

HASTI FINANCE LIMITED

No.14, Imperial Hotel Complex, Near Albert Cinema Hall, Whannel Road, Egmore, Chennai, TamilNadu 600008
CIN: L65191TN1994PLC028333; Email Id: hastifinanceltd@gmail.com

Date: 06-09-2023

To,
The Manager,
Department of Corporate Services,
Bombay Stock Exchange Limited,
Phirozee Jeejeeboy Towers,
Dalal Street, Fort,
Mumbai — 400 001

Dear Sir,

Sub: Submission of Annual Report for the Year 2022-23

The Annual General Meeting of the Company is scheduled to be held through Video Conferencing ("VC") Other Audio Visual Means ("OAVM"), on Saturday, September 30, 2023 at 02:00 P.M.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements), 2015, we submit herewith the Annual Report for the year 2022-23 along with AGM Notice.

This is for your information and records.

Yours faithfully,
For Hasti Finance Limited

N. Somani



Nitin Prabhudas Somani
Managing Director
(DIN: 00841378)

Hasti Finance Limited

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ANNUAL REPORT 2022-23

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CORPORATE PROFILE

❖ Key Managerial Persons

- Mr. Nitin Prabhudas Somani (Managing Director)
- Mrs. Sonal Nitin Somani (Executive Director)
- Mr. Sanjay Vasudeo Dhoke (Additional -Independent Director)
- Mr. Vishal Nanalal Buddhdev (Independent Director)
- Mr. Khairu Imam Pappuwale (Independent Director)
- Mr. Raj Nitin Somani (Chief Financial Officer)
- Mr. Sunil Kumar Bansal (Company Secretary & Compliance Officer)

❖ Registered Office

No. 14 Imperial Hotel Complex, Near Albert Cinema Hall, Whannels Road, Egmore, Chennai 600008, Tamil Nadu.

❖ Corporate Office

Office No. 1A, Anubhav Apartments, Sayani Road, Prabhadevi, Mumbai – 400 025
Tel No. +91-22-2430 2882

- ❖ **Website:**www.hastifinance.com
Email: hastifinanceltd@gmail.com

❖ Statutory Auditors

Vandana V. Dodhia & Co.

Chartered Accountants

Address: D-101, Om Fortune, 1st Floor,
Behind Bank of Baroda,
Jambli Gali, Borivali West,
Mumbai 400092

Website: www.cavandana.com

Email: vandana@cavandana.com/
office.cavandana@gmail.com

❖ Registrar and Share Transfer Agent

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E), Mumbai-400072 .
Website: www.bigshareonline.com
Email Id: info@bigshareonline.com
Tel No-+91 22 6263 8200
Fax No-+91 22 6263 8299

❖ Bankers:

The Bharat Co-op (Mum) Bank Ltd
IDBI Bank

NOTICE

NOTICE IS HEREBY GIVEN THAT TWENTY NINTH ANNUAL GENERAL MEETING OF HASTI FINANCE LIMITED WILL BE HELD ON SATURDAY, 30TH SEPTEMBER, 2023 AT 02.00 P.M. THROUGH VIDEO CONFERENCING (“VC”)/ OTHER AUDIO-VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet & Profit and Loss Account for the year ended 31st March, 2023, the Reports of the Directors, Report of Auditors and annexures thereto.
2. To appoint a director in the place of Mrs. SONAL NITIN SOMANI (DIN: 01216993) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.

SPECIAL BUSINESS:-

3. Ratification/Approval for transaction with Related Parties

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 188 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 (‘the Act’) and the applicable provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (‘Listing Regulations’), consent of the members be and is hereby accorded to the Board of Directors to enter into transactions, contracts and agreements with Related Parties of the Company at a maximum of Rs. 2 Crore per transaction

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to determine the terms and conditions for the proposed transactions and all other matters arising out of or incidental thereto.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things that may be necessary, proper, desirable and expedient to give effect to the aforesaid resolution.”

4. Appointment of Mr. Sanjay Vasudeo Dhoke as an independent director for a term of 5 years.

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) and 17 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (hereinafter referred to as “the Act”) (including any statutory modifications or re-enactment thereof for the time being in force), Mr. Sanjay Vasudeo Dhoke (DIN: 03391888) who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. August 28, 2023, pursuant to Section 161 of the Act and who holds office upto the date of this Annual General Meeting of the Company and who is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Listing Regulations, be and is hereby appointed as a Non-Executive & Independent Director of the Company, on the Board of the Company to hold office for a term upto 5 (five) consecutive years from conclusion of this AGM to conclusion up to 34th Annual General Meeting, not liable to retire by rotation.

"FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, any of the directors of the company, be and are hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies."

5. Alteration/ Addition in the Object Clause of the Company:

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act 2013 including any amendment thereto or re-enactment thereof, and subject to necessary approval(s) if any, from the competent authorities, consent of the member be and is hereby accorded to insert clause III (A)(7) in Main clause of Memorandum of Association of the Company and consequently re-numbering the same as may be appropriate.

III. (A) (7) "To carry on the business as contractor, constructor, builder, hotelier etc. and to carry on all allied activities as may be necessary"

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, any of the directors of the company, be and are hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form as return of appointment with the Registrar of Companies, Chennai."

6. Shifting of Registered Office of the company from Tamil Nadu to the State of Maharashtra:

To shift the Registered Office of the Company from the State of Tamil Nadu to the State of Maharashtra and Alteration in Memorandum of Association of the Company and in this regard, pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 12 and Section 13 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014, and subject to the approval of the Central Government and all other authorities concerned and conditions as may be prescribed or imposed by the Central Government, Memorandum of Association of the Company be altered so as to change the place of Company’s Registered Office from the State Tamil Nadu to the State of Maharashtra by substituting Clause II of the Memorandum of Association with the following words:

“II. The Registered office of the Company will be situated in the State of Maharashtra.”

RESOLVED FURTHER THAT on obtaining the confirmation from the Regional Director, Southern Region, the Registered Office of the Company be shifted from State of Tamil Nadu to the State of Maharashtra.”

RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby authorized to take necessary steps to obtain confirmation of the Regional Director in respect of the aforesaid alteration of Clause II of the Memorandum of Association of the Company and to agree to such modifications, terms and conditions with reference thereto as may be directed by the Regional Director and to do such Acts and deeds as may be required for the same purpose.”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution any of the Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be required in this connection.”

Notes:

1. Company has not availed the speaker facility for this Annual General Meeting.
2. The information required to be provided under section 102 of the Act, the LODR and the Secretarial Standards on General Meetings (SS-2), with respect to details of Director who is proposed to be appointed/ reappointed under item no. 4 set out above are annexed hereto.
3. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for themembers is not available for this EGM/AGM. However, the Body Corporates are entitled toappoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

5. The Members can join the E-AGM in the VC/OAVM mode 15 minutes before scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the E-AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the E-AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the E-AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the business under Item No. 3,4,5 and 6 of the Notice, is annexed hereto.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the E-AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the E-AGM will be provided by NSDL.
9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at www.hastifinance.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
10. EGM /AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held in electronic

form and to Bigshare Services Private Limited, in case the shares are held in physical form.

12. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
13. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/ name, PAN details, etc. to their Depository Participant only and not to the Company's Registrars and Transfer Agents. Any changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents to provide efficient and better service to the Members. In case of Members holding shares in physical form, such information is required to be provided to the Company's Registrars and Transfer Agents.
14. Pursuant to section 91 of the Companies Act, 2013 read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from Sunday 24th September, 2023 to Saturday 30th September, 2023 (both days inclusive) for the purpose of 29th AGM.
15. The Register of Directors and Key Managerial Personnel and their shareholdings maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Registered Office.

THE INSTRUCTIONS FOR REMOTE E-VOTING, E-VOTING ON THE DAY OF E-AGM AND INSTRUCTIONS FOR E-AGM IS PROVIDED AS UNDER:-

A. INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING:

The remote e-voting period begins on Wednesday, 27th September, 2023 at 9:00 A.M. and ends on Friday, 29th September, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Saturday, 23rd September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Saturday, 23rd September, 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="537 527 1395 1115">1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDLand you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <li data-bbox="537 1150 1395 1346">2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp <li data-bbox="537 1381 1395 1894">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service

provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

4. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL

1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.
2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
3. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No.

	from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “[Forgot User Details/Password?](#)”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
 - b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to somani.poonam1@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on
3. www.evoting.nsdl.com to reset the password.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Anubhav Saxena at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to hastifinanceltd@gmail.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to hastifinanceltd@gmail.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at hastifinanceltd@gmail.com. The same will be replied by the company suitably.

For & On behalf of the Board

**Sd/-
Nitin Prabhudas Somani
Managing Director
DIN 00841378**

Mumbai, 01st September, 2023

ANNEXURE A

Statement pursuant to Section 102(1) of the Companies Act, 2013, as amended ('Act')

Item No. 3

In view of the provisions of Section 188 (1) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 ('the Act') and the applicable provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations") and the rules made thereunder, the Audit Committee and Board of Directors subject to shareholders approval in the AGM to set the maximum limit i.e. Rs. 2 Crore per transaction that your company may enter with its related parties i.e. Associates, Key Managerial Person, Relatives of Key Managerial Person, Company of relatives of Key Managerial Person.

All the proposed transactions would be carried out as part of business requirements of the Company and are ensured to be on Arm's Length basis.

Members are hereby informed that pursuant to the second proviso of Section 188(1) of the Companies Act, 2013, no member of the Company shall vote on such resolution to approve any contract or arrangement, if such member is a related party.

None of the other Directors of the Company are, in any way, connected or interested in the resolution.

The ordinary resolution as set out in Item no. 3 of this Notice of AGM is recommended by the Board for your approval

Item No. : 4

In terms of Section 149(4), 150(2), 152 and other applicable provisions of the Companies Act 2013 and Rules framed there under read with Schedule IV of the Companies Act, 2013, along with Regulation 16(1)(b) and 17 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, appointment of Independent Directors of the Company shall be approved at the general meeting of the company.

The Company has received from Mr. Sanjay Vasudeo Dhoke's consent in writing to act as a Director in Form DIR-2, intimation to the effect that he is not disqualified to be appointed as a Director in other companies in Form DIR-8 and a declaration in writing to the effect that he meets the criteria of independence as provided in sub-section 6 of Section 149 of the Companies Act, 2013 along with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Mr. Sanjay Vasudeo Dhoke fulfills the conditions specified in the Companies Act 2013 and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to be appointed as an Independent Director of the Company .

The special resolution as set out in Item no. 4 of this Notice of AGM is recommended by the Board for your approval

Item No.5

You board of directors propose to amend the Main Objects by inserting clause III (A)(7) in the main object clause of the Memorandum of Association of the company. The above amendment would be subject to the approval of the Registrar of Companies, Chennai and any other statutory or Regulatory authority, as may be necessary.

The Directors commend the passing of the resolution under item No.5 of the accompanying Notice for the approval of the members of the company as an special resolution

None of the Directors of the company or their relatives are concerned or interested in the passing of the above resolution .

Item No.6

The Company was incorporated under the provisions of Companies Act, 1956 in the erstwhile State of Tamil Nadu. As per Clause II of the Memorandum of Association, presently, the Registered Office of the Company is situated in the State of Tamil Nadu.

The present corporate office of the Company is situated at Office No. 1A, Anubhav Apartments, Sayani Road, Prabhadevi Mumbai-400025, Maharashtra. The company is of the view that for better client visibility and administrative convenience it would be a good proposition to change the Registered Office of the company from No. 14 Imperial Hotel Complex, Near Albert Cinema Hall, Whannels Road, Egmore, Chennai 600008, Maharashtra to Office No. 1A, Anubhav Apartments, Sayani Road, Prabhadevi, Mumbai-400025, Maharashtra.

The shifting of Registered Office from Tamil Nadu to Maharashtra will enable the company to handle its business activities more efficiently and run its business more economically and conveniently. The shifting of the Registered Office as aforesaid is in the best interests of the company, its shareholders and all concerned. The proposed shifting will in no way be detrimental to the interest(s) of any member of the public, employees or other associates of the Company in any manner whatsoever.

In order to shift the Registered Office, the Company needs to amend its Memorandum of Association by way of passing special resolution accordance with provisions of section 13. The Board accordingly recommends the passing of the proposed Special Resolution (Item No. 6) as contained in the notice, by members of the company.

None of the Directors or key managerial personnel or their relatives has any concern or interest, financial or otherwise in passing of the said special resolution.

Annexure B**Details of the Directors seeking re-appointment in the forthcoming Annual General Meeting**

[Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meeting]

(i)

Name of the Director	Mrs. Sonal Nitin Somani
Date of Birth	15/08/1973
Date of Appointment/ Re- Appointment	29/09/2009
Qualification Experience & brief profile	Mrs. Sonal Nitin Somani is a good leader and has good experience in handling the management of the Company
Relationship with Directors	Wife of Managing Director Mr. Nitin Somani
Directorships held in other Listed Entities	NA
Memberships/ Chairmanships of committees of other Listed Entities	NA
No. of shares held	25,79,668

(ii)

Name of the Director	Mr. Sanjay Vasudeo Dhoke
Date of Birth	18/02/1972
Date of Appointment/ Re- Appointment	28/08/2023
Qualification Experience & brief profile	Mr. Sanjay Vasudeo Dhoke is a good leader and has good experience in handling the management of the Company
Relationship with Directors	NA
Directorships held in other Listed Entities	NA
Memberships/ Chairmanships of committees of other Listed Entities	NA
No. of shares held	0

DIRECTORS' REPORT

**TO
THE MEMBERS
OF HASTI FINANCE LIMITED**

Your Directors have pleasure in presenting the 29th Annual report of the Company together with the audited Financial Statements for the year ended 31st March, 2023.

1. FINANCIAL RESULTS:

The financial results of your company for the year ended 31st March, 2023 are summarized below:

Particulars For the Year ended	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Gross Income	1,02,42,148	1,38,61,747
Less: Expenses	(1,46,04,929)	(1,25,67,189)
Profit / (Loss) Before Interest, Depreciation and amortization, exceptional items and Tax	(43,62,781)	12,94,558
Less: Depreciation and amortization	(1,73,492)	(2,34,102)
Profit / (Loss) before exceptional items and tax	(45,36,273)	10,60,456
Add: Exceptional Item	-	-
Profit / (Loss) before Tax	(45,36,273)	10,60,456
(Less)/Add : Provision for Taxation	11,19,880	(2,77,070)
Profit / (Loss) after Tax	(34,16,393)	7,83,386
Add: Balance brought forward from previous year	-	-
Profit available before appropriations	(34,16,393)	7,83,386
Less: Appropriations Other Comprehensive Income Transfer to Statutory reserve	(8,54,555)	-
Surplus Carried to balance Sheet	(42,70,948)	7,83,386

During the year, the Loss suffered by the company amounting to Rs. (42,70,948) (Previous Year income earned by the company: Rs. 7,83,386) and Sale of services NIL

The Company is a Non deposit accepting Non Banking Finance Company. Accordingly it has followed the RBI guidelines for income recognition and provision norms as far as applicable to the Company. The Loss after tax of the Company for the current year was

Rs. 42,70,948 as compared to net operational profit after tax of 7,83,386 during the previous year.

The Directors propose to carry 42,70,948 being the Loss for the current year to the Balance Sheet during the financial year ended 31st March, 2023.

Impact of Covid-19 Pandemic and Mitigation Measures Implemented

The outbreak of Coronavirus (COVID-19) pandemic globally and in India has resulted in slow down of economic activities. The Company has evaluated the impact of this pandemic on its business operations during the year ended March 31, 2023. The pandemic has materially impacted revenues of the Company for the year ended March 31, 2023.

2. RESERVES

The Company has incurred a loss during the year therefore.

3. CAPITAL STRUCTURE

There was no change in the Authorized and Paid-up Share Capital of the Company during the year.

The Authorized Share Capital of the Company is Rs. 12,01,00,000/- (Rupees Twelve Crores and One Lakh only) divided into 1,20,10,000 (One Crore Twenty Lakh and Ten Thousand Only) Equity Shares of Rs. 10/- (Rupee Ten) each.

The Paid-up Share Capital of the Company is Rs. 10,83,97,300/- (Rupees Ten Crores Eighty Three Lakhs Ninety Seven Thousand and Three Hundred only) divided into 1,08,39,730 (One Crore Eight Lacs Thirty Nine Thousand Seven Hundred and Thirty Only) Equity Shares of Rs. 10/- (Rupee Ten) each.

4. DIVIDEND:

During the year Company has incurred a loss, therefore, Company has not recommended Dividend to the shareholders of the Company.

5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

6. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Your Directors wish to present the details of Business operations done during the year under review:

- a. Business Operations and Profitability:** The Company is Non Banking Finance Company listed on BSE Ltd. During the financial year company has losses after tax.
- b. Sales of Services:** The Company is covered under the category of Loan Company within the broad category of Non Deposit accepting Non-Banking Finance Company. The target sector of the Company is Small business man and middle class households. Accordingly main products offered by the company are Unsecured Business and Personal Loan and Gold Loan.

7. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or Outflow during the year under review.

9. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is provided elsewhere in this annual report in Management Discussion.

10. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provisions of Section 135 of the Companies Act, 2013 do not apply to our Company. Hence the company has not developed and implemented any corporate social responsibility initiatives.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, if any, are given in the notes to the Financial Statements.

12. AUDITORS

a. Statutory Auditors.

M/s. Vandana V. Dodhia & Co., Chartered Accountants, Firm Registration No. 117812W was appointed as Statutory Auditors for a period of 5 years under Section 139 of the Companies Act, 2013 to hold office from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting .

b. Secretarial Auditor

According to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Secretarial Auditor, Somani

& Associates (Practicing Company Secretaries) (M. No.FCS 9364, COP No. 8642), Company Secretary in Practice is enclosed as a part of this report in **Annexure “1”**.

13. AUDITORS REPORT

STATUTORY AUDITOR

The Statutory Auditor's report is self-explanatory in nature.

14. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is available at the registered office of the company.

15. ANNUAL RETURN

The Annual Return of the Company as on 31st March 2023 in Form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules 2014 is available on the website of the Company www.hastifinance.com

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

parties entered by the Company in the normal course of business are Transactions with related periodically placed before the Audit Committee and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as **Annexure “2”**.

17. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company has held 9 Board meetings during the financial year under review.

18. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively,
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Associates or Joint venture Company.

20. DEPOSITS

Our company is a Non deposit accepting Non Banking Financial Company, during the year under review the Company has neither accepted nor renewed any deposit during the year under review.

21. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

- Mr. Vilas Shankar Daware has resigned as a Non-Executive - Independent Director of the Company with effect from 21st December, 2022.
- Mr. Sanjay Vasudeo Dhoke has appointed as Additional Director (Non - Executive Independent Director) with effect from 08th March 2023.

Apart from this, there are no changes in the composition of Board of Directors and KMP during the financial year 2022-2023.

22. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules. The Board is of the view that all the Independent Directors on the Board possess integrity, necessary expertise and experience for performing their functions diligently.

PARTICULARS OF EMPLOYEES

Information as per Rule 5(1) of chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Information under Rule 5(1) (i) & (ii)

Name of Director	Designation	Remuneration in year 2023 (Rs. In Lacs)	Remuneration in year 2022 (Rs. In Lacs)	% increase/Decrease in remuneration during the year
Nitin Prabhudas Somani	Managing Director	1.20	1.20	-
Sonal Nitin Somani	Executive Director	1.20	1.20	-
Raj Nitin Somani	Chief Financial Officer	1.05	1.80	-

Information under Rule 5(1) (iii) & (iv)

Total number of employees during the year 2023	Total number of employees during the year 2022	Remuneration of employees in year 2023 (Rs. In Lacs)	Remuneration of employees in year 2022 (Rs. In Lacs)	% increase / (decrease) in remuneration of employees during the year
3	3	3.45	4.2	

Information under Rule 5(1) (viii)

The Company affirms that the remuneration is as per the remuneration policy of the Company.

No employee of the Company is falling under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

23. FORMAL ANNUAL EVALUATION

The provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the Nomination and Remuneration committee.

24. WHISTLEBLOWER POLICY

The Board has adopted whistleblower mechanism in the company.

25. DISCLOSURE OF COMPOSITION OF BOARD COMMITTEES As on 31/03/2023

Name of Committee	Composition of Committee
Audit Committee	Mr. Khairu Imam Pappuwale (Chairperson) Mr. Sanjay Vasudeo Dhoke (Member) <i>(Appointed w.e.f. 8th March,2023)</i> Mr. Vishal Nanalal Buddhdev (Member)
Nomination and Remuneration Committee	Mr. Vishal Nanalal Buddhdev (Chairperson) Mr. Sanjay Vasudeo Dhoke (Member) <i>(Appointed w.e.f. 8th March,2023)</i> Mr. Khairu Imam Pappuwale (Member)
Stakeholders Relationship Committee	Mr. Vishal Nanalal Buddhdev (Chairperson) Mr. Sanjay Vasudeo Dhoke (Member) <i>Appointed w.e.f. 8th March,2023)</i> Mr. Khairu Imam Pappuwale (Member)

The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company.

26. SHARES**a. BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

27. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013.

There was no case filed during the year, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Further, the Company ensures that there is a healthy and safe atmosphere for every women employee at the workplace and have made necessary policies for safe and secure environment for women employees. The Company has in place an Anti—Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. The Company affirms that during the Year under review, no complaints were received by the Committee for redressal.

28. CASH FLOW STATEMENT

In conformity with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and requirements of Companies Act, 2013, the Cash flow Statement for the financial year ended 31.03.2023 is annexed here to as a part of the Financial Statements.

29. DISCLOSURE OF MAINTENANCE OF COST RECORDS

Maintenance of Cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.

30. DETAILS OF SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS/TRIBUNAL/COURTS

There are no significant or material orders passed by any regulators/Tribunal/Courts impacting the going concern status and Company's Operation in future.

31. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in Management Discussion and Analysis, which forms part of this Report.

32. CORPORATE GOVERNANCE REPORT:

The report on Corporate Governance required as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached in **Annexure "3"** to the Board report.

33. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report is enclosed as a part of this report as **Annexure "4"**.

34. CORPORATE GOVERNANCE CERTIFICATE

The certificate from the auditors regarding compliance of conditions of corporate governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached in **Annexure "5"** to the report.

35. ENVIRONMENT PROTECTION AND POLLUTION CONTROL

The Company has always been socially conscious corporate, and has always carried forward all its operations and procedures for environment friendly norms with all necessary clearances.

36. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings. As required in terms of Secretarial Standard (SS)-4, it is hereby confirmed that there is no corporate insolvency resolution process initiated under the Insolvency and Bankruptcy Code, 2016.

37. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**On behalf of Board
For Hasti Finance Limited**

**Sd/
Nitin Prabhudas Somani**

**Sd/-
Sonal Nitin Somani**

Mumbai, 01st September, 2023

Form No.MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Hasti Finance Limited
(CIN: L65191TN1994PLC028333)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hasti Finance Limited hereinafter called (“the company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Hasti Finance Limited’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct to secretarial audit, we, hereby report that in our opinion, the company has, during the period covering the financial year ended on 31st March 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Hasti Finance Limited (“the Company”) for the financial year ended on 31st March 2023, according to the provisions of:

- i. The Companies Act, 2013(the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act,1999 and the rules and regulations; (Not Applicable during the period of audit)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) :-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; -
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; -(Not Applicable during the period of audit)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;- (Not Applicable during the period of audit)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;- (Not Applicable during the period of audit)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;- (Not Applicable during the period of audit)
- vi. Other law applicable specifically to the Company, as detailed below;
- (i) The Reserve Bank of India Act, 1934
 - (ii) Rules, regulation and guidelines issued by the Reserve Bank of India as are applicable to the Non-Banking Financial Company (NBFC)

The compliance by the Company of the applicable direct tax laws, indirect tax laws and other financial laws has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals.

We have relied on the representation made by the company and its officers for the systems and mechanisms formed by the company for compliances under the other applicable Acts, Laws and Regulations as mentioned by the company in its Management Representation letter.

We have also examined compliance with the applicable clauses:

- a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- b) SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and its amendments.

During the period under review the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following specific observations:

Delay Submission/ Violation under regulations 33, 24A, 46, 47, 29, 42/62 and 30 of the SEBI (LODR), Regulations, 2015 and Regulation 3(5) and 3(6) of SEBI(PIT) Regulations, 2015.

Company has not fully complied with The Reserve Bank of India Act, 1934 and Rules, regulation and guidelines issued by the Reserve Bank of India as are applicable to the Non-Banking Financial Company (NBFC)

Under Companies Act, Company have not appointed Internal Auditors required under 138 Companies act, 2013 and AGM for the financial year 2021-22 of the company was adjourned for the want of the quorum, consequently it could not be held within 6 months from the end of the financial year as per section 96 of the section.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to observations/ Remarks given above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act subject to above observations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that

The BSE imposed SOP fines of Rs. 606520/- (Including GST) as per mail dated 16/01/20223 and imposed SOP fines of Rs. 12,980/- (including GST) as per mail dated 15th May, 2023.

SEBI imposed penalty of Rs. 15,00,000/- as per the order under section 15-I of the securities and Exchange Board of India Act, 1992 read with Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995.

This Report is to be read with our letter of even date which is annexed as Annexure- A and forms an integral part of this Report.

Place: Mumbai

Date: 01/09/2023

**For Somani & Associates
(Practicing Company Secretaries)**

**Sd/-
Poonam Somani
FCS No. F9364
C P No. 8642
UDIN-F009364E000898881**

Annexure A

To,
The Members,
Hasti Finance Limited
(CIN: L65191TN1994PLC028333)

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company, our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. The compliance by the Company of the applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 01/09/2023

For Somani & Associates
(Practicing Company Secretaries)

Sd/-
Poonam Somani
FCS No. F9364
C P No. 8642
UDIN - F009364E000898881

Place: Mumbai
Date: 01/09/2023

For Somani & Associates
(Practicing Company Secretaries)

Sd/-
Poonam Somani
FCS No. F9364
C P No. 8642
UDIN - F009364E000898881

Annexure-2

Form No. AOC 2 – RELATED PARTY DISCLOSURE (Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There is no such Transaction which is not on arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No	Particulars	
a)	Name (s) of the related party	Mr. Nitin Prabhudas Somani Mrs. SonalNitinSomani Mr. Raj NitinSomani Finex Express Cargo Private Limited. Safe mode Cargo Private Limited Somani Developers Somani Realty Fast Train Cargo Limited
b)	Nature of relationship	KMP, Directors and Enterprise in which KMP is able to exercise significant influence.
c)	Nature of contracts/arrangements/transaction	Remuneration, Interest Income received, Office Rent paid
d)	Duration of the contracts/arrangements/transaction	Yearly
e)	Salient terms of the contracts or arrangements or transaction including the value, if any	1. Remuneration of Mr. Nitin Prabhudas Somani is Rs.1, 20,000/- p.a. 2. Remuneration of Mrs. Sonal Nitin Somani is

		Rs.1,20,000/- p.a
		3. Remuneration to Mr. Raj Nitin Somani Rs. 1,05,000/- p.a.
		4. Interest income of Rs. 14,650.41/- received from Safe mode Cargo Private Limited.
		5. Interest income of Rs. 6993.91/- received from Finex Express Cargo Private Limited.
		6. Office Rent paid to Mr. Nitin Somani Rs. 1,56,000/-
f)	Justification for entering into such contracts or arrangements or transactions'	In the normal course of business
g)	Date of approval by the Board	14/02/2022
h)	Amount paid as advances, if any	-
i)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	-

**On behalf of Board
For Hasti Finance Limited**

**Sd/-
Nitin Prabhudas Somani
DIN-00841378
Managing Director**

**Sd/-
Sonal Nitin Somani
DIN-01216993
Director**

**Mumbai,
1st September, 2023**

ANNEXURE “3” TO DIRECTOR’S REPORT

REPORT ON CORPORATE GOVERNANCE

(Pursuant to regulation 34(3) of Listing Obligation and Disclosure Regulation, 2015)

COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance. The Company’s activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them by adopting the best practices.

The Company believes that good corporate governance practices enable the management to direct and control the affairs of the Company in an efficient manner and to achieve the Company’s goal of maximizing value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading financial services company in India, while upholding the core values of transparency, integrity, honesty and accountability.

Our Corporate Governance report ensures effective engagement with our stakeholders and helps us evolve with changing times. Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the company.

Our corporate governance philosophy is based on the following principles:-

- Corporate Governance standards should satisfy both the spirit of the law and the letter of the law.
- Ensure transparency and maintain a high level of disclosure.
- Communicate externally and truthfully about how the company is run internally.
- Comply with the laws of all countries in which we operate.
- The management is the trustee of the shareholder’s capital and not the owner.

We firmly believe that Board independence is essential to bring objectivity and transparency in the management and in the dealings of the Company. As on March 31, 2023, the Board consists of 5 members out of which three members are independent directors.

BOARD OF DIRECTORS

The current policy is to have an appropriate mix of Executive and Non-Executive Independent Directors to maintain the independence of the Board. As on 31st March, 2023 the Board consists of five members, two of whom are Executive Directors and three are Non-Executive Directors.

A. Composition of Board, and Directorships held as on March 31, 2023

Name of Director	Category of Directorship	No of Board meetings attended by Director	Whether last AGM attended	*Directorship in other Companies including private companies in India	No. of Committees in which Chairman/ Member (other than Hasti Finance Ltd.)	
					Member	Chairman
Nitin Prabhudas Somani	Executive Director (Promoter)	9	Yes	15	NIL	NIL
Sonal Nitin Somani	Executive Director (Promoter)	9	No	1	NIL	NIL
Vilas Shankar Daware (Resigned w.e.f. 21 st December, 2022)	Non-Executive, Independent Director	7	No	NIL	NIL	NIL
Vishal Buddhdev	Non-Executive, Independent Director	9	No	NIL	NIL	NIL
Khairu Imam Pappuwale	Non-Executive Independent Director	9	Yes	5	NIL	NIL
Mr. Sanjay Vasudeo Dhoke (Appointed w.e.f. 8 th March, 2023)	Non-Executive Independent Director	NIL	No	1	NIL	NIL

*Note: None of the Directors of the Company are holding office of Directorship in any Listed Entities other than Hasti Finance Limited as on March 31, 2023.

B. Remuneration paid to Directors

Remuneration paid to Managing Director-
Mr. Nitin Prabhudas Somani Rs. 1,20,000/- p.a.

Remuneration paid to Executive Director-
Mrs. Sonal Nitin Somani Rs. 1,20,000/-p.a.

None of the non-executive directors is paid any remuneration.

Familiarisation Programme imparted to Independent Director is available on the website of the Company (URL: <https://www.hastifinance.com/>)

C. Directors Relationship inter-se:

Mr. Nitin Somani and Mrs. Sonal Nitin Somani are husband and wife. None of the other directors have any relations inter-se.

D. Board meetings:

9 (Nine) Board Meetings were held during the Financial Year 2022-2023. The dates on which the said meetings were held are as follows:

30.05.2022; 07.07.2022; 05.09.2022; 06.09.2022; 22.11.2022; 26.11.2022; 21.12.2022; 10.02.2023 and 08.03.2023

All the directors have made necessary disclosures about the committee positions, they occupy in other companies.

In the opinion of Board of Directors, all the independent Directors fulfill the conditions specified in the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and are independent of the management.

The Board has identified skills/ expertise/ competencies fundamental for the effective functioning of the Company.

E. Code of Conduct:

The Board has laid down a code of conduct for Board members and senior management personnel of the Company. The Board members and senior management personnel have affirmed compliance with the said code of conduct. The Code of conduct is also hosted on the website of the company.

F. BOARD COMMITTEES

Currently the company has three committees i.e. Audit Committee, Nomination & remuneration Committee and Share holders grievances committee.

I. AUDIT COMMITTEE:

Our Audit Committee comprises of following three Directors as on 31.03.2023.

1. Mr. Khairu Imam Pappuwale -Chairman, Non-Executive and Independent Director
2. Mr. Sanjay Vasudeo Dhoke – Member, Non-Executive and Independent Director
3. Mr. Vishal Budhdev- Member, Non-Executive and Independent Director

Mr. Kahiru Imam Pappuwale, Non-Executive and Independent Director is the Chairman of the Audit Committee. The members of the Committee have the relevant experience in the field of finance, taxation and accounting.

The Audit Committee reviewed financial results for the year under Corporate Governance.

The powers and role of the Audit Committee over the matters specified under Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 such as monitoring the Company's financial reporting process, recommending the appointment/ re-appointment of statutory auditors; reviewing with the management annual financial statements; quarterly financial statements and matters as covered under role of audit committee in Part C of Schedule II of the aforesaid Regulations. The audit committee has powers inter alia, to investigate any activity within its terms of reference and to seek outside legal and professional advice.

The brief terms of reference of the Audit Committee include: –

1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

(a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

(b) changes, if any, in accounting policies and practices and reasons for the same;

(c) major accounting entries involving estimates based on the exercise of judgment by management;

(d) significant adjustments made in the financial statements arising out of audit findings;

(e) compliance with listing and other legal requirements relating to financial statements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

- 5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- 7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8) approval or any subsequent modification of transactions of the listed entity with related parties;
- 9) scrutiny of inter-corporate loans and investments;
- 10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- 11) evaluation of internal financial controls and risk management systems;
- 12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) discussion with internal auditors of any significant findings and follow up there on;
- 15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) to review the functioning of the whistle blower mechanism;

19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

5 (Five) meetings of the Committee were held on 30.05.2022; 05.09.2022; 06.09.2022, 26.11.2022 and 10.02.2023 during the financial year.

The attendance of each member of the Audit Committee in the meeting is given below:

Name of the Director	No. of Meetings attended
1. Khairu Imam Pappuwale	5
2. Mr. Vilas Daware	5
3. Mr. Vishal Buddhdev	5
4. Mr. Sanjay Vasudeo Dhoke	0

II. NOMINATION AND REMUNERATION COMMITTEE

Our Nomination and remuneration committee comprises of 3 directors as on 31st March, 2023.

1. Mr. Vishal Buddhdev- Chairman, Non-Executive and Independent Director.
2. Mr. Khairu Imam Pappuwale -Member, Non-Executive and Independent Director.
3. Mr. Sanjay Vasudeo Dhoke - Member, Non-Executive and Independent Director

In accordance with the requirements of section 178 of the Companies Act, 2013 and as per Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted Nomination and Remuneration Committee. The purpose of the committee is to oversee the nomination process for the top level management and the executive remuneration structure. The committees indentifies, screens and reviews individuals qualified to serve as executive directors, non executive directors and independent directors consistent with criteria approved by the Board and recommends, for the approval by the Board nominees for the election at the AGM. The committee will review and discuss all matters pertaining to candidates and will evaluate the candidates in accordance with a process that it seems fit, passing on the recommendations to the Board. The committee coordinates and oversees the annual self-evaluation of the Board and of the individual Director.

The brief terms of reference of the Nomination and Remuneration Committee include: –

- 1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- 2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- 3) devising a policy on diversity of board of directors;
- 4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- 5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

During the year, 2(Two) meetings of the Nomination and Remuneration Committees were held on 30.05.2022 and 07.07.2022.

The attendance of each member of the Nomination and Remuneration Committee in the meeting is given below:

Name of the Director	No. of Meetings attended
1. Mr. Vishal Buddhdev	2
2. Mr. Khairu Imam Pappuwale	2
3. Mr. Vilas Daware	2
4. Sanjay Vasudeo Dhoke	0

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement. A separate meeting of Independent Directors was conducted as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on 18th March, 2022. All the independent directors were present for the meeting.

The criteria and remuneration policy are subject to review by the Nomination & Remuneration Committee & the Board of Directors of the Company and has been uploaded website of the Company (URL: <https://www.hastifinance.com/>)

Disclosures as required under Schedule V of the Companies Act, 2013:

1. Remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors:

Name of the Director	Remuneration paid during the year 2022-2023 Amount (in Rs)
Nitin Prabhudas Somani	1,20,000/-
Sonal Nitin Somani	1,20,000/-

2. Details of fixed component and performance linked incentives along with the performance criteria: The remuneration is payable as per the Nomination and Remuneration Policy of the Company.
3. Service contracts, notice period, severance fees: The Company has entered into agreements with Managing directors/ Whole-time Director of the Company.
4. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable: Not applicable

III. SHAREHOLDER'S GRIEVANCES COMMITTEE

The company has the mandate to review and redress shareholder grievances.

Our Shareholder's Grievances Committee comprised of three independent directors as on 31st March, 2023.

1. Mr. Vishal Buddhdev- Chairman, Non-Executive and Independent Director
2. Mr. Khairu Imam Pappuwale- Member, Non-Executive and Independent Director
3. Mr. Sanjay Vasudeo Dhoke - Member, Non-Executive and Independent Director

The brief terms of reference of the Shareholders Grievances Committee include:

The Shareholders Grievances Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non- receipt of annual report and non-receipt of declared dividends.

The committee deals with various matters relating to:

- Transfer / transmission of shares
- Issue of Share certificate in lieu of lost, sub-divided, consolidated, rematerialized or defaced Certificates.

- Consolidation / splitting of folios
- Review of shares dematerialized and all other related matters.
- Investors grievance and redressal mechanism and recommend measures to improve the level of investor's services.

The committee had 1(One) meeting during the year ended 31st March, 2023 on 30.05.2022.

The attendance of each member of the Shareholders Grievances Committee in the meeting is given below:

Name of the Director	No. of Meetings attended
1. Mr. Vishal Buddhdev	1
2. Mr. Khairu Imam Pappuwale	1
3. Mr. Vilas Daware	1
4. Sanjay Vasudeo Dhoke	0

Mr. Sunil Kumar Bansal was appointed as a Company Secretary and Compliance Officer of the Company with effect from 07th July 2022, thereafter, he resigned from post of Company Secretary and Compliance Officer with effect from 22nd November 2022.

Information on Investor Grievances for the period from 1st April, 2022 to 31st March 2023:

There are no outstanding complaints at the close of financial year which were received from shareholders during the year. The Company has no transfers pending at the close of the financial year. The total no. of complaints received and complied during the year were:

Opening: Nil
 Complaints Received: Nil
 Complied: Nil
 Pending: Nil

The Outstanding complaints as on 31st March 2023 - Nil

G. GENERAL BODY MEETING

Location and time for last three Annual General Meetings:

Year	Location	Date	Time	Special Resolution	Postal ballot
2019-2020	Through Video Conferencing ("Vc")/ Other Audio-Visual Means ("Oavm")	30/09/2020	1.00 pm	N.A.	N.A.
2020-2021	Through Video Conferencing ("Vc")/ Other Audio-Visual Means ("Oavm")	30/09/2021	2.00 pm	N.A.	N.A.
2021-2022	Through Video Conferencing ("Vc")/ Other Audio-Visual Means ("Oavm")	07/10/2022	1.00 pm	N.A.	N.A.

No postal ballots were used for voting at these meetings; however the Company has allowed remote E-voting facility in its 29th Annual General meeting.

H. DISCLOSURES

I. RELATED PARTIES TRANSACTION:

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business and the policy is available on www.hastifinance.com.

II. STATUTORY COMPLIANCE, PENALTIES AND STRUCTURES:

For Delay in submission of Documents/ submission of Reports/appointments under regulations 24A, 27(2), 33, 34, 6(1), 29(2), 29(3), 13(3) of the SEBI (LODR), Regulations, 2015. Promoters Demat accounts were frozen under different regulation due to nonpayment total Penalty of Rs.606520/- (Including GST) was imposed as per mail dated 16/01/2023. As per mail id dated 15th May, 2023 sop fines of rs. 12,980/- (including GST) was imposed.

For Order under section 15-I of the securities and Exchange Board of India Act, 1992 read with Rule 5 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995. SEBI has imposed Penalty of Rs. 15,00,000/-

III. WHISTLE BLOWER POLICY

The board has adopted the Whistle Blower policy during the year and the policy is available on www.hastifinance.com. The company had established a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct and ethics. It also provides for adequate safeguards against the victimization of directors and employees who avail of the mechanism, and allows direct access to the chairperson of the audit committee in exceptional cases. We further affirm that no director or employee has been denied access to the audit committee during fiscal 2023.

IV. COMPLIANCE WITH MANDATORY REQUIREMENT:

The company has complied with all the applicable mandatory requirements in respect of corporate governance report as applicable as per the applicable SEBI Regulations.

V. MANAGEMENT:

A separate report on Management Discussion and Analysis which forms part of the report is annexed.

VI. POLICY ON MATERIAL SUBSIDIARY

The Company does not have any subsidiary as on date.

VII. MEANS OF COMMUNICATION

The quarterly report, along with additional information and official news releases are posted on our website, www.hastifinance.com. There were no presentations made to the institutional investors or analyst.

Any website, where results or official news are displayed.	www.bseindia.com www.hastifinance.com
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The Board of Directors of the Company approved and took on record the Un-Audited / Audited financial results within 45 days and 60 days of quarter / half year respectively and communicated the result to the Stock Exchange where the shares of the Company is listed.

VIII. GENERAL SHAREHOLDERS' INFORMATION

1.	Annual General Meeting Held through Video Conferencing & other Audio Visual Means		30 th September, 2023 at 02:00 p.m.
2.	Financial Year	:	2022-2023
3.	Date of Book Closure	:	24 th September, 2023 to 30 th September, 2023.

4.	Dividend Payment Date	:	Not Applicable
5.	Listing on stock Exchanges	:	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. The Company hereby confirms that it has paid the annual listing fees to BSE Limited.
6.	Stock Code	:	531387
7.	Market Price Data	:	As per below Table.

From 01.04.2022 to 31.03.2023

Month	Open Price	High Price	Low Price	Close Price
Apr 22	5.35	6.24	5.35	5.56
May 22	5.45	5.45	4.11	4.19
June 22	4.19	5.00	4.18	4.72
July 22	4.63	4.86	4.24	4.24
Aug 22	4.16	4.83	4.00	4.82
Sep 22	4.90	4.93	4.64	4.80
Oct 22	4.71	4.88	4.50	4.55
Nov 22	4.55	4.55	4.04	4.09
Dec 22	4.09	4.22	3.88	4.22
Jan 23	4.30	6.00	4.30	6.00
Feb 23	6.12	6.70	5.71	5.85
Mar 23	5.74	5.74	4.22	4.22

IX. FINANCIAL CALENDAR:

- X.** The Company follows the period of 01st April, 2022 to 31st March, 2023 as the Financial Year.

For the Financial Year 2023-24, Financial Results will be announced as per the following tentative schedule.

1 st Quarter ending June, 2023	By 14 th August, 2023
2 nd Quarter & Half Year ending September, 2023	By 14 th November, 2023
3 rd Quarter ending December, 2023	By 14 th February, 2024
4 th Quarter / year ending March, 2024	Within 60 days from 31 st March, 2024
Annual General Meeting for the Year 2023-24	By September, 2024

XI. LISTING:

The Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE)

XII. DETAILS RELATING TO UTILIZATION OF IPO PROCEEDS:

During the year, your Company did not raise any funds by way of Public Issues, Rights Issues and Preferential Issues, etc

XIII. Registrar and Transfer Agents

Big Share Services Private Limited

Address:

E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai- 400072.
Maharashtra Tel No: +91 22 6263 8200
Fax No: +91 22 6263 8299
Website: www.bigshareonline.com
Email Id: rajeshm@bigshareonline.com

XIV. Share Transfer System

Pursuant to SEBI press release dated December 3, 2018, except in case of transmission or transposition of securities, requests for effecting transfer of securities after April 1, 2019, have not been processed by the Company unless the securities were held in the dematerialized form with a depository. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with BSE.

XV. Distribution of Shareholding as on 31st March, 2023:

Range of Shareholding (Rs.)	Number of Shareholders	% of Total	Amount (Rs.)	% of Total
1 - 500	792	59.5041	72084	0.6650
501-1000	177	13.2983	124430	1.1479
1001- 2000	162	12.1713	216747	1.9996
2001- 3000	40	3.0053	98225	0.9062
3001- 4000	22	1.6529	76824	0.7087
4001- 5000	12	0.9016	55344	0.5106
5001- 10000	31	2.3291	231228	2.1332
10001-9999999999	95	7.1375	9964848	91.9289
Total	1331	100	10839730	100

XVI. Shareholding Pattern (Category Wise) as on 31st March, 2023.

Particulars	Total Shareholders	% shares holders	No. of shares held	% to total share capital
Clearing Members				
Corporate Bodies	30	2.25	292729	2.70
Non Residents Indians	5	0.38	5329	0.05
Promoters	3	0.23	4601564	42.45
Promoters/Director	2	0.15	346500	3.20
General Public	1291	96.99	5593608	51.60
Total	1131	100	10839730	100.000

- Outstanding GDRs / ADRs/ Warrants or any convertible instruments conversion date and likely impact on equity : **Not Applicable**

XVII. Dematerialization of shares and Liquidity

The Company holds its shares in dematerialize form with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

XVIII. Commodity price risk or foreign exchange risk and hedging activities

Not Applicable

Address for Correspondences :

• **Registered Office**

No. 14 Imperial Hotel Complex,
Near Albert Cinema Hall,
Whannels Road, Egmore,
Chennai- 600008, Tamil Nadu.

Ph.No. +91-8655458399/
044 28421256.

hastifinanceltd@gmail.com

www.hastifinance.com

• **Corporate Office**

Office No. 1A, Anubhav
Apartments,

Sayani road, Prabhadevi,
Mumbai – 400025

Tel No. +91-22-24302882

I. Auditor Fees FY 2022-23:

For the Financial year 2022-23, the total fees paid by the Company to Vandana V. Dodhia & Co., Statutory Auditor and all entities in the network firm/network entity of which the statutory Auditors are part thereof for the services provided by them Rs. 2,50,000/-

J. List of all credit rating obtained by the entity along with revisions thereto for all debt instruments:

Since the entity has not issued any debt instruments or any fixed deposit programme or any scheme or any proposal of listed entity involving mobilization of funds whether in india or abroad. There is no requirement to obtain the credit ratings including revision by the entity

K. Disclosures on compliance with corporate governance requirements

The Company has generally complied with corporate governance requirements specified in regulation 17 to 27 to the extent applicable to the Company.

L. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. number of complaints filed during the financial year- Nil
- b. number of complaints disposed of during the financial year-Nil
- c. number of complaints pending as on end of the financial year-Nil

M. Certificate under Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Company has obtained Certificate from Practicing Company Secretary confirming that Directors have not been debarred or not been disqualified from being appointed or continuing as Directors by SEBI/MCA or any other authority.

N. CEO/CFO Certification

As required by Regulation 17(8), the *CEO and CFO certification* is provided in this Annual Report as Annexure 5.

O. Declaration

As provided Listing Obligation Disclosure Regulation, 2015 the Board members and the senior management personnel have affirmed compliance with the Code of Conduct for the Board of Directors and senior management for the year ended 31st March, 2023.

**On behalf of Board
For Hasti Finance Limited**

**Sd/-
Nitin Prabhudas Somani
DIN 00841378
Managing Director**

**Sd/-
Sonal Nitin Somani
DIN 01216993
Director**

**Mumbai.
1st September, 2023.**

**ANNEXURE “4” TO DIRECTOR’S REPORT
FOR THE YEAR ENDED 31.03.2023**

MANAGEMENT DISCUSSION AND ANALYSIS

The ongoing COVID 19 pandemic is inflicting high human costs worldwide and the protection measures and lockdowns are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply, which is worse than that during 2008-09 financial crisis.

The company is a public limited company carrying on business of providing financial services to the public. Company has its registered office in Chennai, Tamilnadu. The company is listed on BSE Limited. Financial statements of the company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI).

INDUSTRY STRUCTURE AND DEVELOPMENT:

Hasti Finance Limited is a Non Deposit Accepting Non Banking Finance Company. The main functions of the company are to offer loans to its customers i.e. both retail customers and corporate customers. The company is engaged in providing personal loan as well as gold loan. The organization is making efforts to increase the business of the company by expanding its customer base in different areas.

OPPORTUNITY AND THREATS, OUTLOOK, RISK AND CONCERNS:

The company is a finance company and the financing is a fast growing industry in the present scenario. It also involves high level of risk and competition in the market and to overcome such situations the company is adopting different types of marketing strategies to enhance its business activities.

The coronavirus outbreak has forced companies to re-evaluate how contact centers are leveraged, how employees deliver relevant customer experiences, where they work, and how digital channels can be used to support business continuity through the crisis and beyond. The pandemic has triggered major supply chain disruptions due to containment attempts in China and other economies across a number of industries; severe demand shocks across discretionary spend categories as well as domestic lockdowns and increasing governments pending towards relief measures might lead to financial crisis.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has adequate internal control system with regard to purchase of fixed assets, investment, income, etc. The internal control system is supplemented by well documented policies and guidelines which are periodically reviewed by the top management.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year, the Income of the Company was Rs. 1,02,42,148 and the Profit/ Loss after Tax was Rs. (34,16,393) (Previous Year: Income Rs. 1,38,61,747 and Profit after Tax of Rs. 7,83,386). The Company's Net Worth as on March 31, 2023 stood at Rs 20,86,13,781 as against 2,12,84,729 last year.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

The industrial relations during the year continued to be cordial. The Company is committed to provide necessary human resource development and training opportunities to equip them with the required modern skill and knowledge.

INVESTMENT IN OTHER COMPANY:

During the year Company has not made any investment in other Body Corporate.

The Company has investments in following companies:

1. Spider Display Systems Private Limited
2. Finex Express Cargo Private Limited
3. Shirish Express Logistics Private Limited
4. Fast Train Cargo Limited

None of the above companies are identified as subsidiary, associate or Joint Venture.

DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFORE.

Not applicable as there are no significant changes in Key financial ratios of the Company.

DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION

The Company's Net Worth as on March 31, 2023 stood at Rs. 20,86,13,781 as against Rs. 21,28,84,729 last year.

CAUTIONARY STATEMENT:

Statements in the Management's Discussion and Analysis describing the Company's projections, estimates expectations or predictions within the meaning of applicable securities laws and regulations. These forward looking statements are based on certain assumptions and expectations of future events over which the Company exercises no control. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. Actual results may differ materially from such estimates, projections, etc. whether expressed or implied.

FORWARD LOOKING STATEMENT:

Company is planning to expand its business by enhancing its customer base and by adopting different marketing strategies to capture huge market area.

**On behalf of Board
For Hasti Finance Limited**

**Sd/-
Nitin Prabhudas Somani
DIN 00841378
Managing Director**

**Sd/-
Sonal Nitin Somani
DIN 01216993
Director**

**Mumbai,
1st September, 2023**

ANNEXURE 5

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Hasti Finance Limited

We have examined the compliance of conditions of Corporate Governance by **Hasti Finance Limited** for the year ended on 31st March, 2023, as stipulated in Para E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations except with the following non compliances:

1. Company has violated/ Delayed 33,24A,46, 47, 30, 42/62, 27(2), 29,13(3) of the SEBI (LODR), Regulations, 2015.

As per the information and explanation provided by the management, there was no investor grievances remaining unattended/ pending as on 31st March 2023.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 1stSeptember,2023

For Somani & Associates
(Practicing Company
Secretaries)

Sd/-
Poonam Somani
FCS No. F9364
C P No. 8642
UDIN No.F009364E000915203

ANNEXURE “6” TO DIRECTOR’S REPORT

FOR THE YEAR ENDED 31.03.2023

CEO/CFO CERTIFICATION

To,

The Board of Directors
Hasti Finance Limited
Chennai

I, Raj Nitin Somani, Chief Financial Officer (CFO) of Hasti Finance Limited, to the best of my knowledge and belief, certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2023 and to the best of our knowledge and belief that:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of the our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee
(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Mumbai, 1st September, 2023

Sd/-

Mr. Raj Nitin Somani

Chief Financial Officer

Annexure - 7
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
HASTI FINANCE LIMITED
NO. 14 IMPERIAL HOTEL COMPLEX,
NEAR ALBERT CINEMA HALL, WHANNELS ROAD,
EGMORE, CHENNAI 600008, TAMIL NADU

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hasti Finance Limited having CIN: L65191TN1994PLC028333 and having registered office at No. 14 Imperial Hotel Complex, Near Albert Cinema Hall, Whannels Road, Egmore, Chennai 600008, Tamil Nadu (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 1st September, 2023

For Somani & Associates
(Practicing Company Secretaries)

Sd/-
Poonam Somani
FCS No. F9364
C P No. 8642
UDIN No. F009364E000915324

INDEPENDENT AUDITOR'S REPORT

To the members of **HASTI FINANCE LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Financial Statements of **HASTI FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein referred to as "the standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to the following matters:

- a) *The company has received bank attachment order from Income Tax Department on 30.01.2020 stating income tax demand of Rs. 197.50 lakhs for the year from AY 2001-02 to 2020-21. As per the explanation given to us, the management is in the process of rectifying the said demand. As the bank accounts are attached, no transaction was carried out through Company's bank, during the year under consideration.*
- b) *Non-compliance of following statutory requirements:*
 - a. *The company have not appointed Internal Auditor as required under section 138 of the Companies act, 2013 read with Rule 13 of Companies (Accounts) Rules, 2014.*
 - b. *The company have not appointed company secretary as required under section 203(1) of the Companies act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.*
 - c. *The company have not created Website and uploaded the required documents as specified in SEBI (LODR) Regulation 46.*
 - d. *The company have not published its notices/advertisements in newspaper as required by SEBI (LODR) Regulation 47.*

Our opinion is not modified in respect of these above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Sr. No.	Key Audit Matter	Auditor's Response
1.	Impairment of loans to customers including write-offs Allowance for impairment losses on loans to customers involves significant judgement by management to determine the timing and	<u>Principal Audit Procedures</u> We assessed the appropriateness of the Company's impairment review and provisioning policy by comparing with the RBI prudential norms and applicable accounting standards;

<p>amount of the asset to be impaired.</p> <p>Write-offs of loans to customers involves significant judgement by management regarding their realistic prospect of recovery and amount of the asset to be written off. (Note 18)</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing:</p> <p>We evaluated and tested the design and operating effectiveness of the relevant controls over the impairment assessments and impairment allowance computations for loans and advances to customers.</p> <p>We tested the management assumptions, estimates and judgements, which could give rise to material misstatement:</p> <p>The measurement of provisions for individual instances of loans which is dependent on the valuation of security, if any provided and the collaterals against each loan, the timing of cash flows and realisations;</p> <p>We discussed with management and scrutinised the appropriateness of those key assumptions applied in management's impairment assessment, and compared them with available external evidence where necessary.</p> <p>The measurement of modelled provisions, which is dependent upon key assumptions relating to probability of default, loss given default and expected future recoveries;</p> <p>Performed procedures to obtain comfort on the accuracy of the impairment calculation process through recalculation of the provision charge based on inputs;</p> <p>We analyzed and understood results of stress tests performed in the provisioning considering the overall impact on the estimates used for impairment assessment of loans on account of the COVID-19 pandemic.</p> <p>We enquired with the management regarding significant judgments and estimates involved in the impairment computation and additional management overlay provision arising from the</p>
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		<p>effects of the COVID-19 pandemic, and evaluated the reasonableness thereof.</p> <p>Assessed accuracy and completeness of disclosures made as required by relevant accounting standards.</p>
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<p>2.</p>	<p>Expected Credit Losses (ECL) model</p> <p>As described in the notes to the standalone financial statements, the impairment losses have been determined in accordance with Ind AS 109 Financial Instruments requiring considerable judgment and interpretation in its implementation, which also involved significant judgement by management in measuring the expected credit losses. Key areas of judgment included:</p> <p>Determining the criteria for a significant increase in credit risk ('SICR')</p> <p>Techniques used to determine the Probability of Default (PD) and Loss Given Default ('LGD')</p> <p>Further, the economic and business consequences of the COVID-19 pandemic as described in Note 1A (iv) to the financial statements, significant social disruption and disturbance and slowdown of economic activity, can have possible implications on the judgements and estimates used in the measurement.</p>	<p><u>Principal Audit Procedures</u></p> <p>We assessed the appropriateness of the Company's policy on Expected Credit Loss recognition on financial instruments with reference to the applicable accounting standards and prudential norms laid down by RBI.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing:</p> <p>We evaluated and tested the design and tested the operating effectiveness of Company's controls over the data used to determine the impairment reserve, internal credit quality assessments, external credit ratings and methodology followed for computation of ECL.</p> <p>For Expected Credit Losses computed by the management, we performed the following procedures:</p> <p>Assessed the reasonableness of assumptions and judgement made by management on model adoption and parameters selection;</p> <p>Examined the key data inputs (valuation of collateral, the timing of cash flows and realisations) to the ECL model on a sample basis to assess their accuracy and completeness;</p> <p>Evaluated and tested on sample basis the appropriateness of staging including determination of significant increase in credit risk.</p> <p>Assessed the Company's methodology for ECL provisioning, Classification and Measurement;</p>
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	<p>Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows etc. (Note 32 (A)(b))</p>	<p>We analyzed and understood results of stress tests performed in the provisioning considering the overall impact on the estimates used for ECL estimation of loans on account of the COVID-19 pandemic.</p> <p>We enquired with the management regarding significant judgments and estimates involved in the impairment computation and additional management overlay provision arising from the effects of the COVID-19 pandemic, and evaluated the reasonableness thereof.</p> <p>Assessed accuracy and completeness of disclosures made as required by relevant accounting standards.</p>
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Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information in the Management Discussion and Analysis, Board’s Report including Annexure to the Board’s Report and Corporate Governance but does not include the standalone financial statements and our auditor’s report thereon.

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

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

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

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

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility

also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements:

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Standalone Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether

the Company has adequate internal financial 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity 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.;
 - e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 23 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company during the year ended March 31, 2023.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, 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 no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in my manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year ended March 31, 2023.

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

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

For Vandana V. Dodhia & Co.

Chartered Accountants

Firm Regd. No. 117812W

SD/-

CA Vandana V. Dodhia

Partner

Membership No. 104000

Place: Mumbai

Date: 30/05/2023

UDIN: 23104000BGSZCX7911

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report of HASTI FINANCE LIMITED on the standalone financial statements for the year ended March 31, 2023.)

- (i) In respect of its property, plant and equipment
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The company does not have any intangible asset during the year hence reporting under clause 3(i)(a)(B) of the order is not applicable.
 - b) Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification as informed to by management.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that, there is no immovable property owned by the company hence reporting under clause 3(i)(c) of the order is not applicable.
 - d) The Company has not done revaluation of Property, Plant and Equipment or intangible assets or both during the year.
 - e) There is no proceeding initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.
- (ii) In respect of its Inventory
 - a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the order is not applicable.
 - b) The Company has not been sanctioned working capital limits in excess of Rs.5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that, during the year, the Company has not made any investments, provided any guarantee, or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and hence reporting under clause 3(iii)(a) to 3(iii)(f) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it. The Company being a

nonbanking financial company, nothing contained in section 186, except sub-section (1), shall apply.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Hence, reporting under clause 3(vi) of the Order is not applicable.
- (vii) In respect of statutory dues:
 - a) According to the information and explanation given to us, except for Income Tax Payable for the period from AY 2001-02 to AY 2020-21 of Rs. 197.50 lakhs, there are no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, GST, Custom Duty, Service Tax, Investor Education and Protection Fund, Excise Duty, Cess and any other statutory dues as at March 31, 2023 for a period of more than six months from the date of becoming payable.
 - b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
 - (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
 - (d) The Company has not raised any funds on short term basis during the year and hence, reporting under clause 3(ix)(d) of the Order is not applicable.
 - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
 - (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us, there were no whistle blower complaints received by the Company during the year and hence reporting under clause 3(xi)(c) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 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, all transaction with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the notes to the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company is required to have an adequate internal audit system commensurate with the size and the nature of its business.
- (b) As the company does not have internal audit system, the reports were not available for consideration.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the Company is already registered under Section 45-IA of the Reserve Bank of India Act, 1934, as Non-Deposit taking Company vide Registration No.07.00329 dated 22nd September, 1998.
- (b) The company is already a registered NBFC company and hence reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and hence reporting under clause 3(xvi)(d) of the Order is not applicable.

- (xvii) The company has incurred cash losses during the financial year covered by our audit and not in the immediately preceding financial year.
- (xviii) M/s. Jhunjhunwala Jain & Associates LLP, the statutory auditors of the Company have resigned and there have been no issues objections or concerns raised by the said outgoing auditors and they completed their term of five years.
- (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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due
- (xx) In our opinion and according to the information and explanations given to us, the provisions of section 135 of the Companies Act, 2013 with respect to Corporate Social Responsibility are not applicable to the company and hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Vandana V. Dodhia & Co.

Chartered Accountants

Firm Regd. No. 117812W

SD/-

CA Vandana V. Dodhia

Partner

Membership No. 104000

Place: Mumbai

Date: 30/05/2023

UDIN: 23104000BGSZCX7911

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

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

(Referred to in paragraph (2) (f) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report of HASTI FINANCE LIMITED on the standalone financial statements for the year ended March 31, 2023)

We have audited the internal financial controls over financial reporting of **HASTI FINANCE 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 and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Standalone Financial Statements include 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements .

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

Other Matter

The company has weak credit appraisal and recovery system in respect of loans given by the company. Such weak internal control system is contributing to the negative growth of the company and deteriorating the funds of shareholders. The company has received bank attachment order from Income Tax Department stating income tax demand of Rs.1,38,25,302. Due to this no transaction is carried out during the year through company's bank account including interest on loans.

Opinion

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

For Vandana V. Dodhia & Co.

Chartered Accountants

Firm Regd. No. 117812W

Sd/-

CA Vandana V. Dodhia

Partner

Membership No. 104000

Place: Mumbai

Date: 30/05/2023

UDIN: 23104000BGSZCX7911

HASTI FINANCE LIMITED

CIN: L6519TL1994PLC028333

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

Particulars	Note no.	As at, March 31, 2023	As at, March 31, 2022
A ASSETS			
1 Financial Assets			
a. Cash and cash equivalents	3	47.22	47.22
b. Trade Receivables	4	-	524.30
c. Loans	5	1,492,764.57	1,516,848.92
d. Investments	6	245,286.52	256,367.37
		1,738,098.31	1,773,787.81
2 Non-Financial Assets			
a. Deferred Tax assets (net)	7	201,724.05	186,528.95
b. Property, Plant and Equipment	8	5,953.89	7,688.81
c. Other Non-financial assets	9	272,402.43	272,402.43
		480,080.37	466,620.19
TOTAL ASSETS		2,218,178.68	2,240,408.00
B LIABILITIES AND EQUITY			
LIABILITIES			
3 Financial Liabilities			
a. Trade Payables	10		
(i) total outstanding dues to micro and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		79,676.88	53,230.43
		79,676.88	53,230.43
4 Non-Financial Liabilities			
a. Current Tax Liabilities (Net)	11	52,113.99	53,785.92
b. Provisions	12	-	4,311.96
c. Other non-financial liabilities	13	250.00	232.40
		52,363.99	58,330.28
5 EQUITY			
a. Equity Share Capital	14	1,083,973.00	1,083,973.00
b. Other Equity	15	1,002,164.81	1,044,874.29
		2,086,137.81	2,128,847.29
TOTAL LIABILITIES and EQUITY		2,218,178.68	2,240,407.99

Summary of significant accounting policies

2

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date

For Vandana V Dodhia & Co

Chartered Accountants

Firm's Registration No: 117812W

For and on behalf of the Board of Directors

For Hasti Finance Limited

sd/-

(CA Vandana V Dodhia)

Partner

Membership No : 104000

UDIN : 23104000BGSZCX7911

sd/-

(Nitin Prabhudas Somani)

Managing Director

DIN: 00841378

sd/-

(Sonal Nitin Somani)

Director

DIN: 01216993

(Raj Nitin Somani)

Chief Financial Officer

Place : Mumbai

Date : 30-05-2023

Place : Mumbai

Date : 30-05-2023

HASTI FINANCE LIMITED

CIN: L6519TL1994PLC028333

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

Particulars	Note no.	For the year ended March 31, 2023	For the year ended March 31, 2022
1 Income			
a. Revenue from operations			
i Interest income	16	98,109.52	138,617.47
		98,109.52	138,617.47
b. Other Income			
ii. Other Income	17	4,311.96	-
		4,311.96	-
Total Income		102,421.48	138,617.47
2 Expense			
a. Impairment and De-recognition of financial instruments	18	122,193.87	109,092.91
b. Employee benefit expenses	19	5,850.00	4,200.00
c. Depreciation and amortisation expenses	20	1,734.92	2,341.02
d. Other expenses	21	18,005.42	12,378.98
Total expenses		147,784.21	128,012.91
3 Profit before tax (1-2)		(45,362.73)	10,604.56
4 Tax expense			
a. Current Tax	22	1,461.00	2,571.92
b. Deferred tax charge/ (benefits)	22	(12,659.80)	198.78
Total tax expense		(11,198.80)	2,770.70
5 Profit / (Loss) for the year (3-4)		(34,163.93)	7,833.86
6 Other comprehensive income, net of tax			
Items that will not be classified to profit or loss			
a. Remeasurement gain/(loss) on defined benefit plans		-	-
Income tax relating to remeasurement (gain)/loss on above		-	-
b. Equity instruments through other comprehensive income		(11,080.85)	-
Income tax relating to FVTOCI to equity investments		2,535.30	-
		(8,545.55)	-
Other comprehensive profit for the year		(8,545.55)	-
7 Total comprehensive profit / (Loss) for the year (5+6)		(42,709.48)	7,833.86
Earnings per equity share:	23		
- Basic		(0.32)	0.07
- Diluted		(0.32)	0.07

Summary of significant accounting policies

2

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date

For Vandana V Dodhia & Co

Chartered Accountants

Firm's Registration No: 117812W

For and on behalf of the Board of Directors

For Hasti Finance Limited

sd/-

(CA Vandana V Dodhia)

UDIN : 23104000BGSZCX7911

Membership No : 104000

UDIN : 23104000BGSZCX7911

sd/-

(Nitin Prabhudas Somani)

Managing Director

DIN: 00841378

sd/-

(Sonal Nitin Somani)

Director

DIN: 01216993

sd/-

(Raj Nitin Somani)

Chief Financial Officer

Place : Mumbai

Date : 30-05-2023

Place : Mumbai

Date : 30-05-2023

HASTI FINANCE LIMITED

CIN: L6519TL1994PLC028333

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax	(45,362.73)	10,604.56
	Adjustments for:		
	Depreciation and amortisation expense	1,734.92	2,341.02
	Impairment on financial instruments	55,695.55	109,092.91
	Operating profit before working capital changes	12,067.74	122,038.49
	<u>Changes in working capital</u>		
	Adjustments for (increase) / decrease in operating assets:		
	Loan financing	(31,611.20)	(138,617.47)
	Other non- financial assets	-	-
	Deferred Tax Assets		
	Trade receivables	524.30	-
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	26,446.45	16,498.83
	Provision for gratuity	(4,311.96)	-
	Other non- financial liabilities	17.60	80.15
	Cash flow from operating activities post working capital changes	3,132.93	(0.00)
	Income- tax paid	(3,132.93)	-
	Net cash flow from operating activities (A)	(0.00)	(0.00)
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	Decrease in Fair Value of Investments		
	Net cash used in investing activities (B)	-	-
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Net cash flow from financing activities (C)	-	-
	Increase in cash and cash equivalents (A+B+C)	(0.00)	(0.00)
	Cash and cash equivalents at the beginning of the year	47.22	47.22
	Cash and cash equivalents at the end of the year	47.22	47.22

Summary of significant accounting policies

2

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date
For Vandana V Dodhia & Co
 Chartered Accountants
 Firm's Registration No: 117812W

For and on behalf of the Board of Directors
For Hasti Finance Limited

sd/-
(CA Vandana V Dodhia)
 UDIN : 23104000BGSZCX7911
 Membership No : 104000
 UDIN : 23104000BGSZCX7911

sd/-
(Nitin Prabhudas Somani)
 Managing Director
 DIN: 00841378

sd/-
(Sonal Nitin Somani)
 Director
 DIN: 01216993

sd/-
(Raj Nitin Somani)
 Chief Financial Officer

Place : Mumbai
 Date : 30-05-2023

Place : Mumbai
 Date : 30-05-2023

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

3. Cash and cash equivalents	As at March 31, 2023	As at March 31, 2022
Cash on hand	9.42	9.42
Balances with banks:		
- in current accounts	37.80	37.80
	47.22	47.22

4. Trade Receivables	As at March 31, 2023	As at March 31, 2022
Undisputed Trade Receivables		
Unsecured, considered good*		
Unsecured, which have significant increase in credit risk*	-	928.56
	-	928.56
Less: Allowance for doubtful trade receivables	-	404.26
	-	524.30

* The amount is due from directors and their associate concerns

Ageing for trade receivables outstanding as at March 31, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables -which have significant increase in Credit Risk	-	-		-	-	-
	-	-	-	-	-	-
Less: Allowance for doubtful trade receivables						-
						-

Ageing for trade receivables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables -which have	-		928.56	-	-	928.56
	-	-	928.56	-	-	928.56
Less: Allowance for doubtful trade receivables						-
						928.56

5. Loans	As at March 31, 2023	As at March 31, 2022
At amortised cost		
(i) Term loans*	1,993,037.86	1,961,426.66
(ii) Loans repayable on demand	-	-
Total - Gross	1,993,037.86	1,961,426.66
Less: Impairment loss allowance		
(i) Term loans	500,273.29	444,577.74
(ii) Loans repayable on demand	-	-
Total - Net	1,492,764.57	1,516,848.92
(i) Secured	-	-
(ii) Unsecured	1,993,037.86	1,961,426.66
Total - Gross	1,993,037.86	1,961,426.66
Less: Impairment loss allowance	500,273.29	444,577.74
UDIN : 23104000BGSZCX7911	1,492,764.57	1,516,848.92
Loans to Related Parties (Unsecured)		
(i) Term loans*	348,512.47	326,868.15
(ii) Loans repayable on demand	-	-
Total - Gross	348,512.47	326,868.15
Date : 30-05-2023		
(i) Term loans	17,153.17	3,268.70
(ii) Loans repayable on demand	-	-
Total - Net	331,359.30	323,599.45
Loans in India**		
(i) Public sector	-	-
(ii) Others	1,993,037.86	1,961,426.66
Total - Gross	1,993,037.86	1,961,426.66
Less: Impairment loss allowance	500,273.29	444,577.74
Total - Net	1,492,764.57	1,516,848.92

* Includes interest accrued

** The Company does not hold any loans outside India

The net carrying amount of loans is considered a reasonable approximation of their fair value

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

6.	Investments	As at March 31, 2023				As at March 31, 2022			
		Fair value through statement of profit and loss (FVTPL)	At fair value through other comprehensive income (FVOCI)	At Cost	Total	Fair value through statement of profit and loss (FVTPL)	At fair value through other comprehensive income (FVOCI)	At Cost	Total
	Investments in India								
	Investment in equity instruments								
	(a) Investment in other companies								
	635,000 (March 31, 2022: 635,000) equity shares of Rs. 10 held in Fast Train Cargo Limited	-	232,481.73	-	232,481.73	-	232,481.73	-	232,481.73
	1,900 (March 31, 2022: 1,900) equity shares of Rs. 10 held in Finex Express Cargo Pvt Ltd	-	12,789.49	-	12,789.49	-	16,043.07	-	16,043.07
	1,900 (March 31, 2022: 1,900) equity shares of Rs. 10 held in Shirish Express Logistics Pvt Ltd	-	15.30	-	15.30	-	7,842.57	-	7,842.57
	1,900 (March 31, 2022: 1,900) equity shares of Rs. 10 held in Spider Display Systems Pvt Ltd	-	-	-	-	-	-	-	-
	Total Investments (A)	-	245,286.52	-	245,286.52	-	256,367.37	-	256,367.37
	Less: Allowance for Impairment Loss (B)	-	-	-	-	-	-	-	-
	Total Net C= (A)-(B)	-	245,286.52	-	245,286.52	-	256,367.37	-	256,367.37

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

7. Deferred Tax assets (net)	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferred tax assets		
Difference between book balance and tax balance of property, plant and equipment	4,878.74	5,152.28
Impairment on financial instruments	98,555.14	84,536.57
Provision for diminution in value of unquoted non-current investments	98,290.17	95,754.87
Provision for employees benefits	-	1,085.23
	201,724.05	186,528.95
Tax effect of items constituting deferred tax liabilities		
	-	-
	201,724.05	186,528.95

Deferred taxes arising from temporary differences for the year ended 31 March 2023 are summarized as follows:

Deferred Tax assets (net)	As at April 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	As at March 31, 2023
Tax effect of items constituting deferred tax assets				
Difference between book balance and tax balance of property, plant and equipment	5,152.28	(273.54)	-	4,878.74
Impairment on financial instruments	84,536.57	14,018.57	-	98,555.14
Provision for diminution in value of unquoted non-current investments	95,754.87	-	2,535.30	98,290.17
Provision for employees benefits	1,085.23	(1,085.23)	-	-
	186,528.95	12,659.80	2,535.30	201,724.05
Tax effect of items constituting deferred tax liabilities				
	-	-	-	-
	186,528.95	12,659.80	2,535.30	201,724.05

8. Property, Plant and Equipment	Furniture and Fixtures	Computers	Total
Gross carrying amount (at cost)			
As at April 1, 2021	60,423.49	9,541.06	69,964.55
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2022	60,423.49	9,541.06	69,964.55
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2023	60,423.49	9,541.06	69,964.55
Accumulated depreciation			
As at April 1, 2021	50,393.66	9,541.06	59,934.72
Charge for the year	2,341.02	-	2,341.02
Adjustments	-	-	-
As at March 31, 2022	52,734.68	9,541.06	62,275.74
Charge for the year	1,734.92	-	1,734.92
Adjustments	-	-	-
As at March 31, 2023	54,469.60	9,541.06	64,010.66
Carrying amount			
As at March 31, 2022	7,688.81	-	7,688.81
As at March 31, 2023	5,953.89	-	5,953.89

9. Other Non-financial assets	As at March 31, 2023	As at March 31, 2022
Capital advances	272,402.43	272,402.43
	272,402.43	272,402.43

10. Trade Payables	As at March 31, 2023	As at March 31, 2022
(i) total outstanding dues to micro and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro and small enterprises	79,676.88	53,230.43
	79,676.88	53,230.43

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	22,442.21	23,127.46	14,513.98	15,993.23	76,076.88
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	22,442.21	23,127.46	14,513.98	15,993.23	76,076.88
Add: Accrued Expenses					3,600.00
					79,676.88

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	21,505.21	14,513.98	10,508.99	5,080.00	51,608.18
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	21,505.21	14,513.98	10,508.99	5,080.00	51,608.18
Add: Accrued Expenses					1,622.25
					53,230.43

11. Current Tax Liabilities (Net)	As at March 31, 2023	As at March 31, 2022
Tax Liabilities		
Provision for Income Tax	68,772.81	67,311.81
Tax Assets		
Income Tax paid	16,658.82	13,525.89
	52,113.99	53,785.92

12. Provisions	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity	-	4,311.96
	-	4,311.96

13. Other non-financial liabilities	As at March 31, 2023	As at March 31, 2022
Statutory dues	250.00	232.40
	250.00	232.40

14. Equity Share Capital	As at March 31, 2023	As at March 31, 2022
Authorised Equity share capital		
12,010,000 (March 31, 2022: 12,010,000) equity shares of Rs.10 each	1,201,000.00	1,201,000.00
	1,201,000.00	1,201,000.00
Issued, subscribed and paid up Equity share capital		
10,839,730 (March 31, 2022: 10,839,730) equity shares of Rs.10 each	1,083,973.00	1,083,973.00
	1,083,973.00	1,083,973.00

(i) Movement in issued, subscribed and paid up Equity Share Capital

Particulars	Equity Share Capital	
	No. of shares	Amount
As at April 1, 2021	10,839,730	1,083,973
Add: Equity shares issued during the year	-	-
As at March 31, 2022	10,839,730	1,083,973
Add: Equity shares issued during the year	-	-
As at March 31, 2023	10,839,730	1,083,973

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

(ii) Shareholders holding more than 5% shares are set out below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Equity Shares	% Holding	Equity Shares	% Holding
Nitin Prabhudas Somani	2,021,896	18.65%	2,021,896	18.65%
Sonal Nitin Somani	2,579,668	23.80%	2,579,668	23.80%

(iii) The Company has neither issued equity shares pursuant to contract without payment being received in cash nor any bonus shares in the current year and five years immediately preceding the balance sheet date.

(iv) Shares held by promoters at the end of the year

Name of the Promoter	As at March 31, 2023			As at March 31, 2021		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Nitin Prabhudas Somani	2,021,896	18.65%	-	2,021,896	18.65%	-
Sonal Nitin Somani	2,579,668	23.80%	-	2,579,668	23.80%	-
Manoj Prabhudas Somani	247,500	2.28%	-	247,500	2.28%	-
Lucky Manoj Somani	99,000	0.91%	-	99,000	0.91%	-
Total	4,948,064	45.65%	-	4,948,064	45.65%	-

15. Other Equity	As at March 31, 2023		As at March 31, 2022	
Securities premium account	1,130,846.00		1,130,846.00	
Other Reserve - Statutory reserve (in terms of Section 45-IC of the Reserve Bank of India Act, 1961)	102,899.96		102,899.96	
Capital Reserve	18,870.00		18,870.00	
Equity instruments through other comprehensive income	(293,253.46)		(284,707.91)	
Retained Earnings	42,802.31		76,966.24	
Total	1,002,164.81		1,044,874.29	

(i) Securities premium account	As at March 31, 2023	As at March 31, 2022
Opening Balance	1,130,846.00	1,130,846.00
Add: Amount received pursuant to issue of equity shares	-	-
Closing balance	1,130,846.00	1,130,846.00

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the relevant statutes.

(ii) Other Reserve - Statutory reserve (in terms of Section 45-IC of the Reserve Bank of India Act, 1961)	As at March 31, 2023	As at March 31, 2022
Opening Balance	102,899.96	101,333.19
Add: Transferred from Retained earnings	-	1,566.77
Closing balance	102,899.96	102,899.96

Special Reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a Reserve Fund before declaring any dividend. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

(iii) Capital Reserve	As at March 31, 2023	As at March 31, 2022
Opening Balance	18,870.00	18,870.00
Add: Created during the year	-	-
Closing balance	18,870.00	18,870.00

Capital Reserve represents paid up value of shares forfeited.

(iv) Equity instruments through other comprehensive income	As at March 31, 2023	As at March 31, 2022
Opening Balance	(284,707.91)	(284,707.91)
Add: Change in fair value of FVOCI equity investments	(8,545.55)	-
Add/less: Tax impact	-	-
Closing balance	(293,253.46)	(284,707.91)

It represents change in fair value of equity instruments which are measured at fair value through other comprehensive income, net of any tax impact.

(v) Retained Earnings	As at March 31, 2023	As at March 31, 2022
Opening balance	76,966.24	70,699.15
Add: Net profit / (Loss) for the year	(34,163.93)	7,833.86
Less: Transferred to statutory reserve u/s 45-IC of the Reserve Bank of India Act, 1934 (CY)	-	(1,566.77)
Closing balance	42,802.31	76,966.24

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

16.	Interest income	For the year ended March 31, 2023	For the year ended March 31, 2022
	Interest income from loan financing	98,109.52	138,617.47
		98,109.52	138,617.47
17.	Other Income	For the year ended March 31, 2023	For the year ended March 31, 2022
	Reversal of Provision for gratuity	4,311.96	-
		4,311.96	-
18.	Impairment and Derecognition of financial instruments	For the year ended March 31, 2023	For the year ended March 31, 2022
	Impairment loss on financial instruments based on category of financial instrument:		
	Loans*	55,695.55	108,688.65
	Trade Receivables	-	404.26
	De recognition of Loans (Bad Debts written off)	66,498.32	-
		122,193.87	109,092.91
19.	Employee benefit expenses	For the year ended March 31, 2023	For the year ended March 31, 2022
	Managerial Remuneration	3,450.00	4,200.00
	Director's sitting fees	2,400.00	-
		5,850.00	4,200.00
20.	Depreciation and amortisation expenses	For the year ended March 31, 2023	For the year ended March 31, 2022
	Depreciation on Tangible Assets	1,734.92	2,341.02
		1,734.92	2,341.02
21.	Other expenses	For the year ended March 31, 2023	For the year ended March 31, 2022
	Administration expenses		
	Payment to Auditors		
	- Statutory Audit	1,850.00	1,500.00
	- For quarterly limited review	650.00	500.00
	Legal & Professional Consultancy Fees	3,700.00	1,818.00
	Printing & Stationary	168.85	190.32
	Bank Charges	-	-
	Rent, Rates & Taxes	2,160.00	2,160.00
	Travelling & Conveyance Expenses	734.01	82.13
	Depository Services Fees	900.00	1,120.00
	Stock Exchange Fees	3,000.00	3,000.00
	Transfer Agent Fees	646.69	620.00
	Adjudication fees	750.00	-
	Micellaneous expenses	2,135.55	-
	Interest on Late Payment related to security services	118.00	90.13
	UDIN : 23104000BGSZCX7911	1,192.32	1,298.40
		18,005.42	12,378.98

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Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

22. Date : 30-05-2023	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax		
In respect of the current year	(1,461.00)	2,571.92
	(1,461.00)	2,571.92
Deferred tax charge/ (benefits)		
In respect of the current year	(12,659.80)	198.78
	(12,659.80)	198.78

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate and the reported tax expense in statement of profit and loss, is as follows:-

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	(45,362.73)	10,604.56
Domestic tax rate	25.168%	25.168%
Expected tax expense [A]	(11,417.00)	2,669.00
Adjustment for tax-exempt income/ non-deductible expenses	9,956.00	101.70
Others	-	-
Total adjustments [B]	9,956.00	101.70
Actual tax expense [C=A+B]	(1,461.00)	2,770.70
Tax expense comprises:		
Current tax expense	(1,461.00)	2,571.92
Deferred tax credit	12,659.80	198.78
Tax expense recognized in profit or loss [D]	11,198.80	2,770.70

23. Earnings per share	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Basic earnings per share (In Rs.)		
Profit attributable to the equity holders of the company	(34,163.93)	7,833.86
Weighted average number of equity shares used as the denominator	10,839,730	10,839,730
	(0.32)	0.07
b) Diluted earnings per share (In Rs.)		
Profit attributable to the equity holders of the company	(34,163.93)	7,833.86
Weighted average number of equity shares used as the denominator	10,839,730	10,839,730
	(0.32)	0.07

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

24 Contingent liabilities and commitments

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) In respect of following:		
- Income tax matters *	1,97,950.97	1,52,913.18
	1,97,950.97	1,52,913.18

The above matters are subject to legal proceedings in the ordinary course of business. The legal proceeding when ultimately concluded will not, in the opinion of the management, have a material effect on financial position of the Company. Amount above does not include the contingencies the likelihood of which is remote.

25 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006*

The Company has not received any intimation from Supplier (except statutory auditors) regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to amount unpaid as at the yearend together with interest paid / payable as required under the said act have not been given.

Since no amount is due to the Statutory auditor as on 31st March 2023 as per the Micro, Small and Medium Enterprises Development Act, 2006, no disclosure u/s 22 of the said Act has not been given.

26 Capital Advances

The company has long due capital advances of Rs.2.72 Crores towards purchase of property as at the balance sheet date. The documentary evidence for the current status of the said advances were not received. However, the amount of non-recovery is not ascertainable. These are the advances made for the acquisition of property but the agreement is not yet executed as at the balance sheet date hence the same is shown as capital advances.

27 Disclosures under Ind AS 19 (Employee benefits)

Defined benefit plans

The employee strength is less than 10, hence the provisions of the Payment of Gratuity Act are not applicable to the Company. Since the Company is not having any defined benefit plan disclosures under Ind AS 19 are not applicable to the Company

28 Segment Reporting

The Company has single reportable segment "Financing Activity" for the purpose of Ind AS 108 on "Segment Reporting" as per section 133 of the Companies Act, 2013.

29 Related party disclosures

List of related parties and nature of relationship

Nature of Relationship	Name of Related Party
Key Management Personnel	Nitin Prabhudas Somani, Managing Director
	Sonal Nitin Somani, Executive Director
	Raj Nitin Somani, Chief Financial Officer
Independent/ Non Executive Directors	Vilas Shankar Daware
	Vishal Buddhdev
	Khairu Imam Pappuwale
Enterprises over which the Company or its Key management personnel is able to exercise significant influence	Shree Fast Courier & Cargo Private Limited
	Fast Train Cargo Limited
	First International Hotel Private Limited
	Fast Realty Private Limited
	Safemode Cargo Private Limited
	Finex Express Cargo Pvt Ltd
	Cospar Finvest Private Limited
	Somani Realty Private Limited
	Somani Developers
	Somani Realty

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

Transactions with the key management personnel during the year:

Name of KMP	Nature of Transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
	Remuneration		
	Short-term benefits	1,200.00	1,200.00
	Post-employment benefits	-	-
	Other long-term benefits	-	-
Nitin Prabhudas Somani		<u>1,200.00</u>	<u>1,200.00</u>
	Director's sitting fees	1,200.00	-
	Office Rent Paid	1,560.00	1,560.00
		<u>2,760.00</u>	<u>1,560.00</u>
	Remuneration		
	Short-term benefits	1,200.00	1,200.00
	Post-employment benefits	-	-
	Other long-term benefits	-	-
Sonal Nitin Somani		<u>1,200.00</u>	<u>1,200.00</u>
	Director's sitting fees	1,200.00	-
		<u>1,200.00</u>	<u>-</u>
	Remuneration		
	Short-term benefits	1,050.00	1,800.00
	Post-employment benefits	-	-
	Other long-term benefits	-	-
Raj Nitin Somani		<u>1,050.00</u>	<u>1,800.00</u>

Transaction with the Other Related Parties

Name of Related Party	Nature of Transaction	For the year ended March 31, 2023	For the year ended March 31, 2022
	Unsecured loan given		
	Balance at beginning of the year	1,05,620.64	97,702.72
	Interest Income	6,993.91	7,917.92
	Balance at end of the year	1,12,614.55	1,05,620.64
	Impairment loss allowance	5,542.69	1,056.21
Finex Express Cargo Pvt Ltd			
	Unsecured loan given		
	Balance at beginning of the year	2,21,247.51	2,04,679.41
	Interest Income	14,650.41	16,568.10
	Balance at end of the year	2,35,897.92	2,21,247.51
	Impairment loss allowance	11,610.48	2,212.48
Safe Mode Cargo Pvt Ltd			
	Supervision Charges Received		
	Balance at beginning of the year	513.04	513.04
	Balance at end of the year	-	513.04
	Provision for doubtful debts	-	230.87
Somani Developers			
	Supervision Charges Received		
	Balance at beginning of the year	415.52	415.52
	Balance at end of the year	-	415.52
	Provision for doubtful debts	-	173.39
Somani Realty			
	Investments in Equity Shares at FVOCI		
	Balance at beginning of the year	922.55	922.55
	Balance at end of the year	922.55	922.55
	Impairment loss allowance	(11,866.94)	(15,120.52)
Finex Express Cargo Pvt Ltd			
	Investments in Equity Shares at FVOCI		
	Balance at beginning of the year	6,35,000.00	6,35,000.00
	Balance at end of the year	6,35,000.00	6,35,000.00
	Impairment loss allowance	4,02,518.27	4,02,518.27
Fast Train Cargo Limited			

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

Balances payable to related parties are as follows

Nature of Transaction	Name of Related Party	As on March 31, 2023	As on March 31, 2022
Trade & Other Payables	Nitin Prabhudas Somani	55,218.24	31,797.46
	Sonal Nitin Somani	9,000.00	7,800.00
	Raj Nitin Somani	6,450.00	5,400.00
		<u>70,668.24</u>	<u>44,997.46</u>

Balances receivable from related parties are as follows

Nature of Transaction	Name of Related Party	As on March 31, 2023	As on March 31, 2022
Loans Given	Finex Express Cargo Pvt Ltd	1,12,614.55	1,05,620.64
	Safe Mode Cargo Pvt Ltd	2,35,897.92	2,21,247.51
		<u>3,48,512.47</u>	<u>3,26,868.15</u>
Trade Receivables	Somani Developers	-	513.04
	Somani Realty	-	415.52
		<u>-</u>	<u>928.56</u>

30 Categories of financial instruments

The Carrying value of financial assets and liabilities are as follows :-

As at March 31, 2023	Fair value through P&L	Fair value through OCI	Amortised cost	Total
Financial Assets				
Cash and cash equivalents	-	-	47.22	47.22
Trade Receivables	-	-	-	-
Loans	-	-	14,92,764.57	14,92,764.57
Investments	-	2,45,286.52	-	2,45,286.52
Total Financial Assets	-	2,45,286.52	14,92,811.79	17,38,098.31
Financial Liabilities				
Trade Payables	-	-	79,676.88	79,676.88
Total Financial Liabilities	-	-	79,676.88	79,676.88
As at March 31, 2022				
Financial Assets				
Cash and cash equivalents	-	-	47.22	47.22
Trade Receivables	-	-	524.30	524.30
Loans	-	-	15,16,848.92	15,16,848.92
Investments	-	2,56,367.37	-	2,56,367.37
Total Financial Assets	-	2,56,367.37	15,17,420.44	17,73,787.81
Financial Liabilities				
Trade Payables	-	-	53,230.43	53,230.43
Total Financial Liabilities	-	-	53,230.43	53,230.43

The carrying value of Loans include one loan for which the Company is negotiating One Time Settlement. The Net carrying value of the said loan is restated at the expected fair value of the amount receivable in result of the said settlement after reducing the Expected Credit Loss already provided (if any) and part of the portion is derecognized and debited in the financial statement

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

31 Fair value measurement of financial assets and liabilities

Financial assets and financial liabilities measured at fair value in the Statement of Balance Sheet are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

As at March 31, 2023	Carrying Amount	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis					
Financial Assets					
Cash and cash equivalents	47.22	47.22	-	-	47.22
Trade Receivables	-	-	-	-	-
Loans	14,92,764.57	-	-	14,92,764.57	14,92,764.57
Investments	2,45,286.52	-	2,45,286.52	-	2,45,286.52
Total Financial Assets	17,38,098.31	47.22	2,45,286.52	14,92,764.57	17,38,098.31
Financial Liabilities					
Trade Payables	79,676.88	-	-	79,676.88	79,676.88
Total Financial Liabilities	79,676.88	-	-	79,676.88	79,676.88

As at March 31, 2022	Carrying Amount	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis					
Financial Assets					
Cash and cash equivalents	47.22	47.22	-	-	47.22
Trade Receivables	524.30	-	-	524.30	524.30
Loans	15,16,848.92	-	-	15,16,848.92	15,16,848.92
Investments	2,56,367.37	-	2,56,367.37	-	2,56,367.37
Total Financial Assets	17,73,787.81	47.22	2,56,367.37	15,17,373.22	17,73,787.81
Financial Liabilities					
Trade Payables	53,230.43	-	-	53,230.43	53,230.43
Total Financial Liabilities	53,230.43	-	-	53,230.43	53,230.43

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:-

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments, as described below:

a) The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, probability of default and loss given default estimates. Credit risk is derived from market observable data. Where such information is not available, the Company uses historical experience and other information used in its collective impairment models.

b) The book value method using latest available audited financial statements of investee company is used to fair value investments in unquoted equity instruments

Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

32 Financial risk management

i) Risk Management

The Company's activities expose it to credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Loan receivables, Cash and bank balances, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Expected loss analysis	Credit risk analysis, diversification of customers/asset base, credit limits and collateral.

The Board has the overall responsibility of risk management.

A) Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company has not established adequate internal risk management process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Further, the credit quality review process is not effectively working.

Credit risk arises from loans financing, cash and cash equivalents, trade receivables, investments carried at amortised cost and deposits with banks and financial institutions, as shown below:

Particulars	Balance as at March 31,2023	Balance as at March 31,2022
Cash and cash equivalents	47.22	47.22
Trade Receivables	-	524.30
Loans	14,92,764.57	15,16,848.92

a) Credit risk management

From credit risk perspective, the Company's lending portfolio can be segregated into following broad categories:

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

The company provides for expected credit loss based on the following:

Risk	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents, trade receivables, and loans	12 month expected credit loss
Moderate credit risk	Loans	Life time expected credit loss or 12 month expected credit
High credit risk	Loans	Life time expected credit loss or fully provided for

Financial assets that expose the entity to credit risk*

Particulars	Balance as at March 31,2023**	Balance as at March 31,2022
Low credit risk		
Cash and cash equivalents	47.22	47.22
Trade Receivables	-	524.30
Moderate credit risk		
Loans	19,57,063.06	19,25,451.86
Trade Receivables	-	-
High credit risk		
Loans	35,974.80	35,974.80

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

** These represent gross carrying values of financial assets, without deduction for expected credit losses

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country

Trade receivables

Trade receivables measured at amortized cost and credit risk related to these are managed by monitoring the recoverability of such amounts continuously.

Loans

Credit risk related to borrower's are mitigated by considering profile and business prospect of the borrower's. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become one year past due.

b) Expected credit loss for loans

Credit risk measurement

The Company measures credit risk of its exposure using Internal ratings are based on board approved policy that guides credit analysis to place borrowers in watch list based on specific risk factors such as project progress schedule etc.

Expected credit loss measurement

First step involved in ECL computation is staging of the assets into three categories. Staging of the financial assets depend on the deterioration of the credit quality of the assets over its lifetime. Performing assets fall under Stage I, Underperforming assets fall under Stage II and Impaired assets(non-performing) fall under Stage III.

The following points were considered for stage wise classification of credit exposures:

1. Stage III exposures were exposures where actual default events have occurred i.e. all credit exposures classified as Doubtful or Sub-Standard, or where significant deterioration in credit quality was envisaged.
2. Stage II exposure were exposures which were not considered impaired asset but were classified as 'Stressed Accounts' or were flagged as High-Risk Category.
3. All other accounts not meeting the first two criteria were classified as Stage 1 accounts.

Credit risk exposure and impairment loss allowance

Particulars	As at March 31, 2023		As at March 31, 2022	
	Exposure	Impairment allowance	Exposure	Impairment allowance
Credit impaired loan assets (Default event triggered) (Stage III)	35,974.80	35,974.80	35,974.80	35,974.80
Loan assets having significant increase in credit risk (Stage II)	16,08,550.59	4,47,145.32	15,98,583.71	4,05,334.24
Other loan assets (Stage I)	3,48,512.47	17,153.17	3,26,868.15	3,268.70
Total	19,93,037.86	5,00,273.29	19,61,426.66	4,44,577.74

Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

* Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL.

* Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period

* Impact on the measurement of ECL due to changes arising from regular refreshing of inputs to models

* Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

Loss allowance	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loans to customers at amortised Cost				
Balance as at April 1, 2021	3,023.82	2,96,890.46	35,974.80	3,35,889.08
Transfer to 12 months ECL	-	-	-	-
Transfer to Lifetime ECL credit impaired	244.87	1,08,443.78	-	1,08,688.65
Movement of loss allowance during the year	-	-	-	-
Write offs	-	-	-	-
Balance as at March 31, 2022	3,268.69	4,05,334.24	35,974.80	4,44,577.73
Transfer to 12 months ECL	-	-	-	-
Transfer to Lifetime ECL credit impaired	13,884.48	41,811.08	-	55,695.56
Movement of loss allowance during the year	-	-	-	-
Write offs	-	-	-	-
Balance as at March 31, 2023	17,153.17	4,47,145.32	35,974.80	5,00,273.29

Write off policy

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

c) Expected credit losses for financial assets other than loans and derivative financial instruments

Company provides for expected credit losses on financial assets other than loans by assessing individual financial instruments for losses:

* For cash and cash equivalents - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents is evaluated as very low.

* For other financial assets - credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature.

d) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys cash management system. It maintains adequate sources of financing including debt at an optimised cost.

The Company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted value.

As at March 31, 2023	Contractual Maturity	Within 12 months	After 12 months
Trade Payables	79,676.88	26,042.21	53,634.67
	79,676.88	26,042.21	53,634.67

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

As at March 31, 2022	Contractual Maturity	Within 12 months	After 12 months
Trade Payables	53,230.43	23,127.46	30,102.97
	53,230.43	23,127.46	30,102.97

e) Interest Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has no interest rate risk in case of lending activities, as rates of interest on the same are fixed during their tenure. Since Company does not have any borrowing, Company's operations are not exposed to any interest rate risk.

33 Unhedged Foreign Currency Exposures

There is no foreign currency exposure outstanding as on March 31, 2023.

34 Additional Regulatory Information

a) Relationship with Struck off Companies

Name of Struck off Company	Nature of Transactions with struck-off Company	Balance Outstanding	Relationship with the Struck off company, if any
Spider Display Systems Pvt Ltd	Investments in Equity Shares	717.60	NA

b) Registration or Satisfaction of Charges pending with Registrar of Companies (ROC) beyond the statutory period

Asset under charge	Name of Charge Holder	Creation or Satisfaction	Amount	Reason of non-registration or satisfaction of charge
Immovable property or any interest therein	Indian Overseas Bank	Satisfaction	25,000.00	NA

c) Ratios

Type of Ratio	Formula	Ratio	Unit
Capital to risk weighted asset Ratio (CRAR)	$(\text{Tier I Capital} + \text{Tier II Capital}) / \text{Risk Weighted Assets}$	106.01	%
Tier I CRAR	Tier I Capital / Risk Weighted Assets	106.01	%
Tier II CRAR	Tier II Capital / Risk Weighted Assets	-	-
Liquidity Coverage Ratio	High Quality Liquid Assets / Total net cash flow amount	-	-

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=(3)-(4)	6	7=(4)-(6)
Performing Assets						
Standard						
	Stage 1	3,48,512.47	17,153.17	3,31,359.30	1,380.98	15,772.19
	Stage 2	5,02,005.02	1,40,679.67	3,61,325.35	1,445.30	1,39,234.37
	Subtotal	8,50,517.49	1,57,832.84	6,92,684.65	2,826.28	1,55,006.56
Non-Performing Assets (NPA)						
Substandard	Stage 2	11,06,545.57	3,06,465.65	8,00,079.92	2,09,419.76	97,045.89
Doubtful - up to 1 year	Stage 3					
1 to 3 years	Stage 3					
More than 3 years	Stage 3	35,974.80	35,974.80	-	-	35,974.80
	Subtotal for doubtful	35,974.80	35,974.80	-	-	35,974.80
Loss	Stage 3					
	Subtotal for NPA	11,42,520.37	3,42,440.45	8,00,079.92	2,09,419.76	1,33,020.69
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms						
	Stage 1	-	-	-		
	Stage 2	-	-	-		
	Stage 3	-	-	-		
	Subtotal	-	-	-	-	-
	Total	14,91,032.84	3,59,593.62	11,31,439.22	2,10,800.74	1,48,792.88

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

* Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

35 Disclosures under Reserve Bank of India Act, Companies Act, 2013 and other regulatory

35.1 Wilful Defaulter :

The Company is not declared as wilful defaulter by any bank or financial Institution or government authorities

35.2 Transaction through Intermediaries :

- a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Party") with the understanding that the company shall : (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

35.3 Loans to related parties

The Company has not granted any Loans or Advances in the nature of loans to Promoters, Directors, KMP's and related parties which are repayable on demand or given without specifying terms or period of repayment

35.4 Transaction under Benami Act

The Company does not hold any Benami Property under the Benami Transactions (Prohibition) Act, 1988

35.5 Investment Layers

The Company has not made any Investment in violation to the provisions related to number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017

35.6 Crypto Currency

The Company has not traded or invested in Crypto Currency or Virtual Currency

35.7 Liquidity Risk Management Disclosures

Company has not availed any borrowing in form of loans, debt securities, subordinated debts or deposits and hence disclosures related to Liquidity Risk Management Pursuant to RBI Guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies dated November 4, 2019 are not applicable.

35.8 Disclosure of Whistle blower and other Complaints

Disclosure of Whistle blower Complaints

Sr. No.	Particular	March 31 2023	March 31 2022
(i)	No. of complaints pending at the beginning of the year	-	-
(ii)	No. of complaints received during the year	-	-
(iii)	No. of complaints redressed during the year	-	-
(iv)	No. of complaints pending at the end of the year	-	-

Details of the Customer Complaints

Sr. No.	Particulars	As at	
		March 31, 2023	March 31, 2022
(i)	No. of complaints pending at the beginning of the year	-	-
(ii)	No. of complaints received during the year	-	-
(iii)	No. of complaints disposed during the year	-	-
	(a) of which, number of complaints rejected by the NBFC	-	-
(iv)	No. of complaints pending at the end of the year	-	-

35.9 Details of Penalties & RBI Findings

UDIN : 23104000BGSZCX7911

Details of penalties

Particulars	F.Y. 2022-2023	F.Y. 2021-2022
(A) Penalties imposed by RBI	-	-
(B) Penalties imposed by Other regulators	-	-
Date - Penalties imposed by SEBI	75,000.00	-

35.10 Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

As required in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

a Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:				
Particulars	F.Y. 2022-2023		F.Y. 2021-2022	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
	(Rs. In Hundred)			
a) Debentures :				
Secured	0.00	-	0.00	-
Unsecured (other than falling within the meaning of public deposits)*				
b) Deferred Credits	0.00	-	0.00	-
c) Term Loans	0.00	-	0.00	-
d) Inter-corporate loans and borrowing	0.00	-	0.00	-
e) Commercial Paper	0.00	-	0.00	-
f) Other Loans	0.00	-	0.00	-
Sub ordinate debt				
Working capital facility				

b Break up of Loans and advances including bills receivables: excluding interest accrued

Amount Outstanding net of provision	(Rs. In Hundred)	
	F.Y. 2022-2023	F.Y. 2021-2022
a) Secured	0.00	0.00
b) Unsecured	1,492,764.57	1,516,848.92

c Break up of Leased Assets and stock on hire and other assets counting towards AFC activities:

Particulars	(Rs. In Hundred)	
	F.Y. 2022-2023	F.Y. 2021-2022
(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) Loan other than (a) Above	-	-

d Break up of Investments

Particulars	(Rs. In Hundred)	
	F.Y. 2022-2023	F.Y. 2021-2022
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. Unquote		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Unit of Alternate Investment Fund	-	-
Long Term Investments:		
1. Quoted		
(i) Shares:		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

2. Unquoted		
(i) Shares:		
(a) Equity	245,286.52	256,367.37
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Unit of Alternate Investment Fund	-	-
(v) Investment in Security Receipts of ARC	-	-
Total Gross Value of Investments	245,286.52	256,367.37
Less: Provision for Depreciation held towards ir	-	-
Net Value of Investments	245,286.52	256,367.37

e Borrowers group wise classification of assets financed as mentioned above:

(Rs. In Hundred)

Category	F.Y. 2022-2023			F.Y. 2021-2022		
	Amount net of Provisions			Amount net of Provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
a) Subsidiaries						
b) Companies in the same group	-	-	-	-	-	-
c) Other Related parties	-	331,359.30	331,359.30	-	323,599.45	323,599.45
2. Other than related	-	1,161,405.27	1,161,405.27	-	1,193,249.47	1,193,249.47
Total	0.00	1,492,764.57	1,492,764.57	0.00	1,516,848.92	1,516,848.92

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

(Rs. In Hundred)

Category	F.Y. 2022-2023		F.Y. 2021-2022	
	Market Value/Break up or FAIR Value or NAV	Book Value(Net of Provisions)	Market Value/Break up or FAIR Value or NAV	Book Value(Net of Provisions)
	1. Related parties			
a) Subsidiaries	-	-	-	-
b) Companies in the same group	-	-	-	-
c) Other Related parties	245,271.22	245,271.22	248,524.80	248,524.80
2. Other than related parties	-	-	-	-
Total	245,271.22	245,271.22	248,524.80	248,524.80

g Other Information

(Rs. In Hundred)

Particulars	F.Y. 2022-2023	F.Y. 2021-2022
(i) Gross Non-Performing Assests		
a) Related Parties	-	-
b) Other than related parties	1,142,520.37	1,088,687.62
(ii) Net Non performing Assests		
a) Related Parties	-	-
b) Other than related parties	800,079.92	783,846.30
(iii) Assets acquired in satisfaction of Debt	-	-

35.11 Wages Code

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

35.12 Provision & contingencies

Details of Provisions and contingencies

Sr. No.	Particulars	For the year ended	
		March 31, 2023	March 31, 2022
(i)	Provision for Impairment on Financial Instruments	55,695.55	109,092.91
(ii)	Provision made towards Tax Expenses	1,461.00	2,770.70
(iii)	Provision for Depreciation on Investments	-	-
(iv)	Other Provision and contingencies	-	-
	Total	57,156.55	111,863.61

35.13 Credit Ratings

Company has not obtained any credit rating since it has not availed any borrowing. Accordingly, disclosure on Credit Rating is not applicable.

HASTI FINANCE LIMITED

Notes to the standalone financial statements for the year ended March 31, 2023

(All amounts in Hundreds of Rs. unless otherwise stated)

35.14 Layer Framework related Disclosures

A Sectoral Exposure: As at March 31, 2023

Particulars	Total Exposure	Gross NPA	% of GNPA to total Exposure
Agriculture and Allied Activities	-	-	-
Constructions	789,903.18	428,577.83	54.26%
Services	702,861.39	371,502.09	52.86%
Personal Loans			
Total	1,492,764.57	800,079.92	53.60%

As at March 31, 2022

Particulars	Total Exposure	Gross NPA	% of GNPA to total Exposure
Agriculture and Allied Activities			
Constructions	817,670.81	408,267.64	49.93%
Services	699,178.12	375,578.66	53.72%
Personal Loans			
Total	1,516,848.93	783,846.30	51.68%

B Intra Group Exposure:

Particulars	As at March 31, 2023	As at March 31, 2022
Total amount of intra-group exposures	-	-
Total amount of top 20 intra-group exposures	-	-
Percentage of intra-group exposures to total exposure	0.00%	0.00%

C Loans to Directors, Senior Officers and relatives of Directors

Particulars of Loans Sanctioned during the year	As at March 31, 2023	As at March 31, 2022
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

35.15 Restructuring related Disclosures

- A Disclosure required as per Circular DOR.No.BP.BC.63/21.04.048/2019-20 - COVID19 Regulatory Package - Asset Classification and Provisioning are not applicable to the Company as Company has not extended Moratorium to any borrower under said regulatory package.
- B Disclosure required as per Reserve Bank of India Circular on Resolution Framework - 2.0 dated May 5, 2021 is not applicable to the Company as Company has not implemented resolution plan as per resolution framework - 2.0
- C Company has not implemented resolution plan as per resolution framework for COVID-19 related Stress dated August 6, 2020 and hence additional disclosure required under that framework are not applicable.

35.16 Other Exposure related Disclosures

- The Company has no exposure to the real estate sector directly or indirectly in the current and previous year.
- The company has not disbursed any loans against security of gold.
- The company has no exposure to capital market.
- The company has no intra-group exposure.

36 Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

As per our report of even date
For Vandana V Dodhia & Co
Chartered Accountants
Firm's Registration No: 117812W

sd/-
(CA Vandana V Dodhia)
Partner
Membership No : 104000

For and on behalf of the Board of Directors
For Hasti Finance Limited

sd/-
(Nitin Prabhudas Somani)
Managing Director
DIN: 00841378

sd/-
(Sonal Nitin Somani)
Director
DIN: 01216993

sd/-
(Raj Nitin Somani)
Chief Financial Officer

Place : Mumbai
Date : 30-05-2023

Place : Mumbai
Date : 30-05-2023

HASTI FINANCE LIMITED

Accounting Policies to the financial statements for the year ended March 31, 2023

1. Company overview

Hasti Finance Limited (“HFL”) (“the Company”) a registered non-banking finance company (NBFC) with Reserve Bank of India (RBI). HFL is set up with an objective to carry on financing and investing activities.

The Company’s registered office is situated at No.14, Imperial Hotel Complex, Near Albert Cinema Hall, Whannels Road, Egmore, Chennai, Tamil Nadu – 600 008 and corporate office is situated at Office No. 1A, Anubhav Apartments, Sayani Road, Prabhadevi, Mumbai – 400 025. The shares of the Company are listed on the Bombay Stock Exchange.

1A. Basis of preparation and presentation

i. Statement of compliance

These financial statements (“the Financial Statements”) are prepared in accordance with the Indian Accounting Standards (‘Ind AS’) as notified by Ministry of Corporate Affairs (‘MCA’) under Section 133 of the Companies Act, 2013 (‘Act’) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented in these financial statements.

ii. Accounting convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

iii. Presentation

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”.

The Standalone financial statements are presented in Indian Rupees (Rs.) and all values are rounded to the nearest Hundred, except when otherwise indicated.

iv. Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the note 2 of the financial statements.

2. Significant Accounting Policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. These policies are applied consistently for all the periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

a) Revenue recognition

Interest income on loans

Interest and processing fee income is recorded on accrual basis using the effective interest rate (EIR) method in accordance with Ind AS 109. Additional interest/overdue interest/penal charges, if any, are recognized only when it is reasonably certain that the ultimate collection will be made.

Other income

All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

b) Leasing

The Company as a lessee

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability. The Finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to statement of profit and loss.

HASTI FINANCE LIMITED

Accounting Policies to the financial statements for the year ended March 31, 2023

c) **Foreign currencies**

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

d) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

e) **Employee benefits**

Short-term employee benefits

Short-term employee benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

Other long-term employee benefit obligations

Liabilities for leave encashment and compensated absences which are not expected to be settled wholly within the operating cycle after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows which is expected to be paid using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Other Comprehensive Income.

Post-employment benefit plans are classified into defined contribution plans and defined benefits plans as under:

Defined contribution plans

The Company has a defined contribution plans namely provident fund, pension fund and employees state insurance scheme. The contribution made by the Company in respect of these plans are charged to the Statement of Profit and Loss.

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Where in the employee will receive on retirement is defined by reference to employee's length of service and last drawn salary. Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets, if any. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability/asset are included in other comprehensive income.

Other long-term employee benefits

The Company also provides the benefit of compensated absences to its employees which are in the nature of long-term employee benefit plan. Liability in respect of compensated absences becoming due and expected to availed after one year from the Balance Sheet date is estimated in the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to Statement of Profit and Loss in the year in which such gains or losses are determined.

f) Taxation

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

Current tax comprises the tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is computed in accordance with relevant tax regulations. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the

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recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets are recognised on unused tax loss, unused tax credits and deductible temporary differences to the extent it is probable that the future taxable profits will be available against which they can be used. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively

g) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that

future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation method, useful lives and residual value) Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written-down method over the useful life of the assets as prescribed under Part 'C' of Schedule II of the Companies Act, 2013.

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. Asset costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognised.

h) Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (amortisation method, useful lives and residual value)

Intangible assets are amortised over a period of 3 years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

i) Impairment of tangible and intangible assets

At each reporting 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 of the asset. Recoverable amount is higher of an asset's net selling price and its value

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in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

j) **Financial instruments**

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Initial recognition

Financial assets and liabilities, with the exception of loans, debt securities, deposits and borrowings are initially recognised on the transaction date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans are recognised when funds are transferred to the customers' account. The Company recognises debt securities, deposits and borrowings when funds reach the Company.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through profit and Loss ('FVTPL'), transaction costs are added to, or subtracted from, this amount.

Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either Amortised Cost, FVOCI or FVTPL.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or FVTPL when fair value designation is applied.

k) **Non-derivative financial assets and Financial Liabilities**

i) Bank balances, Loans, Trade receivables and financial investments at amortised cost

The Company measures Bank balances, Loans, Trade receivables and other financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

Business model assessment

The Company determines its business model at the level that best reflects how it manages

groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

ii) Financial assets or financial liabilities held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there evidence of a recent pattern of short-term profit is taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes. Interest and dividend income or expense is recorded in net gain on fair value changes according to the terms of the contract, or when the right to payment has been established.

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iii) Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. In absence of quoted price, the Fair value of unquoted equity shares has been calculated as per book value method using latest available audited financial statements of investee company.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'Other Income' in the Statement of Profit and Loss.

iv) Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

Derecognition of financial assets and liabilities

Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

When assessing whether or not to derecognise a loan to a customer, amongst others, the

Company considers the following factors:

- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion
- If the modification does not result in cash flows that are substantially different, the modification does not result in de recognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

Financial assets

A financial asset is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

A transfer only qualifies for derecognition if either: the Company has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Control is considered to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

In case when transfer of a part of financial asset qualifies for derecognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is derecognised as a gain or loss on decrease of such financial asset previously under amortised cost category.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

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Accounting Policies to the financial statements for the year ended March 31, 2023

1) Impairment of financial assets

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- **Stage 1** includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- **Stage 2** includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- **Stage 3** includes loan assets that have objective evidence of impairment at the reporting date.

The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

Probability of Default (PD) - The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) – LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) – EAD is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

The Company considers various factors while considering the recoverability of credit impaired advances. These include nature and value of assets, different resolution channels, interest of potential buyers etc. Considering the typical nature of advances given by the Company, there is significant uncertainty and variability in timing of resolution of these advances. In reference to RBI's prudential norms, the Company does not recognize interest income on these advances on a conservative basis, and the provisioning is considered using current estimate of realization which are based on valuation of security/ collateral as at current date.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of trade receivables.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

m) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n) Provisions, contingent assets and contingent liabilities

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

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the

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obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

o) Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/ period.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

p) Segment reporting

The Company identifies segment basis the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are regularly reviewed by the CODM ('chief operating decision maker') in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship with the operating activities of the segment.

q) Investments in Associates

The Company records the investments in Associates at cost less impairment loss, if any.

After initial recognition, the Company determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of investment in Associates and that event (or events) has an impact on the estimated future cash flows of the Associates that can be reliably estimated. If there exists such objective evidence of impairment, then impairment loss is recognized with respect to the Company's investment in Associates.

2A. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

Significant management judgements

- i. Evaluation of indicators for impairment of loans** – The evaluation of applicability of indicators of impairment of assets requires management assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- ii. Expected credit loss model ('ECL')** – The measurement of expected credit loss allowance for

financial assets measured at amortised cost requires use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g., likelihood of customers defaulting and resulting losses). The Company makes significant judgements with regard to the following while assessing expected credit loss:

- Determining criteria for significant increase in credit risk;
 - Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
 - Establishing groups of similar financial assets for the purposes of measuring ECL.
 - Value of asset held as security
- iii. **Contingent liabilities** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.
- iv. **Revenue recognition**- Interest income on stressed loans involves management estimates and assumptions in determining both timing and expected realisation from them.
- v. **Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.
- vi. **Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.
- vii. **Business model assessment** - The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

