etc
- Where at the time of loan closure, a short collection of a few rupees occurs and in the opinion of the management, the cost of collection for such small amount is disproportionate to the expected benefit ; or
- All the loss assets as identified in terms of Directions issued by Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Rescheduling loans:

Under exceptional circumstances like force majeure etc, the Company may reschedule the repayment schedule of the loans extended by it to specific centers / groups / individuals who have defaulted in the repayment, but who appear to be willing and capable of repaying their dues along with interest thereon as per the revised schedule.

P. Balance Confirmation :

-As part of year end financial reporting and closure process, requests for confirmation of balances are sent to various parties including banks, financial Institutions, Insurance companies etc. for confirming the year end balances / other details on a sample basis. It is not practically feasible to obtain confirmations of balances from the borrowers in view of the inherent nature of business.

-With respect to the cases where the confirmations and responses were received, reconciliations have been performed based on the information made available and necessary adjustments have been carried out in the financial statements.

-With respect to the cases where the balances were not confirmed by the parties, necessary adjustments have been carried out in the financial statements based on the information available with the Company.

 


PRADAKSHANA FINTECH PRIVATE LIMITED

Regd Office: 151, 1st Floor, Farmland, Ramdaspath, Behind Hotel Tuli Imperial, Nagpur, Maharashtra - 440010

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2022

All amounts are in Indian Rupees in Lakhs

**PRADAKSHANA****NOTE 2**

| Particulars | As At 31st March 2022 | | As At 31st March 2021 | |
|--|-----------------------|---------------|-----------------------|---------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Authorised | | | | |
| Equity shares of Rs.10 each | 30,000,000 | 3,000.00 | 30,000,000 | 3,000.00 |
| Issued, Subscribed & Paid up | | | | |
| Equity shares of Rs.10 each fully paid up: | 7,391,430 | 739.14 | 7,391,430 | 739.14 |
| Total | 7,391,430 | 739.14 | 7,391,430 | 739.14 |

2.1 The company has issued only one class of shares viz. equity shares of face value of Rs.10 each.

NOTE 2 A**Changes in Equity Shares of Company**

| Particulars | As At 31st March 2022 | | As At 31st March 2021 | |
|---|-----------------------|---------------|-----------------------|---------------|
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 7,391,430 | 739.14 | 7,391,430 | 739.14 |
| Add: Shares Issued during the year | - | - | - | - |
| Less: Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 7,391,430 | 739.14 | 7,391,430 | 739.14 |

NOTE 2 B**In respect of Equity Shares of Company holding more than 5% share**

| SL.No | Name of Shareholder | As At 31st March 2022 | | As At 31st March 2021 | |
|-------|--------------------------------------|-----------------------|---------------|-----------------------|---------------|
| | | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| 1 | Mr. Bansilal Wadhara | 656,500 | 8.88% | 656,500 | 8.88% |
| 2 | Mr. Kishore Kumar Puli | 1,437,943 | 19.45% | 1,437,943 | 19.45% |
| 3 | Pradakshana Trust | 2,404,557 | 32.53% | 2,404,557 | 32.53% |
| 4 | Employees Welfare Trust / ESOP Trust | 842,430 | 11.40% | 842,430 | 11.40% |
| | Total | 5,341,430 | 72.27% | 5,341,430 | 72.27% |

PRADAKSHANA FINTECH PRIVATE LIMITED

Regd Office: 151, 1st Floor, Farmland, Ramdaspath, Behind Hotel Tuli Imperial, Nagpur, Maharashtra - 440010



PRADAKSHANA

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2022

All amounts are in Indian Rupees in Lakhs

NOTE 3: Reserves and Surplus

| Reserves & Surplus | As At 31st March 2022 | As At 31st March 2021 |
|--|--------------------------|--------------------------|
| | Amount | Amount |
| a. Security Premium | | |
| Opening Balance | 220.00 | 220.00 |
| (+) Current Year subscription / transfer | - | - |
| (-) utilisation / written Back in Current Year | - | - |
| Closing Balance | 220.00 | 220.00 |
| b. Statutory Reserves (created under section 45IC of RBI Act, 1934) | | |
| Opening Balance | 106.45 | 98.62 |
| (+) Current Year Transfer | 5.64 | 7.83 |
| (-) Written Back in Current Year | - | - |
| Closing Balance | 112.09 | 106.45 |
| c. Surplus | | |
| Opening balance | (523.99) | (555.32) |
| (+) Net Profit/(Net Loss) For the current year | 28.18 | 39.16 |
| (-) Transfer to Statutory Reserve (@ 20% of profits) | 5.64 | 7.83 |
| Closing Balance | (501.45) | (523.99) |
| Total | (169.36) | (197.54) |

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PRADAKSHANA FINTECH PRIVATE LIMITED

Regd Office: 151, 1st Floor, Farmland, Ramdaspeth, Behind Hotel Tuli Imperial, Nagpur, Maharashtra - 440010

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2022
All amounts are in Indian Rupees in Lakhs



NOTE 4: Long Term Borrowings

| Long Term Borrowings | As At 31st March 2022 | As At 31st March 2021 |
|---|--------------------------|--------------------------|
| | Amount | Amount |
| 1. Term loans | | |
| (A) Secured | | |
| (a) From Banks | | |
| - Suryoday Small Finance Bank Ltd | 27.25 | 13.49 |
| - Fincare Small Finance Bank Ltd | 2.40 | - |
| (b) Froms other parties | | |
| - Electronica Finance Limited | 23.44 | 25.68 |
| - Eclear Leasing and Finance Pvt Ltd | - | 14.30 |
| - Uc Inclusive Credit Pvt Ltd | - | 18.49 |
| - Caspian Impact Investment Private Limited | 63.89 | - |
| - Samunnati Financial Pvt Ltd | 22.81 | - |
| Long Term Borrowing (net of Current maturities) | 139.79 | 71.96 |
| In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) | | |
| 1. Period of default | - | - |
| 2. Amount | - | - |
| Total | 139.79 | 71.96 |

4.1 - Long term loan is secured cash collateral or deposit (refer note 13.1 and 15.1) and by hypothecation of book debts.

4.2 - Maturity pattern is as below:

| S.No | Term Loan | Interest Rate | outstanding as on March 31, 2022 | FY 22-23 | FY 23-24 | FY 24-25 |
|--|---|---------------|----------------------------------|---------------|---------------|--------------|
| 1 | Suryoday Small Finance Bank Ltd | 16.00% | 63.49 | 36.24 | 27.25 | - |
| 2 | Fincare Small Finance Bank Ltd | 13.98% | 6.10 | 3.70 | 2.40 | - |
| 3 | Eclear Leasing and Finance Pvt Ltd | 18.50% | 14.30 | 14.30 | - | - |
| 4 | Uc Inclusive Credit Pvt Ltd | 16.25% | 20.66 | 20.66 | - | - |
| 5 | Electronica Finance Ltd | 15.00% | 73.78 | 50.34 | 23.44 | - |
| 6 | Usha Financials Services Pvt. Ltd | 18.00% | 71.85 | 71.85 | - | - |
| 7 | Samunnati Financial Pvt Ltd | 17.00% | 46.39 | 23.58 | 22.81 | - |
| 8 | Caspian Impact Investment Private Limited | 15.50% | 97.22 | 33.33 | 33.33 | 30.56 |
| TOTAL | | | 393.80 | 254.01 | 109.24 | 30.56 |
| Amount outstanding as of Previous year | | | 312.84 | | | |

NOTE 5: Long Term Provisions

| Long Term Provisions | As At 31st March 2022 | As At 31st March 2021 |
|---|--------------------------|--------------------------|
| | Amount | Amount |
| (a) Provision for Employee Benefits - Gratuity (Unfunded) | 23.89 | 18.45 |
| (b) Contingent provision on standard assets @ 0.25% | 0.09 | 0.25 |
| Total | 23.98 | 18.70 |
| 5.1 Gratuity unfunded represents long term liability of the company towards its gratuity payments. The amount is based on actuarial valuation | | |

PRADAKSHANA FINTECH PRIVATE LIMITED

Regd Office: 151, 1st Floor, Farmland, Ramdaspath, Behind Hotel Tuli Imperial, Nagpur, Maharashtra - 440010

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2022



PRADAKSHANA

All amounts are in Indian Rupees in Lakhs

NOTE 6 : Short-term Borrowings

| <u>Short-term Borrowings</u> | As At | As At |
|---|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| | Amount | Amount |
| 1. Term loans | | |
| 1. Loans repayable on Demand | | |
| (A) Unsecured | | |
| (i) From other parties | | |
| - Finbro Technologies Pvt Ltd | - | 417.91 |
| 2. Current maturities of long-term borrowing (Refer Note: 4.2) | | |
| (i) From Banks | 39.94 | 33.53 |
| (ii) From other parties | | |
| Total (A) | 214.07 | 207.35 |
| | 254.01 | 658.79 |
| In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (i) | | |
| 1. Period of default | - | - |
| 2. Amount | - | - |
| Total | 254.01 | 658.79 |

NOTE 7: Other Current Liabilities

| <u>Other Current Liabilities</u> | As At | As At |
|--|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| | Amount | Amount |
| (a) Interest Accrued but not due on Borrowings | 3.32 | 1.08 |
| (b) Interest Accrued and due on Borrowings | - | 8.34 |
| (c) Other Payables | | |
| - Audit Fees Payable | 1.80 | 2.50 |
| - Statutory Dues Payable | 12.73 | 14.34 |
| - Expenses Payable (staff travel etc) | 6.41 | 5.86 |
| - Insurance Premium held in trust | 39.62 | 3.95 |
| - Salary Payable | 5.04 | 7.47 |
| - Client amount held in trust | 8.87 | 0.98 |
| - Other Payable | 2.70 | 15.14 |
| (d) Receipts Pending Adjustments | | |
| - Amounts Received from Customers | 1.52 | 5.10 |
| - Exgratia amount from Central Government | 2.05 | 5.50 |
| Total | 84.06 | 70.26 |

7.1 Exgratia amount from Central Government is received under notification of Ministry of Finance, Department of Financial Services (DFS) Ref: F No.2/12/2020-BOA.I dated 23rd October, 2020. These amounts will be adjusted to respective borrower account and refund issued to eligible borrowers.

NOTE 8: Short Term Provisions

| <u>Short Term Provisions</u> | As At | As At |
|--|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| | Amount | Amount |
| a. Contingent Provision on Standard Assets @ 0.25% | 0.94 | 1.30 |
| c. Provision for Income tax (net of TDS and advance tax) | 2.58 | 12.24 |
| Total | 3.52 | 13.55 |



PRADAKSHANA FINTECH PRIVATE LIMITED

Regd Office: 1st Floor, Famland, Ramdaspeth, Behind Hotel Tul Imperial, Nagpur, Maharashtra - 440010



Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2022

All amounts are in Indian Rupees in Lakhs

NOTE 9 : Property, Plant & Equipment and Intangible assets

| Property, Plant & Equipment | Gross Block | | | | Accumulated Depreciation | | | Net Block | |
|-----------------------------|---------------------|--------------|-----------|---------------------|--------------------------|------------------------|---------------------|---------------------|--|
| | As at 01.04.2021 | Additions | Disposals | As at 31.03.2022 | For the year Amount | On disposals Amount | As at 31.03.2022 | As at 31.03.2021 | |
| | Amount | Amount | Amount | Amount | Amount | Amount | Amount | Amount | |
| Tangible Assets | | | | | | | | | |
| Furniture & Fixtures | 13.53 | 1.77 | - | 15.31 | 2.50 | - | 7.40 | 7.91 | |
| Office Equipments | 7.52 | 7.87 | - | 15.39 | 3.76 | - | 6.93 | 8.46 | |
| Computer Hardware | 4.23 | 1.79 | - | 6.02 | 0.88 | - | 4.37 | 1.65 | |
| Subtotal (A) | 25.28 | 11.43 | - | 36.72 | 7.14 | - | 18.70 | 18.02 | |
| Intangible Assets | | | | | | | | | |
| Software | 16.45 | - | - | 16.45 | - | - | 16.30 | 0.15 | |
| Subtotal (B) | 16.45 | - | - | 16.45 | - | - | 16.30 | 0.15 | |
| Grand Total | 41.74 | 11.43 | - | 53.17 | 7.14 | - | 35.00 | 18.17 | |
| Previous Year | 28.70 | 13.03 | - | 41.74 | 3.86 | - | 27.86 | 13.88 | |
| | | | | | | | | 4.71 | |





PRADAKSHANA FINTECH PRIVATE LIMITED

Regd. Office: 151, 1st Floor, Farmland, Ramkrishna, Behind Hotel Tulsi Imperial, Nagpur, Maharashtra - 440010

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2022

All amounts are in Indian Rupees in Lakhs



NOTE 10: Non Current Investments

| Non Current Investments | As At | As At |
|---|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| | Amount | Amount |
| A. Trade Investments | | |
| Unquoted, Fully Paid Up | | |
| 50,000 (Previous year: 50,000) Equity shares of Rs.10 each fully paid-up in Alpha Micro Finance Consultants Pvt Ltd | 5.00 | 5.00 |
| B. Other Investments | - | - |
| Total (A+B) | 5.00 | 5.00 |

| Particulars | As At | As At |
|--|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| | Amount | Amount |
| Aggregate amount of quoted investments | - | - |
| Aggregate amount of unquoted investments | 5.00 | 5.00 |

NOTE 11

Deferred Tax Liability / Asset

(Amounts in INR)

| Particulars of items having timing difference of tax | Amount as at |
|--|--------------|
| | 31.03.2022 |
| Deferred tax asset on account of | |
| i. Difference in value of assets | 10.16 |
| ii. Gratuity Provision | 23.89 |
| iii. Provision for bad debts | 2.74 |
| Total (A) | 36.79 |
| Tax incidence (@ 25.168% on 'A' above) - Balance Sheet | 9.26 |
| Existing Deferred Tax Asset | 8.23 |
| Adjustment for the year - Profit and Loss Statement | 1.03 |

NOTE 12

Long-Term Loans & Advances

| Long-Term Loans & Advances | As At | As At |
|--|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| | Amount | Amount |
| a) Balance with revenue authorities (net of tax provision) | 4.55 | 4.36 |
| b) Advance to Related party | 41.04 | 41.04 |
| Less: Provision made | 41.04 | 41.04 |
| Net Advance outstanding | - | - |
| c) Secured Loans | | |
| - Micro Enterprise Loans | 5.81 | 34.51 |
| - Personal Loan To Salaried Employees | - | - |
| - Small Enterprise Loans | 28.53 | 62.10 |
| - Microenterprise Loans - [Short Term] | - | - |
| d) Unsecured Loans | | |
| - Micro Enterprise Loans | - | - |
| - Personal Loan To Salaried Employees | - | - |
| - Microenterprise Loans - [Short Term] | 2.07 | 2.72 |
| Less: Provision for sub standard assets on 'c' and 'd' above | - | - |
| Total | 40.94 | 103.64 |

12.1: Balance with Revenue Authorities includes TDS receivable

12.2: Advance to related party is to Employee Welfare Trust / ESOP Trust was made in 2009. As advance is long outstanding, provision for this advance is made for full amount of advance.



NOTE 13**Other Non Current Assets**

| Other Non Current Assets | As At | As At |
|--|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| | Amount | Amount |
| - In Fixed Deposit as Cash collateral for Term Loans | 27.50 | 30.00 |
| - In Fixed Deposit as Security for First Loss Default Guarantee (FLDG) | - | - |
| - Others | 11.63 | 11.33 |
| Total | 39.13 | 41.33 |

13.1 All fixed deposit as cash collateral and as security for First loss default guarantee (FLDG) are lien marked and encumbered against long term borrowing availed or for the FLDG extended respectively (as detailed in Note 29-Contingent liabilities)

13.2 Others include Security Deposits (rent) of Rs.6.23 Lakhs

NOTE 14**Current Investment**

(Amounts in INR)

| Current Investment | As At | As At |
|-----------------------------|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| | Amount | Amount |
| Investments in mutual funds | 77.45 | 161.39 |
| Total | 77.45 | 161.39 |

NOTE 15**Cash and Bank Balances**

| Cash and Bank Balances | As At | As At |
|---|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| | Amount | Amount |
| a. Cash and cash equivalents | | |
| - Balances with banks | 19.51 | 26.62 |
| - Cash in hand | 3.86 | 4.07 |
| Total Cash and Cash Equivalents | 23.37 | 30.70 |
| b. Other Bank Balances | | |
| Deposits with Maturity from 3 to 12 months | | |
| - in Fixed Deposits - as cash collateral for term loans | - | 5.00 |
| - in Fixed Deposits - as security against FLDG | 8.75 | 133.00 |
| Deposits with Maturity more than 12 months | | |
| - in Fixed Deposits - as cash collateral for term loans | - | 5.00 |
| - in Fixed Deposits - as security against FLDG | 312.36 | 57.50 |
| Total | 344.48 | 231.20 |

15.1 - All fixed deposit as cash collateral and as security for FLDG are lien marked and encumbered against long term borrowing availed or for the FLDG extended respectively (as detailed in Note 29-Contingent liabilities)



PRADAKSHANA FINTECH PRIVATE LIMITED

Regd Office: 151, 1st Floor, Farmland, Rameshpeth, Behind Hotel Tuli Imperial, Nagpur, Maharashtra - 440010

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2022

All amounts are in Indian Rupees in Lakhs



NOTE 16: Short-term Loans and Advances

| Short-term loans and advances | As At | As At |
|---|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| | Amount | Amount |
| Secured | | |
| a. Microenterprise Loans | | |
| b. Microenterprise Loans - [Short Term] | 24.27 | 59.99 |
| c. Personal Loan To Salaried Employees | - | - |
| d. Small Enterprise Loans | - | 0.88 |
| e. Digital Loans (Secured by Guarantee) | 25.11 | 41.73 |
| | - | 248.79 |
| Unsecured | | |
| a. Microenterprise Loans | - | - |
| b. Microenterprise Loans - [Short Term] | - | - |
| c. Personal Loan To Salaried Employees | 340.82 | 173.80 |
| d. Small Enterprise Loans | - | 0.42 |
| Less: Provision for substandard and Doubtful assets | 1.69 | 0.42 |
| Total | 388.52 | 525.20 |

16.1 Digital Loans, in previous year, are secured by first loss default guarantee given by respective banking correspondents.

16 A. Outstanding and Provisioning Details

Table 16A.1

| S.No | Category | Outstanding Amount | | | | % of Category to total outstanding |
|------|-----------------------------------|--------------------|-------------------|----------------|------------|------------------------------------|
| | | Standard Loan | Sub Standard Loan | Doubtful Loans | Loss Loans | |
| 1 | Secured - Long Term | 34.13 | 0.21 | - | - | 8.05% |
| 2 | Secured - Short Term | 36.90 | 12.40 | 0.08 | - | 11.58% |
| 3 | Secured by Guarantee - Short Term | - | - | - | - | 0.00% |
| | Secured Total - A | 71.04 | 12.60 | 0.08 | - | 19.62% |
| 4 | Unsecured - Long Term | 2.07 | - | - | - | 0.48% |
| 5 | Unsecured - Short Term | 337.15 | 3.68 | - | - | 79.89% |
| | Unsecured Total - B | 339 | 4 | - | - | 80.38% |
| | Total (A + B) | 410 | 16 | 0 | - | 100.00% |

Table 16A.2

| S.No | Category | Provisioning Amount - including standard asset provisioning | | | | % of Category to total provision done |
|------|-----------------------------------|---|-------------------|----------------|------------|---------------------------------------|
| | | Standard Loan | Sub Standard Loan | Doubtful Loans | Loss Loans | |
| 1 | Secured - Long Term | 0.09 | 0.02 | - | - | 3.87% |
| 2 | Secured - Short Term | 0.09 | 1.24 | 0.08 | - | 51.71% |
| 3 | Secured by Guarantee - Short Term | - | - | - | - | 0.00% |
| | Secured Total - C | 0.18 | 1.26 | 0.08 | - | 55.58% |
| 4 | Unsecured - Long Term | 0.01 | - | - | - | 0.19% |
| 5 | Unsecured - Short Term | 0.84 | 0.37 | - | - | 44.23% |
| | Unsecured Total - D | 0.85 | 0.37 | - | - | 44.42% |
| | Total (C+D) | 1.03 | 1.63 | 0.08 | - | 100.00% |

Table 16A.3

| S.No | Category | Outstanding less Provision | | | | % of Category to total net outstanding |
|------|-----------------------------------|----------------------------|-------------------|----------------|------------|--|
| | | Standard Loan | Sub Standard Loan | Doubtful Loans | Loss Loans | |
| 1 | Secured - Long Term | 34.05 | 0.19 | - | - | 8.06% |
| 2 | Secured - Short Term | 36.81 | 11.16 | - | - | 11.32% |
| 3 | Secured by Guarantee - Short Term | - | - | - | - | 0.00% |
| | Secured Total - E | 70.86 | 11.34 | - | - | 19.39% |
| 4 | Unsecured - Long Term | 2.06 | - | - | - | 0.49% |
| 5 | Unsecured - Short Term | 336.30 | 3.31 | - | - | 80.12% |
| | Unsecured Total - F | 338.37 | 3.31 | - | - | 80.61% |
| | Total (E+F) | 409.22 | 14.65 | - | - | 100.00% |

PRADAKSHANA FINTECH PRIVATE LIMITED

Regd Office: 151, 1st Floor, Farmland, Ramdaspath, Behind Hotel Tuli Imperial, Nagpur, Maharashtra - 440010

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2022

All amounts are in Indian Rupees in Lakhs



NOTE 17 - Other Current Assets

| Other current assets | As At 31st March 2022 | As At 31st March 2021 |
|--|--------------------------|--------------------------|
| | Amount | Amount |
| a. Interest accrued on loans and advances | 5.92 | 19.20 |
| b. Interest accrued on fixed deposit | 13.94 | 21.09 |
| c. GST Input Credit | 0.81 | 1.38 |
| d. FLDG Claim receivable | - | 155.96 |
| e. Amount receivable for services rendered | 42.73 | 26.48 |
| f. Balances in Escrow Account (net) | - | 25.62 |
| g. Advances to Staff | 0.16 | - |
| h. Prepaid expenses | 2.67 | - |
| i. Other Advances (net) | 85.96 | 35.28 |
| Other advances | 140.96 | |
| Less: Provision for other advances | 55.00 | |
| Total | 152.19 | 285.00 |

17.1 Other Advances includes Rs.137.14 Lakh paid by company under banking correspondent cum first loss default guarantee arrangement on behalf of borrowers sourced to other company under this arrangement. This amount is recoverable from the borrowers of other company. A provision of Rs.55.00 Lakh has been made towards non-recoverability of the amount from such borrowers.

NOTE 18

| Revenue from operations | For the Year Ended 31st March 2022 | For the year ended 31st March 2021 |
|--|---------------------------------------|---------------------------------------|
| | Amount | Amount |
| (a) Interest | 124.51 | 162.63 |
| (b) Other Financial Services - Processing Fee, Foreclosure charges, penalty etc. | 27.42 | 12.80 |
| (c) Income from managed portfolio - Business Correspondent Model | 384.97 | 272.73 |
| Total | 536.90 | 448.16 |

NOTE 19

| Other Income | For the Year Ended 31st March 2022 | For the year ended 31st March 2021 |
|---|---------------------------------------|---------------------------------------|
| | Amount | Amount |
| (a) Dividend Income | 7.96 | 5.45 |
| (b) Other Non operating Income | | |
| - Interest on Deposits held with others | 22.26 | 17.47 |
| - Provision for standard and sub-standard assets written back | - | 0.70 |
| - Other income | 0.86 | 0.48 |
| Total | 31.08 | 24.10 |

NOTE 20

| Employee Benefits Expense | For the Year Ended 31st March 2022 | For the year ended 31st March 2021 |
|-----------------------------|---------------------------------------|---------------------------------------|
| | Amount | Amount |
| (a) Salaries and incentives | 248.04 | 171.37 |
| (b) Director's Remuneration | 44.11 | 47.02 |
| (c) Staff welfare expenses | 1.35 | 0.56 |
| Total | 293.50 | 218.95 |

20.1 Salaries and incentives includes applicable statutory contribution.



Defined Benefit Plan

The employees' gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

A. Reconciliation of opening and closing balances of Defined Benefit Obligation

| Details of provision for Gratuity - Change in the present value of the defined benefit obligation are as follows: | For the Year Ended 31st March 2022 | For the year ended 31st March 2021 |
|---|---------------------------------------|---------------------------------------|
| Defined benefit obligation at the beginning of the year | 18.45 | 8.11 |
| Current services cost | 4.80 | 3.79 |
| Interest Cost | 1.35 | 0.59 |
| Prior Service Cost - Vested Benefit | - | - |
| Benefits paid | 0.67 | 2.15 |
| Actuarial (gains)/losses on obligation | (0.04) | 8.11 |
| Defined benefit obligation at the year end | 23.89 | 18.45 |
| Av Balance Service | 25.50 Yrs | 25.50 Yrs |

B. Expenses recognised during the year

| Computation of net employee benefit expense | For the Year Ended 31st March 2022 | For the year ended 31st March 2021 |
|--|---------------------------------------|---------------------------------------|
| Current services cost | 4.80 | 1.64 |
| Interest Cost on benefit obligation | 1.35 | 0.59 |
| Past services cost | - | - |
| Expected return on plan assets | - | - |
| Net Actuarial (gain) / Loss recognized in the year | (0.04) | 8.11 |
| Past services cost | - | - |
| Net Employee Benefit expense | 6.11 | 10.34 |
| Actual return on plan assets | - | - |

C. Actuarial assumptions

| Particulars | For the Year Ended 31st March 2022 | For the year ended 31st March 2021 |
|---|---------------------------------------|---------------------------------------|
| Retirement age | 60 Yrs | 60 Yrs |
| Adjusted Average Future cost* | 12.77 | 12.77 |
| Discount rate (per Annum) | 7.36% | 6.89% |
| Expected rate of return on plan assets (per Annum) | 0.0% | 0.0% |
| Rate of escalation in Salary (per annum) | 10.0% | 10.0% |

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

* Adjusted future service takes into account the effect of mortality and attrition.

NOTE 21

| Finance costs | For the Year Ended 31st March 2022 | For the year ended 31st March 2021 |
|---------------------------|---------------------------------------|---------------------------------------|
| | Amount | Amount |
| (a) Interest expense | 43.73 | 71.65 |
| (b) Other Borrowing costs | 3.84 | 2.87 |
| Total | 47.57 | 74.53 |

21.1: Interest expense includes interest of Rs.0.33 Lakh towards deferred payment of income tax.



PRADAKSHANA FINTECH PRIVATE LIMITED

Regd Office: 151, 1st Floor, Farmland, Ramdaspath, Behind Hotel Tuli Imperial, Nagpur, Maharashtra - 440010

Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2022

All amounts are in Indian Rupees in Lakhs



NOTE 22

| Other expenses | For the Year Ended 31st March 2022 | For the year ended 31st March 2021 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| | Amount | Amount |
| Auditors Remuneration (Refer Note 25) | 2.00 | 2.70 |
| Printing and Stationery Expenses | 7.85 | 3.16 |
| Telephone & Internet Expenses | 4.42 | 4.08 |
| Consultancy & Professional Fee | 27.82 | 14.53 |
| Rent | 16.98 | 13.38 |
| Insurance Premium on Employees | 5.10 | 1.40 |
| Traveling expenses | 9.75 | 3.50 |
| Local Conveyance | 24.97 | 12.58 |
| GST Expenses | 0.82 | 2.07 |
| Bank charges | 6.00 | 3.71 |
| Stipends | 9.61 | 5.89 |
| Other expenses | 13.74 | 10.68 |
| Total | 129.07 | 77.68 |

22.1 Other Expenses includes expenses incurred towards electricity, repairs & maintenance expenses, postage & telegram, bank charges, utility etc.

NOTE 23

| Provisions on Bad and Doubtful loans, Loan Losses and other assets | For the Year Ended 31st March 2022 | For the year ended 31st March 2021 |
|---|---------------------------------------|---------------------------------------|
| | Amount | Amount |
| (a) Provision on standard assets Provision on standard assets @ 0.25% | (0.53) | (0.24) |
| (b) Write Off Loans Loans written off during the year | - | - |
| Less : Recovery from earlier write-off | 13.00 | 13.99 |
| Net Write-off during the year | 4.35 | 0.48 |
| (c) Provision on Non Performing Assets Provision for bad and doubtful loans on Sub - Standard Assets & Doubtful Assets | 8.64 | 13.51 |
| (d) Provision on Other Assets, Loans and Advances | 1.25 | (0.46) |
| (e) Provision on standard and sub-standard - write back -transferred to Note19 | - | - |
| (f) Provision for other Advances | - | 0.70 |
| Total | 30.00 | 25.00 |
| Total | 39.37 | 38.51 |



PRADAKSHANA FINTECH PRIVATE LIMITED

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Notes to Financial Statements & Significant Accounting Policies for the Year ended 31st March 2022
All amounts are in Indian Rupees in Lakhs



NOTE 24: Earnings per share

| S.No | Particulars | For the Year Ended | For the year ended |
|------|---|--------------------|--------------------|
| | | 31st March 2022 | 31st March 2021 |
| | | Amount | Amount |
| 1 | Profit After Tax | 28.18 | 39.16 |
| 2 | Weighted Average number of equity Shares for Basic earnings | 73.91 | 73.91 |
| 3 | Basic earnings per Share (amount in Rupees) | 0.38 | 0.53 |
| 4 | Weighted Average number of equity Shares for diluted earnings | 73.91 | 73.91 |
| 5 | Diluted earnings per Share (amount in Rupees) | 0.38 | 0.53 |
| 6 | Face value of equity share (amount in Rupees) | 10.00 | 10.00 |

NOTE 25: Remuneration to Statutory Auditor

| S.No | Particulars | For the Year Ended | For the year ended |
|--------------|----------------------|--------------------|--------------------|
| | | 31st March 2022 | 31st March 2021 |
| 1 | Statutory Audit Fees | 1.60 | 2.30 |
| 2 | Tax Audit Fees | 0.40 | 0.40 |
| 3 | Other Matters | - | - |
| TOTAL | | 2.00 | 2.70 |

NOTE 26: Names of Related Parties / Related Party Transaction

Names of Related Parties

| S.No | Particulars | Details |
|------|-------------------------------------|---|
| 1 | Equity holding substantial interest | 1. Pradakshana Trust 2. ESOP Trust / Employee Welfare Trust 3. Kishore Kumar Puli |
| 2 | Other Related Parties | - |
| 3 | Key Management Personnel | 1. Kishore Kumar Puli, Managing Director 2. Bhargavi Puli, Director |

Related party transactions

| Particulars | For the Year Ended | For the year ended | |
|--|--------------------|--------------------|-----------------|
| | | 31st March 2022 | 31st March 2021 |
| <u>Advance given to ESOP Trust</u> | | | |
| Opening balance | | 41.04 | 41.04 |
| Add: Additions | | - | - |
| Less: Recovery | | - | - |
| Closing Balance | | 41.04 | 41.04 |
| Less: Amount provided for - refer note 12 and 12.2 | | 41.04 | 41.04 |
| Amount outstanding net of provision | | - | - |
| <u>Key Management Personnel</u> | | | |
| 1. Professional Fee Paid During the Year | | - | - |
| 2. Director's Remuneration | | 44.11 | 47.02 |

Relationship between parties has been relied upon by auditors based on declaration by the management.

NOTE 27: Earnings and Expenditure in foreign exchange

During the year earnings and expenditure in foreign exchange are 'NIL'.

NOTE 28: Unhedged Foreign Currency Exposure

During the year, Unhedged Foreign Currency Exposure is NIL.



NOTE 29: Contingent liabilities and Provisions

| Contingent liabilities and commitments (to the extent not provided for) | As At | As At |
|---|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| | Amount | Amount |
| Asset under management (for Third Parties) | | |
| - On Managed portfolio | 6,188.41 | 3,859.77 |
| Contingent Liabilities on above towards first loss default guarantee | | |
| - On Managed portfolio | 618.84 | 385.98 |
| Of which Contingent Liabilities covered by Fixed Deposit lien | ₹ 311.36 | |
| Of which Contingent Liabilities NOT covered by Fixed Deposit lien | ₹ 307.48 | |
| TOTAL | 618.84 | 192.99 |

B. In respect of portfolio transferred under Deed of Assignment (as per RBI Circular RBI/2012-13/170 DNBS. PD. No. 301/3.10.01/2012-13 dated August 21, 2012)

| S.No | Portfolio Transferred | Minimum Retention Portfolio Value as on date of transfer | Portfolio Outstanding as on March 31, 2022 | Minimum Retention Portfolio Value as on March 31, 2022 |
|------|-----------------------|--|--|--|
| 1 | 52.22 | 7.80 | 18.24 | 2.73 |

Contingent liability on the portfolio transferred under deed of assignment is to the extent of minimum retention portfolio value.

NOTE 30: Dues to Micro, Small and Medium Enterprises

Under Micro, Small and Medium Enterprise Developments Act, 2006 certain disclosure are required to be made relating to Micro and small enterprises. The company has taken necessary steps to seek relevant information from its suppliers about the coverage under the Act. According to information available with the management, no amounts are outstanding pertaining to covered Creditors for the period more than 45 days.

On the basis of the information and records available with the management, the following disclosures are made for the amount due to Micro, Small and Medium enterprises, who have registered with the competent authorities.

| Particulars | For the Year Ended | For the year ended |
|--|--------------------|--------------------|
| | 31st March 2022 | 31st March 2021 |
| | Amount | Amount |
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year: | 2.00 | 2.70 |
| The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year: | - | - |
| The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act: | - | - |
| The amount of interest accrued and remaining unpaid at the end of the year | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise. | - | - |

NOTE 31: Balance Confirmation

Balances in certain party ledgers including Loans & Advances and Current Assets are subject to confirmation and reconciliation.

NOTE 32: Covid Pandemic Impact (read with note 29.1 above)

The onset of global pandemic Covid -19 has impacted the growth prospects of the company during the current financial year and for the subsequent year. In the assessment of the management there will not be significant impact of the pandemic affecting the liquidity or the going concern of the company.

NOTE 33

Previous years figures have been regrouped and reclassified wherever necessary to match with current year grouping and classifications

As per our report of even date
For Vaithiswaran & Co LLP
Chartered Accountants

S. Shankar Raman
Partner
M.No:209163
Firm Regn No: 0044945/5200037
Place: Hyderabad
Date: 12/05/2022



For and on behalf of the Board

Kishore Kumar Pulk
Managing Director
01925566

Bhargavi Pudi
Director
05291662



Note 34: Additional Regulatory Information
All amounts are in Indian Rupees in Lakhs

| Particulars of Ratios | Formula | Current Year Financial Ratios | | | Previous Year Financial Ratios | | | % of change in ratios | Reason For >25% Change |
|--------------------------------------|---|-------------------------------|----------------------|--------------------------------|--------------------------------|----------------------|---------------------------------|-----------------------|---|
| | | A-Numerator (C, Y) | B-Denominator (C, Y) | Current Reporting period (A/B) | C-Numerator (P, Y) | D-Denominator (P, Y) | Previous Reporting Period (C/D) | | |
| (a) Current Ratio | Current Assets/Current liabilities | 962.63 | 341.58 | 2.82 | 1,202.78 | 742.60 | 1.62 | 73.99% | Decrease in Short Term Borrowings |
| (b) Debt-Equity Ratio | Total debt/Shareholders equity | 393.80 | 569.78 | 0.69 | 730.75 | 541.60 | 1.35 | -48.77% | Decrease in loans |
| (c) Debt-Service Coverage Ratio | Earnings available for debt services/Interest-Installments | 102.20 | 380.68 | 0.27 | 134.24 | 151.92 | 0.88 | -69.62% | Increase in repayment of borrowings |
| (d) Return on Equity Ratio | Profit after tax (PAT)/Equity shareholder's Funds | 28.18 | 569.78 | 0.05 | 39.16 | 541.60 | 0.07 | -31.60% | Increase in employee benefit expenses and other expenses. |
| (e) Inventory Turnover Ratio | COGS or Sales/Average inventory | | | NA | | | NA | | NA |
| (f) Trade receivables turnover ratio | Credit sales/Average Accounts Receivable or COGS/Closing A/c's receivable | | | NA | | | NA | | NA |
| (g) Trade payables turnover ratio | Credit Purchases/Average Accounts Payables | | | NA | | | NA | | NA |
| (h) Net Capital turnover ratio | Net Annual Sales/Working Capital | 536.90 | 621.05 | 0.86 | 448.16 | 460.18 | 0.97 | -11.23% | |
| (i) Net profit ratio | Net Profit /Sales | 28.18 | 536.90 | 0.05 | 39.16 | 448.16 | 0.09 | -39.93% | Increase in employee benefit expenses and other expenses. |
| (j) Return on Capital employed | EBIT/Capital Employed*100 | 95.06 | 963.44 | 0.10 | 130.39 | 1,272.21 | 0.10 | -3.73% | NA |
| (k) Return on investment | Earnings on investment /Investments*100 | 7.96 | 124.42 | 0.06 | 5.45 | 85.73 | 0.06 | 0.66% | NA |



Annexure to Balance Sheet as at 31.03.2022 of Pradakshana Fintech Private Limited (COR: B-13.02187)

Note 35 to the Balance Sheet of a non-deposit taking non-banking financial company
(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding)
Companies Prudential Norms (Reserve Bank Directions, 2007)

All amounts are in Indian Rupees in Lakhs

| Particulars | | | |
|--------------------------|---|---------------------|----------------|
| Liabilities side: | | | |
| (1) | Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: | Amount out-standing | Amount Overdue |
| | (a) Debentures: Secured : Unsecured (other than falling within the meaning of public deposits*) | Nil Nil | |
| | (b) Deferred Credits | Nil | |
| | (c) Term Loans / cash credit | 393.80 | NIL |
| | (d) Inter-corporate loans and borrowing | Nil | |
| | (e) Commercial Paper | Nil | |
| | (f) Other Loans (specify nature) | Nil | |
| Assets side: | | | |
| (2) | Break-up of Loans and Advances including bills receivables (other than those included in (4) below): | Amount outstanding | |
| | <u>Secured Loans</u> | | |
| | - Micro Enterprise Loans | | 30.08 |
| | - Micro Enterprise Loans - (Small Ticket) | | - |
| | - Personal Loan To Salaried Employees | | - |
| | - Short Term Micro Enterprise Loans | | - |
| | - Small Enterprise Loans | | 53.65 |
| | - Digital Loans | | - |
| | <u>Unsecured Loans</u> | | |
| | - Personal Loan To Salaried Employees | | |
| | - Microenterprise Loans - [Short Term] | | 342.89 |
| | - Loans & Advances to Related Parties (in the normal course of business) | | - |
| (3) | Break up of Leased Assets and stock on hire and other assets counting towards AFC activities | | |
| | (i) Lease assets including lease rentals under sundry debtors: | | |
| | (a) Financial lease | | |
| | (b) Operating lease | | |
| | (ii) Stock on hire including hire charges under sundry debtors: | | |
| | (a) Assets on hire | | |
| | (b) Repossessed Assets | | |
| | (iii) Other loans counting towards AFC activities | | |
| | (a) Loans where assets have been repossessed | | |
| | (b) Loans other than (a) above | | |

Nil as at 31.03.2022

Comp


| (5) Borrower group-wise classification of assets financed as in (2) and (3) above: | | | |
|--|--------------------------|---------------|---------------|
| Category | Amount net of Provisions | | |
| | Secured | Unsecured | Total |
| 1. Related Parties ** | | | |
| (a) Subsidiaries | - | - | NIL |
| (b) Companies in the same group | - | - | NIL |
| (c) Other related parties | - | - | NIL |
| 2. Other than related parties | 83.72 | 342.89 | 426.61 |
| Total | 83.72 | 342.89 | 426.61 |

| ### Break-up of Investments: | | |
|-------------------------------|--|-------|
| <u>Current Investments:</u> | | |
| 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 | | 77.45 |
| (iv) Government Securities | | - |
| (v) Others (please specify) | | - |
| <u>Long Term investments:</u> | | |
| 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 | | 5.00 |
| (b) Preference | | - |
| (ii) Debentures and Bonds | | - |
| (iii) Units of mutual funds | | - |
| (iv) Government Securities | | - |
| (v) Others (please specify) | | - |



 Prakashana Fintech Pvt. Ltd.

| (6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below | | |
|---|--|--------------------------------|
| Category | Market value/Break up or fair value or NAV | Book value (Net of Provisions) |
| 1. Related Parties ** | | |
| (a) Subsidiaries | NIL | NIL |
| (b) Companies in the same group | NIL | NIL |
| (c) Other related parties | NIL | NIL |
| 2. Other than related parties | | |
| Total | 82.45 | 82.45 |

** As per Accounting Standard of ICAI (Please see note 25)

(7) Other information

| Particulars | Amount |
|--|--------|
| (i) Gross Non-Performing Assets | |
| (a) Related parties (in the normal course of business) | - |
| (b) Other than related parties | 16.36 |
| (ii) Net Non-Performing Assets | |
| (a) Related parties | - |
| (b) Other than related parties | 14.65 |
| (iii) Assets acquired in satisfaction of debt | Nil |

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

As per our report of even date
For Vaithisvaran & Co LLP
Chartered Accountants

S. Shankar Raman
Partner
M.No:209163
Firm Regn No: 0044945/S200037
Place: Hyderabad
Date: 12/05/2022



For and on behalf of the Board

Kishore Kumar Puli
Managing Director
01925566

Bhargavi Puli
Director
05291662

