

# Stardeck Finance Limited

SFL/SE/25/23-24

Date: 4<sup>th</sup> September, 2023

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| <b>National Stock Exchange of India Ltd</b><br>Exchange Plaza, Plot no. C/1, G Block,<br>Bandra-Kurla Complex, Bandra (East),<br>Mumbai- 400 051<br><b>Symbol: STARTECK</b> | <b>BSE Limited</b><br>Phiroze Jeejeebhoy Tower,<br>Dalal Street,<br>Mumbai – 400 001<br><b>Scrip Code: 512381</b> |
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**Sub: Notice of 38<sup>th</sup> Annual General Meeting along with Annual report of the Company for FY 2022-23**

Pursuant to Regulation 34(1) read with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations, please find attached herewith the Annual Report for the financial year 2022-23 and Notice of Annual General Meeting of the members of the Company to be held on Tuesday, 26<sup>th</sup> September, 2023 through Video Conferencing ("VC") / Other Audio Visual Means ("OA VM"), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The said Notice and Annual Report for FY 2022-23 is also available on the website of the Company at [www.stardeckfinance.com](http://www.stardeckfinance.com)

This is for your information and record.

**For Stardeck Finance Limited**

**Mayuri Jain**  
**Company Secretary**  
**Encl: a/a**

**STARTECK FINANCE LIMITED**

Registered office: 5<sup>th</sup> Floor, Sunteck Centre, 37-40 Subhash Road, Vile Parle (East), Mumbai 400057

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Website: [www.starteckfinance.com](http://www.starteckfinance.com) CIN: L51900MH1985PLC037039

**NOTICE** is hereby given that the 38<sup>th</sup> Annual General Meeting (AGM) of the members of Starteck Finance Limited will be held on **Tuesday, September 26, 2023 at 3:00 PM (IST)** through Video Conferencing / Other Audio Visual Means to transact the following businesses-

**ORDINARY BUSINESS:**

**Item No. 1** - To consider and adopt the audited standalone financial statements and the audited consolidated financial statements of the Company for the financial year ended March 31, 2023 together with the report of the Board of Directors and report of the Auditors thereon and other reports.

**Item No. 2** – To declare final dividend of Re. 0.25/- (2.50%) per equity share of face value Rs. 10/- each held by the person/ entities other than Promoter/ Promoter Group for the year ended March 31, 2023.

**Item No. 3** – To appoint a Director in place of Mr. Anand Shroff (DIN: 08480489), who retires by rotation and being eligible offers himself for re-appointment.

**SPECIAL BUSINESS:**

**Item No. 4 – To approve appointment of Mr. Amit Pitale (DIN: 07852850) as the Whole Time Director and Chief Financial Officer of the Company**

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

**“RESOLVED THAT** pursuant to Sections 196, 197, 203, Schedule V and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other provisions to the extent applicable, and as recommended and approved by the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Amit Pitale (DIN: 07852850) be and is hereby appointed as the Whole time Director and Chief Financial Officer of the Company for a period of 5 (five) consecutive years with effect from July 10, 2023 as per the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

**RESOLVED FURTHER THAT** Mr. Amit Pitale, Whole Time Director, shall be liable to retire by rotation in terms of the provisions of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee / Board of Directors of the Company, be and are hereby authorised to do all such acts, deeds, matters, and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

**Item No. 5- Approval for raising of funds by way of further issue of Securities**

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 23, Section 42, Section 62(1)(c), Section 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendments thereto or re-enactment thereof, for the time being in force, the “Act”), the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of sections of the Act), the Companies (Share Capital and Debentures) Rules, 2014, as amended and other applicable rules notified by the Central Government under the Act, the Foreign Exchange Management Act, 2000 (the “FEMA”), as amended, and the rules and regulations made thereunder as amended from time to time including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Depository Receipt Scheme, 2014, and in accordance with the rules, regulations, guidelines,

notifications, circulars and clarifications issued thereon from time to time by Government of India (the "GoI"), the Reserve Bank of India (the "RBI"), the Foreign Investment Promotion Board ("FIPB"), and the Securities and Exchange Board of India ("SEBI"), the stock exchanges and/or any other competent governmental or regulatory authorities, whether in India or abroad, and including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations"), Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "SEBI ILDS Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges on which the Company's shares are listed (the "Listing Agreements") and subject to necessary approvals, permissions, consents and sanctions as may be necessary from SEBI, Stock Exchanges, RBI, GoI or of concerned statutory and any other governmental or regulatory authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) the consent and approval of the members of the Company be and is hereby accorded to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted) , with or without a green shoe option, such number of equity shares of the Company of face value of Rs. 10/- each ("Equity Shares") , Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), fully convertible debentures/ partly convertible debentures, preference shares convertible into Equity Shares and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares with or without voting/ special rights and/or securities linked to Equity Shares and/or securities including Non-Convertible Debentures with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (all of which are hereinafter collectively referred to as "Securities") or any combination of Securities, in one or more tranches, whether Rupee denominated or denominated in foreign currency, in the course of international and/or domestic offering(s) in one or more foreign markets and/or domestic market, by way of one or more public and/or private offerings, and/or on preferential allotment basis and/or private placement basis or any combination thereof including qualified institutions placement ("QIP"), through issue of prospectus and/or placement document/ or other permissible/requisite offer document to any eligible person, including Qualified Institutional Buyers ("QIBs") as defined in the SEBI ICDR Regulations in accordance with Chapter VIII of the SEBI ICDR Regulations, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign portfolio investors, public financial institutions, qualified foreign investors, scheduled commercial banks, Indian and/or multilateral financial institutions, mutual funds, insurance companies, non-resident Indians, stabilizing agents, pension funds, insurance funds and/or any other categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the "Investors") as may be decided by the Board in its discretion and permitted under applicable laws and regulations, for an aggregate amount not exceeding Rs. 1,500 Crores (Rupees One Thousand Five Hundred Crores Only) or equivalent thereof, wherein out of the aforesaid amount of Rs. 1,500 Crores an amount of not more than Rs. 1000 Crores (Rupees One Thousand Crores only) shall be for issue of Non-Convertible Debentures, at such price and terms or at such price or prices, at a discount or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) appointed or to be appointed by the Company, in foreign currency and/or equivalent Indian Rupees as may be determined by the Board, in any convertible foreign currency, as the Board at its absolute discretion may deem fit and appropriate (the "Issue").

**"RESOLVED FURTHER THAT** in pursuance of the aforesaid resolutions:

- (a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- (b) the Equity Shares, including any Equity Shares issued upon conversion of any convertible Securities, that may be issued by the Company shall rank pari passu with the existing Equity Shares of the Company in all respects; and
- (c) the Equity Shares to be issued consequent to above resolution or upon conversion of Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split/sub-division, consolidation of stock, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate re-organization or restructuring."

**“RESOLVED FURTHER THAT** if any issue of Securities is made by way of a QIP in terms of Chapter VI of the SEBI ICDR Regulations (hereinafter referred to as “Eligible Securities” within the meaning of the SEBI ICDR Regulations), the allotment of the Eligible Securities, or any combination of Eligible Securities as may be decided by the Board shall be completed within twelve months from the date of the shareholders’ resolution approving such issuance of Securities, or such other time as may be allowed under the SEBI ICDR Regulations from time to time.”

**“RESOLVED FURTHER THAT** any issue of Eligible Securities made by way of a QIP in terms of Chapter VI of the SEBI ICDR Regulations shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations (the “QIP Floor Price”). with the authority to the board to offer a discount of not more than 5% (five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI ICDR Regulations, as amended from time to time.”

**“RESOLVED FURTHER THAT** in the event that Eligible Securities are issued to QIBs by way of a QIP in terms of Chapter VI of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board (including any Committee of the Board) decides to open the proposed issue of such Eligible Securities.”

**“RESOLVED FURTHER THAT** in the event the Securities are proposed to be issued as ADRs or GDRs the relevant date for the purpose of pricing the Securities shall be determined in accordance with the Depository Receipts Scheme, 2014 and Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993, (including any amendments thereto or re-enactment thereof, for the time being in force), as applicable and other applicable pricing provisions issued by the Ministry of Finance.”

**“RESOLVED FURTHER THAT** in the event that convertible securities and/or warrants which are convertible into Equity Shares of the Company are issued simultaneously with non-convertible debentures to QIBs under Chapter VI of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of such Securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities and/or warrants simultaneously with non-convertible debentures or the date on which holder of Eligible Securities become eligible to apply for Equity Shares, as may be determined by the Board and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations.”

**“RESOLVED FURTHER THAT** the issue to the holders of the Securities, which are convertible into or exchangeable with Equity Shares at a later date shall be, inter alia, subject to the following terms and conditions:

- (a) in the event the Company is making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted to the holders of such Securities at the relevant time, shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;
- (b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders;
- (c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of equity shares and the price as aforesaid shall be suitably adjusted; and
- (d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of equity shares (including by way of stock split) or re-classification of the Securities into other securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Equity Shares and/or Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities on one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and/or GDRs on the Stock Exchanges in India.”

**“RESOLVED FURTHER THAT** without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to appoint lead manager(s), underwriters, depositories, custodians, registrars, bankers, lawyers, advisors, debenture trustees and all such agencies as are or may be required to be appointed, involved or concerned in the Issue and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc., with such agencies.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board in consultation with the merchant banker(s), advisors and/or other intermediaries as may be appointed in relation to the issue of Securities, is authorized to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue and allotment of Securities (including upon conversion of any Securities) and listing thereof with the stock exchanges or otherwise as may be required in relation to the issue and to resolve and settle all questions and difficulties that may arise in the issue, offer and allotment of Securities, including finalization of the number of Securities to be issued in each tranche thereof, form, terms and timing of the issue of Securities including for each tranche of such issue of Securities, identification of the investors to whom Securities are to be offered, utilization of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities as may be required in relation to the issue of Securities and to agree to such conditions or modifications that may be imposed by any relevant authority or that may otherwise be deemed fit or proper by the Board and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit and to settle any questions, difficulties or doubts that may arise in relation to the any of the aforesaid or otherwise in relation to the issue of Securities.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to constitute or form a committee or delegate all or any of its powers to any Director(s) or Committee of Directors/Company Secretary/ Chief Financial Officer or other persons authorized by the Board for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of the Securities.”

**Item No. 6- To approve material related party transactions for the financial year 2023-24**

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

**“RESOLVED THAT** pursuant to Regulation 23 and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, and applicable provisions of the Companies Act, 2013 (“the Act”) read with Rules made thereunder, (including any statutory modification (s) or re-enactment(s) thereof for the time being in force), approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board”, which term shall be deemed to include any duly authorized Committee constituted /empowered by the Board, from time to time, to exercise its powers conferred by this resolution) to approve all existing contracts/ arrangements/ agreements/ transactions and to enter into new/ proposed contracts/ arrangements/ agreements/ transactions (including any modifications, alterations, amendments or renewal thereto), whether individual transaction or transaction(s) taken together or series of transaction(s) or otherwise, with the Related Party(ies) as listed below within the meaning of the Act and SEBI Listing Regulations, as more particularly enumerated in the explanatory statement to the Notice, during the financial year 2023-24, notwithstanding the fact that the aggregate value of all these transaction(s), whether undertaken directly or along with Subsidiaries with each of the Related Party(ies) may exceed Rs. 1,000 Crores or 10% of the annual consolidated turnover as per the last audited financial statements of the Company, whichever is lower, or such other materiality threshold, as may be prescribed from time to time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts/ arrangements/ transactions, settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit, file requisite forms with the regulatory authorities and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any authorized person(s) to give effect to this resolution.”

By Order of the Board of Directors  
**For Starteck Finance Limited**  
Sd/-  
**Mayuri Jain**  
Company Secretary (ACS: 35176)

**Mumbai, July 10, 2023**

**Registered Office:**

5<sup>th</sup> Floor, Sunteck Centre, 37-40,  
Subhash Road, Vile Parle (East),  
Mumbai 400 057

CIN: L51900MH1985PLC037039

Tel.: 91 22 4287 7800 Fax: 91 22 4287 7890

E-mail: [cosec@starteckfinance.com](mailto:cosec@starteckfinance.com) Website: [www.starteckfinance.com](http://www.starteckfinance.com)

**NOTES:**

1. The Statement as required under Section 102 of the Companies Act, 2013 (“the Act”) and Regulation 36(3) of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard on General Meeting is annexed to the Notice.
2. The Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020 and subsequent circulars issued in this regard, the latest being 10/2022 dated 28th December, 2022 issued by the Ministry of Corporate Affairs (MCA), read with Securities and Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 issued by the SEBI and other applicable circulars issued in this regard by the MCA and SEBI (hereinafter collectively referred to as “Circulars”) allowed companies to hold shareholders meeting through video conferencing or other audio visual means (“VC/OAVM”) dispensing requirement of physical presence of members at a common venue, and other related matters with respect to such meetings. In compliance with the provisions of the Companies Act, 2013 (‘the Act’), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), the Circulars, the 38th AGM of the Company is being held through VC/OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM.
3. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy by Members under Section 105 of the Act will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. Corporate Members are requested to send a scanned copy (in PDF / JPG format) of the Board Resolution authorizing their representatives to attend the AGM through VC/OAVM on their behalf and to vote through electronic means, pursuant to Section 113 of the Act, through e-mail at [cosec@starteckfinance.com](mailto:cosec@starteckfinance.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
5. In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Resolutions for consideration at this AGM will be transacted through remote e-voting (facility to cast vote prior to the AGM) and also e-voting during the AGM, for which purpose the Board of Directors of the Company (“the Board”) have engaged the services of NSDL. The Board has appointed Mr. Veeraraghavan N., Practicing Company Secretary, as the Scrutinizer for this purpose.
6. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on Tuesday, September 19, 2023 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting during the AGM. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purposes only.
7. The Register of Members and Share Transfer Books will remain closed from Wednesday, September 20, 2023 to Tuesday, September 26, 2023 (both days inclusive) for the purpose of Annual General Meeting and Dividend.
8. In conformity with the applicable regulatory requirements, the Notice of this AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members who have registered their e-mail addresses with the Company or with the Depositories. Members may note that this Notice and the Annual Report 2022-23 will also be available on the Company’s website viz. [www.starteckfinance.com](http://www.starteckfinance.com), website of stock exchanges viz. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) as well as on website of NSDL (agency for providing the e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in dematerialized form and with Company/ RTA in case the shares are held by them in physical form.

For the purpose of receiving the Notice of the AGM and the Annual Report through electronic mode in case the email address is not registered with the respective DPs / Company / RTA, Members may register the email IDs by mailing the same to the RTA at [info@adroitcorporate.com](mailto:info@adroitcorporate.com).

9. All documents referred to in the accompanying Notice and Statement annexed thereto shall be open for inspection at the Registered Office of the Company during normal business hours on any working day till the date of the AGM.
10. Final dividend as recommended by the Board of Directors for the financial year ended 31<sup>st</sup> March, 2023, if approved at the AGM, will be payable to those Members of the Company who hold shares:
  - (i) In demat mode, based on the list of beneficial owners to be received from NSDL and CDSL as at the close of business hours on Tuesday, September 19, 2023, being the cut-off date.
  - (ii) In physical form, if the names appear in the Company's Register of Members as on Tuesday, September 19, 2023, being the cut-off date.

The final dividend will be payable on or before Wednesday, October 25, 2023.

11. Pursuant to the Income-tax Act, 1961 read with the Finance Act, 2020, dividend income is taxable in the hands of the Members with effect from April 1, 2020 and the Company is required to deduct tax at source from such dividend at the prescribed rates. A communication providing information and detailed instructions with respect to tax on dividend for the financial year ended March 31, 2023 shall be sent separately by the Company to the Members. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.
12. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/ Automated Clearing House (ACH)/ Real Time Gross Settlement (RTGS)/ Direct Credit/ NEFT etc.
13. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents i.e. Adroit Corporate Services Private Limited ("RTA") to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA.

14. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at [www.starteckfinance.com](http://www.starteckfinance.com) and on the website of [www.adroitcorporate.com](http://www.adroitcorporate.com).
15. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/issuance of equity shares in physical form have been disallowed by SEBI.
16. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated March 16, 2023, in supersession of earlier Circular(s) issued on the subject, has prescribed common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC (contact details, bank details and specimen signature), and nomination details. As per the said Circular, it is mandatory for the shareholders holding securities in physical form to, inter alia, furnish PAN, KYC, and nomination details. Physical folios wherein the PAN, KYC, and nomination details were not available on or after April 1, 2023, were to be frozen by the RTA and would be eligible for lodging grievance or any service request only after registering the required details. The said timeline of April 1, 2023 for freezing of folios has been extended to October 1, 2023.

17. Unclaimed Dividends and Shares: Pursuant to the provisions of Section 124 and 125 of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), dividends which remain unclaimed / unpaid for a period of 7 years are required to be transferred to Investor Education and Protection Fund (“IEPF”). The details of the unclaimed dividends are available on the website of the Company at [www.starteckfinance.com](http://www.starteckfinance.com) and Ministry of Corporate Affairs at [www.iepf.gov.in](http://www.iepf.gov.in). Members can contact Adroit Corporate Services Private Limited, the Registrar and Share Transfer Agent of the Company for claiming the unclaimed dividends standing to the credit in their account by sending an email to [cosec@starteckfinance.com](mailto:cosec@starteckfinance.com) or [info@adroitcorporate.com](mailto:info@adroitcorporate.com).
18. Pursuant to the IEPF Rules, as amended, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the MCA. In accordance with the aforesaid IEPF Rules, the Company has sent notice to all the Shareholders whose shares are due for transfer to the IEPF Authority and has also published notice in newspapers. The voting rights on shares transferred to IEPF remains frozen until the rightful owner claims the shares. The shareholders whose dividend/shares have been / will be transferred to the IEPF Authority, can claim the same from the IEPF Authority by following the procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>
19. 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 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 voting at the time of AGM will be provided by NSDL.
20. **PROCEDURE FOR REMOTE E-VOTING, ATTENDING THE AGM AND E-VOTING DURING THE AGM:**  
**Voting through electronic means**
  1. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 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 AGM without restriction on account of first come first served basis.
  2. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
  3. The results declared along with the Scrutinizer’s report shall be placed on the Company’s website [www.starteckfinance.com](http://www.starteckfinance.com) and on the website of NSDL [www.evotingnsdl.com](http://www.evotingnsdl.com) immediately after the results are declared by the Chairman or any person authorized by him and the same shall be communicated to the stock exchanges, where the shares of the Company are listed. Mr. Veeraghavan N. (Membership No. A6911), Practicing Company Secretary, Mumbai has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  4. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you have forgotten your password, you can reset your password by using “Forgot User Details/ Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Member(s) can opt for only e-voting at the Annual General Meeting.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on Friday, September 22, 2023 at 9:00 A.M. and ends on Monday, September 25, 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 cut-off date i.e. Tuesday, September 19, 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 Tuesday, September 19, 2023.**



The details of the process and manner for remote e-Voting are explained herein 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>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ 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 “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li><li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ 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 <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li><li>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li></ol> |

|   |   |
|---|---|
|   | <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>  |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p>                                     | <ol style="list-style-type: none"> <li>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 users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol> |
| <p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p> | <p>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 &amp; voting during the meeting.</p>   |

**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.**

| <b>Login type</b>   | <b>Helpdesk details</b>   |
|---|---|
| <p>Individual Shareholders holding securities in demat mode with NSDL</p> | <p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022-48867000 and 022-24997000</p>                        |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33</p> |

**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 :

| <b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b> | <b>Your User ID is:</b>   |
|---|---|
| a) For Members who hold shares in demat account with NSDL.            | 8 Character DP ID followed by 8 Digit Client ID<br><br>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<br><br>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<br><br>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](http://www.evoting.nsdl.com).

- b. Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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 General 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.

## **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 [cosec@starteckfinance.com](mailto:cosec@starteckfinance.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 [cosec@starteckfinance.com](mailto:cosec@starteckfinance.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](mailto: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 AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the 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 AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the 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 AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the 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 link” placed under “Join Annual General meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join Annual General 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. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries at [cosec@starteckfinance.com](mailto:cosec@starteckfinance.com) mentioning their name demat account number/folio number, email id, mobile number on or before September 20, 2023 to enable the Company to make available the required information at the meeting.

### **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 [nvr54@ymail.com](mailto:nvr54@ymail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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 [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. 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](http://www.evoting.nsdl.com) or call at 022-4886 7000 and 022-2499 7000 or send a request to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

### **Item No. 4:**

In terms of the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, at its Meeting held on 30<sup>th</sup> May, 2023 appointed Mr. Amit Pitale (DIN: 07852850) as an Additional Director of the Company in the capacity of Non-Executive Non-Independent Director of the Company.

Further, based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company, at its Meeting held on 10<sup>th</sup> July, 2023 approved change in designation of Mr. Amit Pitale from Non-Executive Non-Independent Director to Whole Time Director and Chief Financial Officer (CFO) of the Company for a period of 5 years w.e.f. 10<sup>th</sup> July, 2023.

The appointment of Mr. Amit Pitale as Whole Time Director and CFO of the Company will be considered as Key Managerial Personnel in compliance of the provisions of Section 203 of the Companies Act, 2013. As a Whole Time Director of the Company, Mr. Amit Pitale will be drawing nil remuneration except the remuneration paid to him in capacity as Chief Financial Officer. The other terms and conditions set out for appointment, may be altered and varied from time to time by the Board on the recommendation of Nomination and Remuneration Committee as it may, at its discretion deems appropriate.

The said appointment is subject to the approval of the shareholders by way of an ordinary resolution. Accordingly, it is proposed to obtain approval of the shareholders for appointment of Mr. Amit Pitale as the Whole Time Director and Chief Financial Officer of the Company with effect from 10<sup>th</sup> July, 2023 for a term of 5 (five) years, i.e. up to 10th July 2028.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for approval of the Members.

Mr. Amit Pitale and his relatives of may be deemed to be interested in the resolution set out in Item No. 4 of the Notice. Except the above, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

**Item No. 5:**

In order to augment additional capital requirements of the Company for its growth and expansion over the next few years, it is necessary for the Company to have funds as and when the window of opportunity arises. The Company, therefore, proposes to raise further capital from the domestic and international markets in one or more tranches from time to time. The Board shall utilize the proceeds to exploit the opportunities in existing businesses and/or explore the scope of any new business opportunities including business acquisitions, capital expenditures, financing new business initiatives, meeting additional working capital requirements arising out of growth in operations, investment in/ loans/ advances to subsidiaries/ joint ventures/ associates and for other general corporate purposes.

The resolution in accompanying Notice proposes to create, issue, offer and allot equity shares, Fully / Partly / Optionally Convertible Debentures/Preference shares and/or securities linked to equity shares and/or convertible securities including but not limited to Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs), partly or fully paid-up equity/debt instruments as allowed under SEBI (ICDR) Regulations, (hereinafter referred to as "Securities") for an aggregate amount not exceeding Rs. 1500 Crore (Rupees One Thousand Five Hundred Crore Only) or equivalent thereof, wherein amount not exceeding Rs. 1000 Crores (Rupees One Thousand Crore only) shall be for issue of Non- Convertible Debentures inclusive of premium, in the course of domestic/ international offerings. Such securities are proposed to be issued to eligible person including but not limited to resident investors and foreign investors (whether individuals, mutual funds, incorporated bodies, institutions or otherwise), Foreign Financial Institutions and other Qualified Institutional Buyers etc.

The proposed Special Resolution seeks the enabling authorization of the Members to the Board of Directors without the need of any further approval from the Members to undertake to issue securities in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements), Regulation, 2009 as amended from time to time (the "SEBI Regulations"). Pursuant to the above, the Board may, in one or more tranches, issue and allot Equity Shares in the form of Follow-On Public Offer (FPO), Global Depository Receipts (GDRs), and/or American Depository Receipts (ADRs) with rights of conversion into shares, and/or Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPS/CCPS) convertible into Equity Shares of the Company with voting rights or with differential rights as to voting, dividend or otherwise.

The said allotment by the Board of Directors ('Board') shall be subject to the provisions of the SEBI Regulations (as amended from time to time) including the pricing, which shall be calculated in accordance with the provisions of the SEBI Regulations in consultation with the Merchant Banker.

The relevant date for the determination of applicable price for the issue of the Securities shall be as per the SEBI Regulation which in case of allotment of equity shares will be the date of the meeting in which the board of directors or the committee of directors decides to open the proposed issue and in case of securities which are convertible into or exchangeable with equity shares at a later date will be either the date of the meeting in which the board of directors or the committee of directors decides to open the proposed issue of convertible securities or date on which the holder of such securities becomes entitled to apply for the said equity shares as the case may be. For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalize the terms of the issue. The securities issued pursuant to the offering would be listed on the Stock Exchanges on which the Company is listed.

The offerings of the Securities may require appointment of Merchant Bankers, Underwriters, Legal Advisors and Experts or such other Authority or Authorities to advise the Company especially in relation to the pricing of the Securities. The detailed terms and conditions of the Issue as and when made will be determined in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and other Experts in accordance with the terms of approval of the Government of India, Reserve Bank of India, SEBI and such other authorities as may be required.

The proposed Special Resolution gives (a) adequate flexibility and discretion to the Board to finalise the terms of the issue, in consultation with the Lead Managers, Underwriters, Legal Advisors and Experts or such other authority or

authorities as required to be consulted including in relation to the pricing of the issue in accordance with the normal practice and (b) powers to issue and market any securities issued including the power to issue such Securities in such tranche or tranches.

Accordingly, the consent of the Members is being sought, pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013, and SEBI (ICDR) Regulations, and in terms of the provisions of the Listing Regulations, as amended from time to time, to issue and allot securities as stated in the Special Resolution.

The Board of Directors of the Company believes that the proposed issue is in the interest of the Company and hence, recommends the resolution for the approval of the Shareholders by way of Special Resolution.

None of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

**Item No. 6:**

Pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) as amended from time to time, all material related party transactions and subsequent material modifications as defined by the Audit Committee shall require prior approval of the shareholders through resolution even if, such transactions are in the ordinary course of business and on an arm’s length basis and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Further, as per the SEBI Listing Regulations, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) Rupees 1,000 crore, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

The Company is a non-banking financial company (NBFC), primarily engaged in the business of financing needs the various corporates having presence in urban and semi-urban areas of India. The company has a diversified lending portfolio across Retail, SMEs and Commercial customers. Considering the nature of business and operations of the Company, the Company enters into various Related Party Transactions in the ordinary course of business.

As per Regulation 23 of the SEBI Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/40 dated 30<sup>th</sup> March, 2022, approval of the Members is sought for arrangements/ transactions/contracts undertaken whether by way of continuation/ modification of earlier arrangements/ transactions/contracts and for transactions proposed to be entered into by the Company/ Subsidiaries of the Company with Related parties mentioned above in FY 2023-24.

The details required as under the SEBI Listing Regulations and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 in connection with the Material Related Party Transactions is given below.

Details of Summary of information provided by the management to the Audit Committee:

Name of the Related Party and its relationship with the listed entity or its subsidiary including nature of its concern or interest (financial or otherwise): Akshunya Energy Private Limited, Niyamit Mercantile and Trading LLP, Starteck Infraprojects Private Limited, SW Investments Limited, Sunteck Realty Limited, Minteck Holding Private Limited, Samagra Wealthmax Private Limited, Starteck Housing Finance Private Limited (“Entities with joint/ common control or significant influence over entity”). Mr. Kamal Khetan, Glint Infraprojects Private Limited, Eskay Infrastructure Development Private Limited, SW Capital Private Limited (“Promoters”). Chitta Finlease Private Limited, Bhuwalka Steel Industries Limited and V Can Exports Private Limited (“Subsidiaries”).

Type of transaction:

- i. Purchase/ sale of securities from/ to related parties
- ii. Granting of loan to each related party
- iii. Availing of loan from related parties

Material terms and particulars of the proposed transaction: Material terms and conditions are based on the contracts which inter alia include the rates which are based on prevailing market price and commercial terms as on the date of entering into the contract. The particulars of the proposed transaction are mentioned above.

Tenure of the proposed transaction: Recurring in Nature in the year financial year 2023-24.

Value of the proposed transaction: Upto Rs. 50 Crores for each related party transaction.

If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: Not applicable as the Company is Non-Banking Financial institution (NBFC) Company.

- i. Details of the source of funds in connection with the proposed transaction: N.A.
- ii. Details of financial indebtedness Incurred: N.A.
- iii. Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security: N.A.
- iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transaction: N.A

Justification as to why the RPT is in the interest of the listed entity: The Company is a NBFC, engaged in the business of financing needs of various corporates and has presence in urban and semi-urban areas of India. The company has a diversified lending portfolio across Retail, SMEs and Commercial customers. Considering the nature of business and operations of the Company, transactions as mentioned above will help for meeting its business requirements and overall business performance of the Company.

A copy of the valuation or other external party report, if any such report has been relied upon: Not Applicable

Any other information: Nil

The Audit Committee and Board of Directors of the Company have approved the related party transactions at its meeting held on May 30, 2023 and have noted that such transactions may, in aggregate, cross the applicable materiality thresholds as mentioned above.

Details of Directors or Key Managerial Personnel of the Company holding Directorships in the concerned Related Party (ies) are given below:

|   |   |  |
|---|---|--|
| 1 | Starateck Infraprojects Pvt. Ltd.         | Mr. Anand Shroff- Non Executive Director |
| 2 | SW Investments Ltd                        | Mr. Pankaj Jain- Non Executive Director  |
| 3 | SW Capital Private Limited                | Mr. Pankaj Jain- Non Executive Director  |
| 4 | Mintec Holdings Private Limited           | Mr. Anand Shroff- Non Executive Director |
| 5 | Starateck Housing Finance Private Limited | Mr. Anand Shroff- Non Executive Director |
| 6 | Bhuwalka Steel Industries Limited         | Mr. Anand Shroff- Managing Director      |

Your Board of Directors considered the same and recommends passing of the resolution contained in Item No. 6 of the accompanying Notice as an Ordinary Resolution.

Except the above, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.



**Details of Directors seeking appointment / re-appointment at 38<sup>th</sup> Annual General Meeting with respect to Item Nos. 3 and 4 in the Notice pursuant to provisions of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standards**

|   |  |  |
|---|--|--|
| <b>Name of Director &amp; DIN</b>   | <b>Mr. Anand Shroff</b><br><b>(DIN: 08480489)</b>  | <b>Mr. Amit Pitale</b><br><b>(DIN: 07852850)</b>   |
| <b>Date of birth &amp; Age</b>  | November 1, 1974 (50 years)  | January 18, 1980 (44 Years)  |
| <b>Date of first appointment on the Board</b>   | June 13, 2019  | May 30, 2023   |
| <b>Brief Resume, Qualification(s), Experience, Nature of expertise in specific functional areas</b> | Mr. Anand Shroff (Chartered Accountant) is a strategic leader with over 20 years of multi-cultural experience in providing strategic advisory to top management team with respect to corporate finance, risk management, cash optimization, business expansions, risk policies and procedures development & fund sourcing and capital restructuring. He has been engaged in Debt Fund raising, domestically and internationally, and Equity Fund Raising. Mr. Shroff has successfully directed the financial analysis, internal and regulatory reporting, accounting operations, budgeting and forecasting leading to long-term improvements in cost savings, profitability and productivity. Mr. Shroff has expertise in identifying and mitigating financial & business risk, restructuring of working capital, leading integration process across common effectiveness, financial reporting, managing the annual budget and forecast process. | Mr. Amit Pitale, CFA and MBA in Finance has more than 15 years of experience in Securities Market. Currently he is spearheading the Operations including various streams of Finance, Accounts, Taxation, Budgeting & MIS, Treasury, and Compliance. He has demonstrated high Business acumen in managing finance operations, Cost Controls and has been a team Leader motivating teams to achieve growth and results.  |
| <b>Terms and conditions of appointment/re-appointment</b>   | Re-appointment as a Non-executive Director of the Company liable to retire by rotation to comply with the provisions of Section 152 of the Companies Act, 2013.  | The Board of Directors at their meeting held on July 10, 2023 based on the recommendation of the Nomination and Remuneration Committee has approved change in designation of Mr. Amit Pitale (DIN: 07852850) from Non-Executive Non Independent Director to Whole Time Director of the Company for a period of 5 years and further recommended his appointment as Whole time director, liable to retire by rotation, to the members of the Company for their approval. |
| <b>Details of Remuneration sought to be paid</b>  | Nil  | The details have been provided in the Explanatory statement forming part of this Notice.   |
| <b>Remuneration last drawn</b>  | Remuneration as disclosed in report on corporate governance forming part of Annual Report for FY 2022-23   | NA   |
| <b>Relationship with other Directors and KMPs</b>   | There is no inter se relationship between the Board of Directors and KMP of the Company.   | There is no inter se relationship between the Board of Directors and KMP of the Company.   |
| <b>Number of Board Meetings attended during the Financial Year 2022-23</b>                          | 4 out of 5   | NA   |
|   | 1.   | 1.   |

|  |  |   |
|--|--|---|
| <b>Directorship in other Companies as on March 31, 2023</b>  | 2. Starteck Housing Finance Private Limited<br>3. Bhuwalka Steel Industries Limited<br>4. Starteck Infraprojects Private Limited<br>5. Miteck Holdings Private Limited | 2. SW Capital Private Limited<br>3. SW Commodities Private Limited<br>4. SW1 Advisory Private Limited<br>5. Bhuwalka Steel Industries Limited |
| <b>Listed entities from which the person has resigned in the past three years</b>  | Mr. Anand Shroff has not resigned from any listed entity in past three years   | Nil   |
| <b>Chairmanship/Membership of the Committees (Audit and Stakeholders' Relationship Committee) of the other Companies</b> | Nil  | Nil   |
| <b>No. of Shares held in the Company as on March 31, 2023</b>  | Nil  | 1300 Equity Shares  |

# 38<sup>th</sup> ANNUAL REPORT 2022-2023



Starteck Finance Limited

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Anand Shroff  
Mr. Pankaj Jain  
Mr. Nilesh Parikh  
Mr. Gautam Panchal  
Mrs. Sandhya Malhotra

### **CHIEF FINANCIAL OFFICER**

Mr. Anand Shroff  
(upto 10th April, 2023)

### **COMPANY SECRETARY**

Ms. Mayuri Jain

### **AUDITORS**

M/s. MKPS & Associates,  
Chartered Accountants, Mumbai

### **BANKERS**

Kotak Mahindra Bank Ltd.  
Barclays Bank PLC  
ICICI Bank Ltd.  
Axis Bank Limited

### **REGISTERED OFFICE**

5th Floor, Sunteck Centre, 37-40,  
Subhash Road, Vile Parle (East), Mumbai-400057  
CIN: L51900MH1985PLC037039  
Tel: 91 22 4287 7800 Fax: 91 22 4287 7890  
E-mail: cosec@starteckfinance.com  
Website: www.starteckfinance.com

### **REGISTRAR & TRANSFER AGENTS**

Adroit Corporate Services Private Limited  
1st Floor, 17/20, Jafferbhoy Industrial Estate,  
Makwana Road, Marol, Andheri (E), Mumbai - 400059.  
Tel. No. 022-4227 0400 Fax No. 022-2850 3748  
E-mail: info@adroitcorporate.com  
Website: www.adroitcorporate.com

## DIRECTORS' REPORT

To  
The Members,  
Stardeck Finance Limited

Your Directors have the pleasure in presenting the 38th Annual Report of the Company on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2023.

### FINANCIAL HIGHLIGHTS

The summary of the Company's financial performance, both on a consolidated and standalone basis, for FY 2023 as compared to the previous FY i.e., FY 2022 is given below:

( ₹ in Lakhs )

| Particulars  | Standalone                       |                                  | Consolidated                     |                                  |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|  | For the year ended on 31.03.2023 | For the year ended on 31.03.2022 | For the year ended on 31.03.2023 | For the year ended on 31.03.2022 |
| Revenue from operations                              | 2616.47                          | 1588.63                          | 2635.54                          | 2838.27                          |
| Other Income   | -                                | 56.50                            | 186.31                           | 56.50                            |
| <b>Total Revenue</b>                                 | <b>2616.47</b>                   | <b>1645.13</b>                   | <b>2821.85</b>                   | <b>2894.77</b>                   |
| Total Expenditure                                    | 1392.28                          | 561.72                           | 1572.21                          | 1690.97                          |
| <b>Profit/(Loss)before exceptional items and tax</b> | <b>1224.19</b>                   | <b>1083.41</b>                   | <b>1249.64</b>                   | <b>1203.80</b>                   |
| Exceptional Items                                    | -                                | -                                | (1174.27)                        | -                                |
| <b>Profit before tax (PBT)</b>                       | <b>1224.19</b>                   | <b>1083.41</b>                   | <b>2423.91</b>                   | <b>1203.80</b>                   |
| <b>Less: Income Tax Provision</b>                    |                                  |                                  |                                  |                                  |
| Current Tax  | 227.78                           | 147.33                           | 229.63                           | 184.82                           |
| Excess/(Short)provision for tax                      | 112.26                           | -                                | 12.26                            | -                                |
| <b>Profit After Tax</b>                              | <b>984.15</b>                    | <b>936.08</b>                    | <b>2182.02</b>                   | <b>1018.98</b>                   |
| Other Comprehensive Income                           | (319.58)                         | 476.59                           | (319.58)                         | 476.59                           |
| <b>Total Comprehensive Income</b>                    | <b>664.57</b>                    | <b>1412.67</b>                   | <b>1862.44</b>                   | <b>1495.57</b>                   |

### REVIEW OF OPERATIONS

During the year under review, the consolidated revenue from operations for the current year amounted to ₹ 2635.54/- lakhs against ₹ 2838.27/- lakhs compared to the previous year. The profit after tax on consolidated basis stands at ₹ 2182.02/- lakhs as compared to ₹ 1018.98/-lakhs during the previous year.

The revenue from operations earned is ₹ 2616.47/- lakhs compared to previous year's revenue of ₹ 1588.63/- lakhs on standalone basis. The profit after tax on standalone basis stands at ₹ 984.15/- lakhs as compared to ₹ 936.08/- lakhs during the previous year.

### NATURE OF BUSINESS

During the year under review, there was no change in the nature of business of the Company.

### ACQUISITION OF BHUWALKA STEEL INDUSTRIES LIMITED

The Hon'ble National Company Law Tribunal (NCLT), Bengaluru Bench, vide its order dated June 24, 2022 had approved the resolution plan submitted by the Company for the Corporate Insolvency Resolution Process of Bhuwalka Steel Industries Limited (BSIL) under Section 31 of the Insolvency and Bankruptcy Code, 2016. The Company had infused an amount of Rs.1,00,000/- for acquiring 100% stake in Bhuwalka Steel Industries Limited (BSIL). Pursuant to the approved resolution plan, the existing issued, subscribed and paid up share capital of BSIL stands cancelled fully and BSIL has become a wholly owned subsidiary of the Company w.e.f. November 9, 2022.

## **DIVIDEND**

Your Directors have recommended final dividend of 2.5 % i.e. ₹ 0.25/- per equity share having face value of ₹ 10 each for the financial year ended 31st March, 2023 by persons/entities other than promoter and promoter group subject to approval of shareholders at the ensuing Annual General Meeting (AGM).

The dividend, if approved at the ensuing AGM, would be paid to those Members whose names appear in the Register of Members / Beneficial Owners maintained by the depositories as stated in Notice of the ensuing AGM. The Promoter & Promoter group have waived their rights to receive dividend.

## **SHARE CAPITAL**

During the year under review, the Company has not allotted any Equity Shares, thus the paid up Equity Share Capital of the Company remains the same i.e. 99,10,330 equity shares of ₹ 10/- each. Also, the Company has not issued shares with differential voting rights and sweat equity shares. Also, the Authorised Share Capital of the Company remains the same i.e. ₹ 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten only) each.

## **DEPOSITS**

Your Company being a Non-Deposit Accepting NBFC has not accepted any deposits from public during the year under review.

## **SUBSIDIARY COMPANIES AND REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES**

The Company has total 3 Subsidiaries i.e. V Can Exports Private Limited, Chitta Finlease Private Limited and Bhuwalka Steel Industries Limited as on 31st March, 2023. There are no associate companies or joint venture companies within the meaning of section 2(6) of the Companies Act, 2013.

As per Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company, its subsidiaries, associates and joint venture entities in accordance with applicable Accounting Standards issued by The Institute of Chartered Accountants of India, forms part of this Annual Report. The performance and financial position of each of the subsidiaries, associates and Joint Venture companies for the year ended 31st March, 2023 is attached to the financial statements hereto in Form AOC 1.

In terms of Section 136 of the Companies Act, 2013, separate audited accounts in respect of each of subsidiaries have been placed on the website of the Company. Further, the Company shall provide a copy of separate audited annual accounts in respect of each of its subsidiary to any member of the company who asks for it and said annual accounts will also be kept open for inspection at the Registered Office of the Company.

The Company has formulated a policy for determining 'material' subsidiaries and such policy is disclosed on Company's website. [www.starteckfinance.com](http://www.starteckfinance.com)

## **MATTERS RELATING TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In compliance with the provisions of section 152 of Companies Act, 2013, Mr. Anand Shroff, Director (DIN: 08480489) of the Company retires by rotation and being eligible offers himself for reappointment. Appropriate resolution for aforesaid re-appointment is being placed for approval of the members at the ensuing Annual General Meeting.

Mr. Vishal Agarwal, Non-Executive Independent Director (DIN: 00168370) resigned from directorship of the Company on 20th March, 2023. The Board places on record its appreciation and gratitude for the invaluable contributions made by Mr. Vishal Agarwal during his tenure as Director of the Company.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 30th May, 2023 approved appointment of Mr. Amit Pitale (DIN: 07852850) as Additional Director (Non-Executive, Non-Independent) of the Company, subject to approval of the shareholders of the Company. Necessary resolution for his appointment is being placed for the approval of shareholders as part of the notice of the Annual General Meeting.

Mr. Anand Shroff (DIN: 08480489) has stepped down as the Whole-time Director as well as Chief Financial Officer of the Company w.e.f. 10th April, 2023. He will continue to be a Non-Executive Director (Non-Independent) of the Company. The Board of Directors places on record its sincere appreciation for the valuable contribution made by Mr. Anand Shroff during his tenure as Whole time Director as well as CFO of the Company.

The vacancy caused by the resignation of the Director will be filled within the time prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the 'criteria of Independence' as prescribed under Section 149(6) of the Act and have submitted their respective declarations as required under Section 149(7) of the Act and Regulation 16(1) of the Listing Regulations that they are not aware of any circumstance or situation, which exists or is anticipated, that could impair or impact their ability to discharge their duties with an independent judgment and without any external influence as required under Regulation 25 of the Listing Regulations.

The Independent Directors also confirmed that they have duly registered their names in the data bank for Independent Directors maintained by Indian Institute of Corporate Affairs. Further, the Board is of the opinion that the Independent Directors of the Company possess requisite qualities to act as Independent Directors including integrity, relevant expertise and experience. The Board further confirms that the Independent Directors who were required to, have duly passed the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs.

The certificate under Regulation 34(3) of Listing Regulations forms part of this Annual Report.

## **DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES**

### **Number of Meetings of the Board of Directors**

Five meetings of the Board were held during the year. For details of meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Annual Report.

The Directors actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time.

The Board has constituted the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee of the Board with specific terms of reference as per the requirements of the Listing Regulations and the Act and they make specific recommendations to the Board on matters within their areas of purview. The details with respect to the composition, powers, roles, terms of reference, Meetings held and attendance of the Directors at such Meetings of the relevant Committees are given in detail in the Report on Corporate Governance of the Company which forms part of this Annual Report.



Additionally, during the year under review, the Independent Directors held a separate meeting in compliance with the requirements of Schedule IV of the Act and Regulation 25(3) of the Listing Regulations. For further details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Annual Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Act and to the best of their knowledge and belief and according to the information and explanations obtained from the Management, the Directors of your Company state that:-

- In the preparation of the annual accounts, the applicable Accounting Standards have been followed and there were no material departures from the same;
- Such accounting policies have been selected and applied consistently and the Directors 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 as on 31st March, 2023 and of the profits of the Company for the year ended on that date;
- Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual Accounts of the Company have been prepared on a going concern basis;
- Internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **COMMITTEES OF THE BOARD**

### **a) Audit Committee**

An Audit Committee is in existence in accordance with the provisions of Section 177 of the Companies Act, 2013. Kindly refer to the section on Corporate Governance, under the head, 'Audit Committee' for matters relating to constitution, meetings and functions of the Committee.

### **b) Nomination and Remuneration Committee**

A Nomination and Remuneration Committee is in existence in accordance with the provisions of subsection (3) of Section 178 of the Companies Act, 2013. Kindly refer to the section on Corporate Governance, under the head, 'Nomination and Remuneration Committee' for matters relating to constitution, meetings, functions of the Committee and the remuneration policy formulated by this Committee.

### **c) Corporate Social Responsibility Committee**

The brief outline of the Policy and the initiatives undertaken by the Company during the year are set out in Annual Report on CSR activities as Annexure II as per the format prescribed in Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereto. The CSR Policy is available on the Company's website at [www.starteckfinance.com](http://www.starteckfinance.com)

#### **d) Other Board Committees**

For details of other Board Committees' viz. Stakeholders Relationship Committee and others, kindly refer to the section 'Committees of the Board of Directors' which forms part of the Corporate Governance Report.

#### **VIGIL MECHANISM**

The Company has a whistle blower policy encompassing vigil mechanism pursuant to the requirements of the section 177(9) of the Act and regulation 22 of the Listing Regulations. The policy/vigil mechanism enables directors and employees to report to the Management genuine concerns about unethical behavior, actual or suspected fraud, or violation of Code of Conduct and Ethics and leak or suspected leak of unpublished price sensitive information. It also provides for adequate safeguards against victimization of employees who avail of the whistle blower mechanism and allows direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

The Whistle Blower Policy of the Company is placed on the website of the Company <https://www.starteckfinance.com>.

#### **RISK MANAGEMENT**

The Board of Directors have adopted a risk management policy for the Company which provides for identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company. The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy.

#### **ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD**

A formal evaluation mechanism has been adopted for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation is based on criteria which include, among others, providing strategic perspective, integrity and maintenance of confidentiality and independence of judgment, Chairmanship of Board and Committees, attendance, time devoted and preparedness for the Meetings, quality, quantity and timeliness of the flow of information between the Board Members and the Management, contribution at the Meetings, effective decision making ability, monitoring the corporate governance practices, role and effectiveness of the Committees and effective management of relationship with stakeholders. Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of its directors individually and the committees of the Board and the same is reviewed by the Nomination and Remuneration Committee.

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The information as required under the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in **Annexure I** attached hereto.

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is available for inspection by the members at registered office of the Company during business hours on working days up to the date of the ensuing AGM. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary, whereupon a copy would be sent.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Pursuant to Section 186 of the Companies Act, 2013 and Schedule V of the Listing Regulations, details of Loans, guarantees and investments given/made during the financial year under review are part of the financial statements.

## **RELATED PARTY TRANSACTIONS**

All transactions with related parties are placed before the Audit Committee for its approval. An omnibus approval from Audit Committee is obtained for the related party transactions which are repetitive in nature.

All related party transactions, entered into during the financial year under review, were on an arm's length basis and were in the ordinary course of business. Your Company has not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act, in Form AOC 2, is not applicable.

Disclosure on Related Party transactions is provided in notes to financial statement

The Policy on Related Party Transactions is available on the Company's website and can be assessed using the link [www.starteckfinance.com](http://www.starteckfinance.com).

## **MATERIAL CHANGES AND COMMITMENTS**

Except as disclosed elsewhere in this report, there were no material changes and commitments affecting the Company's financial position which have occurred between the end of the financial year and the date of this report.

## **INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY**

The internal financial controls of the Company are commensurate with its size, scale and complexity of operations. The Company has adopted policies and procedures to ensure integrity in conducting business, safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors. The internal financial controls with reference to the financial statements were adequate and operating effectively.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS**

During the year under review, there were no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future. No application is made and no proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one time settlement of the Company with any Bank or Financial Institution.

## **STATUTORY AUDIT AND AUDITORS' REPORT**

Pursuant to the provisions of Section 139 of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, M/s MKPS & Associates, Chartered Accountants (ICAI Firm Registration No. 302014E) were appointed as the Statutory Auditors of the Company for a term of 5 years to hold office from the conclusion of the 36th Annual General Meeting held on 28th September, 2021 till the conclusion of 41st Annual General Meeting of the Company to be held in the year 2026.

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their audit reports on the financial statements for the year ended 31st March 2023.

No fraud has been reported during the audit conducted by Statutory Auditors of the Company.

## **SECRETARIAL AUDIT AND ANNUAL SECRETARIAL COMPLIANCE REPORT**

As required under provisions of Section 204 of the Companies Act, 2013 and pursuant to Regulation 24A of Listing Regulations, the reports in respect of the Secretarial Audit for FY 2022-23 carried out by Mr. Veeraraghavan N., Company Secretary in practice,

in Form MR-3 forms part to this report. The said report does not contain any qualification, reservation or adverse remark or disclaimer.

Further, in terms of the provisions of Regulation 24A of the SEBI Listing Regulations and Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 issued by SEBI, Mr. Veeraraghavan N., Company Secretary in practice, has issued the Annual Secretarial Compliance Report, confirming compliance by the Company of the applicable SEBI regulations and circulars / guidelines issued thereunder.

## **COST RECORDS AND COST AUDIT**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable in respect of the business activities carried out by the Company.

## **INTERNAL AUDIT**

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes. The Company had appointed M/s. Sandeep V. Chavan and Company, (Firm Registration No. 148937W), Chartered Accountants, as Internal Auditors of the Company for financial year 2022-23. Findings of the Internal Auditor are placed before Audit Committee, which reviews and discusses the actions taken with the Management.

## **ANNUAL RETURN**

The Annual Return for the financial year ended 31st March, 2023, is available on the website of the Company at [www.starteckfinance.com](http://www.starteckfinance.com)

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The operations of the Company, being financial services related, require normal consumption of electricity. The Company is taking every necessary step to reduce its consumption of energy. Further, given the nature of the activities of the Company, the disclosure on technology absorption is not applicable to the Company.

Foreign Exchange Earnings and Outgo are as follows:

- i) Foreign Exchange Earned: NIL
- ii) Foreign Exchange Outflow: NIL

## **INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has in place an appropriate policy which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment of women. We further state that during the financial year under review, there were no complaints received/cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## **OTHER DISCLOSURES**

### **Corporate Governance**

The Corporate Governance Report as stipulated under Regulation 34(3) read with Schedule V of the SEBI Listing Regulations forms an integral part of this Annual Report. The requisite certificate from the Statutory Auditors of the Company confirming compliance with the requirements of Corporate Governance forms part of this Annual Report.

### **Management Discussion and Analysis Report**

The Management Discussion and Analysis report has been separately furnished in the Annual Report and forms a part of the Annual Report.

### **Unclaimed and Unpaid Dividends and transfer of shares to IEPF**

Kindly refer section on Corporate Governance, under head 'Unclaimed and Unpaid Dividends and transfer of Shares to IEPF' for the amounts of unclaimed and unpaid dividends lying with the Company.

## **ACKNOWLEDGEMENTS**

Your Directors would like to express their sincere appreciation and gratitude for the support and co-operation from its shareholders, bankers, regulators and other business constituents.

Your Directors also wish to place on record their appreciation for the commitment and hard work put in by the Management and the employees of the Company.

**For and on Behalf of the Board of Director**

**Place: Mumbai**  
**Date: May 30, 2023**

**Anand Shroff**  
**Director**  
**(DIN: 08480489)**

**Pankaj Jain**  
**Director**  
**(DIN: 00048283)**

## Annexure -I

### Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. Ratio of remuneration of each Director to the median employees' remuneration for the Financial Year:

| Name of the Directors | Designation               | Ratio of Remuneration to the median remuneration of all employees | % Increase in Remuneration in the Financial Year 2022-23 |
|-----------------------|---------------------------|---|--|
| Anand Shroff          | Whole Time Director & CFO | 10.00   | NA   |
| Mayuri Jain           | Company Secretary         | -   | 42.86%   |

ii. The percentage increase in the median remuneration of Employees in the financial year- 2022-23: 52.95%

iii. There were 2 permanent employees on the rolls of the Company as on 31st March, 2023.

iv. Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year was NIL while the percentile increase in the managerial remuneration was 42.86%.

v. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

**For and on Behalf of the Board of Directors**

**Place: Mumbai**  
**Date: May 30, 2023**

**Anand Shroff**  
**Whole-time Director**  
**(DIN: 08480489)**

**Pankaj Jain**  
**Director**  
**(DIN: 00048283)**

**ANNEXURE – II**  
**Annual Report on CSR Activities**

1. Brief outline on CSR Policy of the Company- The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

2. Composition of CSR Committee:

| Sl. No. | Name of Director   | Designation/ Nature of Directorship    | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|--------------------|--|--|--|
| 1       | Mr. Gautam Panchal | Non-Executive and Independent Director | 2  | 2  |
| 2       | Mr. Vishal Agarwal | Non-Executive and Independent Director | 2  | 1  |
| 3       | Mr. Anand Shroff   | Whole Time Director                    | 2  | 2  |

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company - [www.starteckfinance.com/Downloads/Corporate-Social-Responsibility-CSR-Policy.pdf](http://www.starteckfinance.com/Downloads/Corporate-Social-Responsibility-CSR-Policy.pdf)

4. Executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable - Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135 – ₹ 170,591,308

(b) Two percent of average net profit of the company as per sub-section (5) of section 135 – ₹ 34,11,826

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – Not Applicable

(d) Amount required to be set off for the financial year, if any – Nil

(e) Total CSR obligation for the financial year (5b+5c-5d) – ₹ 34,11,826

6. (a) Amount spent on CSR projects (both Ongoing project and other than Ongoing Project)-Nil

(b) Amount spent in Administrative Overheads – Nil

(c) Amount spent on Impact Assessment, if applicable - Not Applicable

(d) Total amount spent for the Financial Year (6a+6b+6c) – Nil

(e) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.)  |                              |  |                |                  |
|---|--|------------------------------|--|----------------|------------------|
|   | Total Amount transferred to Unspent CSR Account as per section 135(6). |                              | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). |                |                  |
|   | Amount   | Date of transfer             | Name of the Fund   | Amount         | Date of transfer |
| -   | 34,11,826  | 29 <sup>th</sup> April, 2023 | Not Applicable   | Not Applicable | Not Applicable   |

(f) Excess amount for set off, if any

| Sl. No. | Particular  | Amount (in Rs.) |
|---------|---|-----------------|
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      | -               |
| (ii)    | Total amount spent for the Financial Year   | -               |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | -               |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | -               |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | -               |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year (s) | Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.) | Balance amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.) | Amount spent in the financial year (In Rs.) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any |                  | Amount remaining to be spent in succeeding Financial Years (in Rs) | Deficiency, if any |
|---------|------------------------------|--|---|---|---|------------------|--|--------------------|
|         |                              |  |   |   | Amount (in Rs)  | Date of Transfer |  |                    |
| 1       | 2021-22                      | 27,37,768  | 27,37,768   | -   | -   | -                | 27,37,768  | NA                 |
| 2       | 2020-21                      | NA   | NA  | NA  | NA  | NA               | NA   | NA                 |
| 3       | 2019-20                      | NA   | NA  | NA  | NA  | NA               | NA   | NA                 |
|         | <b>Total</b>                 | <b>27,37,768</b>   | <b>27,37,768</b>  | -   | -   | -                | <b>27,37,768</b>   | <b>NA</b>          |

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

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

The Company has earmarked projects which are under process of implementation and will make efforts to spend the unspent amount on the earmarked projects. The unspent amount has been already transferred to the dedicated Unspent CSR Account.

**For and on behalf of the Board of Directors**

**Place: Mumbai**  
**Date: May 30, 2023**

**Anand Shroff**  
**Director**  
**(DIN: 08480489)**

**Gautam Panchal**  
**Chairman of CSR Committee**  
**(DIN: 07826634)**



## **REPORT ON CORPORATE GOVERNANCE**

Pursuant to Regulation 34 read with Schedule V to the Securities and Exchange Board of India (**Listing Obligations** and Disclosure Requirements) Regulations, 2015 (hereinafter “Listing Regulations”), the report containing the details of the Governance systems and process at Stardeck Finance Limited is as under:

### **COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company’s philosophy on Corporate Governance envisages the adoption of best business policies and alignment of the highest levels of transparency, integrity, honesty, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders, government and employees. Your Company considers its inherent responsibility to disclose timely and accurate information regarding financials and performance of the Company.

The Company is in compliance with the applicable requirement specified in Companies Act, 2013 and Listing Regulations.

### **BOARD OF DIRECTORS**

#### **Composition:**

As on March 31, 2023, the Company has Five (5) Directors, out of which three (3) are Independent Directors who provide valuable guidance to the Management of the Company on various aspects of the Company’s business operations. The Board has an optimum combination of executive and non-executive directors with one woman director and fifty per cent of the Board comprising of non-executive independent directors. The vacancy caused by the resignation of the Director will be filled within the time prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

None of the non-executive directors on the Board have attained the age of seventy five years.

The Board is periodically updated on the orderly succession to the Board and Senior Management. It has satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

The Board periodically reviews legal compliance reports with respect to the various laws applicable to the Company as prepared and placed before it by the Management.

#### **Confirmation and Certification**

The Company annually obtains from each Director, details of the Board and Board Committee positions he/she occupies in other Companies, and changes if any regarding their Directorships. Based on the disclosures received from the Directors, the Company has obtained a certificate from Mr. Veeraraghavan N., Practicing Company Secretary, confirming that none of the Directors on the Board of the Company 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 or any such authority and the same forms part of this report.

#### **Board Independence**

The Independent Directors provide an annual confirmation that they meet the criteria of independence as per Section 149(6) of the Companies Act, 2013 and Regulation 16 of Listing Regulations. Based on the confirmations / disclosures received from the Directors, the Board confirms, that the Independent Directors fulfil the criteria of Independence as specified under Companies Act, 2013 and Listing Regulations and are independent of the management. All Directors are also in compliance with the limit on Independent Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations. The details of

familiarization programme imparted to Independent Directors are provided on the website of the Company viz. <http://www.starteckfinance.com>.

Mr. Vishal Agarwal has resigned as Independent Non-Executive Director of the Company with effect from the close of business hours on March 20, 2023 due to his pre-occupation and personal commitments. He has also confirmed that there are no other material reasons for his resignation other than those disclosed above.

## **SEPARATE INDEPENDENT DIRECTORS' MEETINGS**

Pursuant to the Act and the Listing Regulations, the Independent Directors shall hold at least one meeting in a year without attendance of non-independent directors and members of the Management. Accordingly, Independent Directors of the Company met on February 2, 2023 to discuss and review:

- Report on performance evaluation for the year 2022-23 of the Board;
- Performance of non-independent directors and the Board as a whole;
- The quantity, quality and timely flow of information between the Management and the Board, and found it to be in line with the expectations.

All the Independent Directors were present at the Meeting.

## **Number of Board meetings held, dates on which held**

During the Financial year ended on March 31, 2023, the Board of Directors of the Company met five times and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the Board met are May 27, 2022, July 27, 2022, November 7, 2022, January 17, 2023 and February 2, 2023. The necessary quorum was present for all the meetings.

## **Code of Conduct**

The Company has adopted a Code of Conduct for the Board Members and Senior Management Personnel of the Company ("the Code") which includes the duties of independent directors as laid down in the Companies Act. The Code is applicable to all the Board Members and Senior Management of the Company. The Code is available on the Company's website at [www.starteckfinance.com/codes-or-policies.html](http://www.starteckfinance.com/codes-or-policies.html).

All the Board Members and Senior Management Personnel have confirmed compliance with the Code during the financial year under review and a declaration to that effect forms a part of this Annual Report.

**The names and categories of the Directors on the Board, their attendance at Board Meetings and at the last Annual General Meeting and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies are given below:**

| Name of the Director  | Composition/ Category           | No. of Board Meetings attended | Whether attended last AGM held on August 25, 2022 | Number of Directorship in other Indian Public Limited companies as on March 31, 2023# (Excluding Starteck Finance Limited) | No. of Committee positions held in other Indian Public Limited companies as on March 31, 2023\$ (Excluding Starteck Finance Limited) |        | Directorships in other listed entities |                            |
|-----------------------|---------------------------------|--------------------------------|---|--|--|--------|--|----------------------------|
|                       |                                 |                                |   |  | Chairman   | Member | Name of the Listed Entity              | Category of Directorship   |
| Mr. Anand Shroff      | Whole-time Director             | 4                              | Yes   | 1  | 0  | 0      | NA                                     | NA                         |
| Mr. Gautam Panchal    | Non- Executive, Independent     | 4                              | Yes   | 2  | 0  | 2      | SW Investments Limited                 | Non- Executive Independent |
| Mrs. Sandhya Malhotra | Non- Executive, Independent     | 5                              | Yes   | 2  | 0  | 4      | SW Investments Limited                 | Non- Executive Independent |
|                       |                                 |                                |   |  |  |        | Sunteck Realty Limited                 | Non- Executive Independent |
| Mr. Pankaj Jain       | Non- Executive, Non Independent | 4                              | Yes   | 1  | 2  | 2      | SW Investments Limited                 | Non- Executive Independent |
| Mr. Vishal Agarwal %  | Non- Executive, Independent     | 4                              | Yes   | 1  | 0  | 1      | NA                                     | NA                         |
| Mr. Nilesh Parikh     | Non- Executive, Independent     | 5                              | Yes   | 0  | 0  | 0      | NA                                     | NA                         |

# The number of Directorships in other Public Limited Companies includes Private Limited Companies which are subsidiaries of public limited companies.

\$ Memberships include Chairmanships. Only memberships of Audit Committee and Stakeholders Relationship Committee are considered. This includes memberships in deemed public company (whether listed or not).

% Mr. Vishal Agarwal has resigned as Independent Non-Executive Director of the Company with effect from the close of business hours on March 20, 2023

There are no inter-se relationships between the Board members. Non-Executive Directors do not hold any shares and convertible instruments of the Company.

In terms of the provisions of the Act and Listing Regulations, the Directors submit necessary disclosures regarding the positions held by them on the Board and/or Committees of other Companies, from time to time. On basis of such disclosures, it is confirmed that as on the date of this report, none of the Directors:-

- a) hold Directorships in more than 10 (Ten) public Companies;
- b) hold Directorships in more than 7 (Seven) listed entities;
- c) is a Member of more than 10 (Ten) Committees or Chairperson of more than 5 (Five) Committees across all the public companies in which he/she is a Director.

### Core Skills /Expertise / Competencies of the Board of Directors

Your Board comprises of qualified members who collectively bring in the skills, expertise and competencies stated below that allow them to make effective contribution to the Board and its Committees. The table below highlights the Core Areas of Expertise/Skills/Competencies of the Board members. However, absence of mention of skill/expertise/competency against a member's name does not indicate that the member does not possess that skill or competency.

| Core Skills/ Expertise/ Competencies                            | Mr. Anand Shroff<br>(Whole Time Director) | Mr. Vishal Agarwal<br>(Independent Director) # | Mr. Gautam Panchal<br>(Independent Director) | Mrs. Sandhya Malhotra<br>(Independent Director) | Mr. Pankaj Jain<br>(Non -Executive Director) | Mr. Nilesh Parikh<br>(Independent Director) |
|---|---|--|--|---|--|---|
| Corporate Strategy and Planning                                 | √   | √  | √  | √   | √  | √   |
| Financial knowledge and risk oversight                          | √   |  | √  | √   | √  | √   |
| Governance and Regulatory Oversight                             | √   | √  | √  | √   | √  | √   |
| Leadership qualities  | √   | √  | √  | √   | √  | √   |
| Experience and exposure in policy shaping and industry advocacy | √   | √  |  |   | √  | √   |
| Understanding of relevant laws, rules, regulations and policies | √   | √  | √  | √   | √  | √   |
| Business Experience   | √   | √  | √  | √   | √  | √   |

# ceased to be Non-executive Independent director w.e.f. March 20, 2023.

### COMMITTEES OF THE BOARD

The Board has constituted the Committees of the Board with specific terms of reference as per the requirements of the Listing Regulations and the Act and they make specific recommendations to the Board on matters within their areas of purview. The decisions and recommendations of the Committees are placed before the Board for information or for approval, as required.

### AUDIT COMMITTEE

The Company has a qualified and Independent Audit Committee which has been formed in alignment with provisions of Regulation 18 of the Listing Regulations and Section 177 of the Act. As on 31st March, 2023, the Audit Committee comprises of 3

Non-Executive Directors and 1 Executive Director having requisite accounting and financial management expertise. Ms. Mayuri Jain, Company Secretary officiates as the Secretary of the Committee.

During the financial year under review, four meetings of the Audit Committee were held i.e. on May 27, 2022, July 27, 2022, November 7, 2022 and February 2, 2023 and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings. Committee is headed by Mr. Nilesh Parikh, Non-Executive Independent Director.

The Chairman (Mr. Nilesh Parikh) of the Audit Committee was present at the Annual general meeting held on August 25, 2022 to answer the queries of security holders.

The composition and attendance of the members of the Audit Committee during the year ended March 31, 2023 is as follows:

| Name of Director | Category                     | Position | No. of Meetings |          |
|------------------|------------------------------|----------|-----------------|----------|
|                  |                              |          | Held            | Attended |
| Nilesh Parikh    | Non - Executive, Independent | Chairman | 4               | 4        |
| Gautam Panchal   | Non - Executive, Independent | Member   | 4               | 3        |
| Sandhya Malhotra | Non - Executive, Independent | Member   | 4               | 4        |
| Anand Shroff     | Whole - time Director        | Member   | 4               | 3        |

### Terms of Reference of Audit Committee

The terms of reference of the Audit Committee cover the areas mentioned under Part C of Schedule II of the Listing Regulations as well as Section 177 of the Act. The role of the Audit Committee includes among others internal financial controls, risk management policies and processes, recommendation for appointment, remuneration and terms of appointment of auditors, reviewing with the management the annual financial statements and auditor's report thereon before submission to the board for approval, and approval or any subsequent modification of transactions of the Company with related parties.

### NOMINATION AND REMUNERATION COMMITTEE

The composition of Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

During the Financial Year under review, the Nomination and Remuneration Committee meeting was held on May 27, 2022. The necessary quorum was present for all the meetings. The Committee is headed by Mr. Vishal Agarwal, Non-Executive Independent Director.

The Chairman (Mr. Vishal Agarwal) of the Nomination and Remuneration Committee was present at the Annual general meeting held on August 25, 2022 to answer the queries of security holders.

The composition and attendance of the members of the Nomination and Remuneration Committee during the year ended March 31, 2023 is as follows:

| Name of Director | Category                           | Position | No. of Meetings |          |
|------------------|------------------------------------|----------|-----------------|----------|
|                  |                                    |          | Held            | Attended |
| Vishal Agarwal # | Non - Executive, Independent       | Chairman | 1               | 1        |
| Gautam Panchal   | Non - Executive, Independent       | Member   | 1               | 1        |
| Pankaj Jain      | Non - Executive, Non - Independent | Member   | 1               | 1        |

# ceased to be Non-executive Independent director w.e.f. March 20, 2023.

### **Terms of Reference of Nomination and Remuneration Committee**

The purpose of this committee of the Board of Directors shall be to discharge the Board's responsibilities related to nomination and remuneration of the Company's executive / non-executive directors. The Nomination and Remuneration Committee assists in formulating criteria for determining qualifications, positive attributes and independence of Directors and recommend to the Board policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Committee formulates the criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifies the persons who are qualified to become Directors, and who may be appointed in senior management and recommend to the Board their appointment and removal.

### **Performance evaluation criteria for Independent Directors**

The performance evaluation of Independent Directors is done by the entire Board of Directors, excluding the Director being evaluated. The performance evaluation indicators includes participation and contribution by a director, monitoring the corporate governance practices, addressing business challenges and risks, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of judgments.

### **Remuneration Policy**

The Nomination and Remuneration Committee oversees the remuneration to be provided to the Directors and Senior Managerial Personnel of the Company. The remuneration to be paid to the Executive, Non-Executive and Independent Directors are determined in accordance with the provisions of the Act and the Listing Regulations. The policy, inter alia, provides the (a) criteria for determining qualifications, positive attributes and independence of directors and (b) policy on remuneration for directors, key managerial personnel and other employees. The policy is directed towards a compensation philosophy and structure that will attract, retain and motivate talent and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Nomination and Remuneration Committee has formulated a policy on remuneration under the provisions of Section 178(3) of the Act and the same is uploaded on the website of the Company at [www.starteckfinance.com](http://www.starteckfinance.com)

Details of sitting fees/ remuneration paid to Directors for the Financial Year 2022-23 are as under:

(₹ in Lakhs)

| Name of Director | Category                          | Sitting Fees * | Salary | Benefits /Bonus /Stock Options /Commission | Others (Specify) | Total |
|------------------|-----------------------------------|----------------|--------|--|------------------|-------|
| Gautam Panchal   | Non - Executive, Independent      | 0.25           | -      | Nil  | Nil              | 0.25  |
| Sandhya Malhotra | Non - Executive, Independent      | 0.30           | -      | Nil  | Nil              | 0.30  |
| Vishal Agarwal # | Non - Executive, Independent      | 0.20           | -      | Nil  | Nil              | 0.20  |
| Nilesh Parikh    | Non - Executive, Independent      | 0.30           | -      | Nil  | Nil              | 0.30  |
| Pankaj Jain      | Non - Executive, Non -Independent | -              | -      | -  | -                | -     |
| Anand Shroff     | Whole - time Director             | -              | 50.56  | Nil  | Nil              | 50.56 |

# ceased to be Non-executive Independent director w.e.f. March 20, 2023.

\*No Commission was paid to Independent Directors during the Financial Year 2022-23.

There were no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Non-Executive Directors.

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

Constitution of Stakeholders' Relationship Committee and its functions:

The Stakeholders' Relationship Committee looks into shareholders' and investors' grievances. The Committee is headed by Mr. Gautam Panchal, Non-Executive Independent Director. The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of Listing Regulations read with section 178 of the Act.

During the financial year under review, four meetings of the Stakeholders' Relationship Committee were held i.e. on May 27, 2022, July 27, 2022, November 7, 2022 and February 2, 2023. The necessary quorum was present for all the meetings. Ms. Mayuri Jain, Company Secretary also acts as the Compliance Officer of the Company.

The Chairman of the Stakeholders Relationship Committee was present at the Annual General Meeting (AGM) held on August 25, 2022 to answer the queries of security holders.

The composition and attendance of the members of the Stakeholders' Relationship Committee during the year ended March 31, 2023 is as follows:

| Name of Director | Category                     | Position | No. of Meetings |          |
|------------------|------------------------------|----------|-----------------|----------|
|                  |                              |          | Held            | Attended |
| Gautam Panchal   | Non - Executive, Independent | Chairman | 4               | 4        |
| Vishal Agarwal # | Non - Executive, Independent | Member   | 4               | 3        |
| Anand Shroff     | Whole - time Director        | Member   | 4               | 3        |

# ceased to be Non-executive Independent director w.e.f. March 20, 2023.

### Terms of Reference of Stakeholders' Relationship Committee

This Committee assists the Board and the Company in maintaining healthy relationships with all stakeholders. It shall consider and resolve grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

Details pertaining to the number of complaints received and responded and status thereof during the financial year 2022-23 are given below:

| No. of complaints pending as on April 1, 2022 | No. of complaints received during the year | No. of complaints resolved during the year | No. of complaints pending as on March 31, 2023 |
|---|--|--|--|
| Nil   | 1  | 1  | Nil  |

### CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

CSR Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013. The Meeting of the CSR Committee was held on May 27, 2022 and February 2, 2023 during the year under review. The necessary quorum was present for the meeting. The Committee is headed by Mr. Gautam Panchal, Non-Executive Independent Director. The Company Secretary is the Secretary to the Committee.

The composition and attendance of the members of the CSR Committee during the year ended March 31, 2023 is as follows:

| Name of Director | Category                     | Position | No. of Meetings |          |
|------------------|------------------------------|----------|-----------------|----------|
|                  |                              |          | Held            | Attended |
| Gautam Panchal   | Non - Executive, Independent | Chairman | 2               | 2        |
| Vishal Agarwal # | Non - Executive, Independent | Member   | 2               | 1        |
| Anand Shroff     | Whole - time Director        | Member   | 2               | 2        |

# ceased to be Non-executive Independent director w.e.f. March 20, 2023.



## GENERAL BODY MEETINGS

### i. a) Annual General Meetings (AGM):

| Date                             | Venue   | Time    | No. of Special Resolution Passed   |
|----------------------------------|---|---------|--|
| 25 <sup>th</sup> August, 2022    | The Company conducted the AGM through video conferencing/ other audio visual means. | 3.00 pm | 1. Re appointment of Mr. Gautam Panchal as an Independent Director<br>2. Raising funds by way of further issue of securities<br>3. Approval of existing as well as proposed material related party transactions for the financial year 2022-23 |
| 28 <sup>th</sup> September, 2021 | The Company conducted the AGM through video conferencing/ other audio visual means. | 3.00 pm | 1. Raising funds by way of further issue of securities   |
| 24 <sup>th</sup> September, 2020 | The Company conducted the AGM through video conferencing/ other audio visual means. | 3.00 pm | 1. Raising funds by way of further issue of securities   |

### b) Extra-Ordinary General Meetings:

No extraordinary general meeting of the members was held during FY 2023.

### ii. Postal Ballot:

During FY 2022-23, no ordinary or special resolutions were passed through postal ballot. No special resolution is proposed to be conducted through postal ballot as on the date of this Report.

## MEANS OF COMMUNICATION

The Company's quarterly / annual financial results are sent to the Stock Exchanges and are published in Free Press Journal and Navshakti. The financial results are also made available on Company's website at [www.starteckfinance.com](http://www.starteckfinance.com).

All financial and other vital news releases and documents under the Listing Regulations are also communicated to the Stock Exchanges, besides being placed on the Company's website.

## GENERAL SHAREHOLDER INFORMATION

38th Annual General Meeting

|  |  |
|--|--|
| CIN No.  | L51900MH1985PLC037039  |
| Registered Office Address  | Starteck Finance Limited<br>5 <sup>th</sup> Floor, Sunteck Centre, 37-40,<br>Subhash Road, Vile Parle (E),<br>Mumbai 400057 Tel No.:91 22 4287 7800<br>Email Id: <a href="mailto:cosec@starteckfinance.com">cosec@starteckfinance.com</a>  |
| AGM: Date and Time   | Tuesday, September 26, 2023, 3.00 pm   |
| Venue  | The Company is conducting meeting through video conferencing (VC)/other audio visual means (OAVM)pursuant to the MCA circular. For details please refer to the Notice of 38 <sup>th</sup> AGM.   |
| Financial Year   | The financial year of the Company starts from April 1 and ends on March 31 of the succeeding year  |
| Record Date for Dividend   | Tuesday, September 19, 2023.   |
| Dividend Payment date  | The dividend of Rs.0.25 per Equity Share of face value of Rs.10 each held by persons/entities other than promoter and promoter group out of the profits of the Company for the financial year 2022-23, if approved by the Members at the ensuing AGM, will be credited / dispatched on or before October 25, 2023. The Promoter & Promoter group have waived their rights to receive dividend. |
| Listing on stock exchanges   | National Stock Exchange of India Limited (NSE)<br>Exchange Plaza, C-1, Block G,<br>Bandra Kurla Complex, Bandra (East), Mumbai 400 051<br>BSE Limited (BSE)<br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001<br>Annual Listing Fees for the Financial Year 2023-24 has been paid to BSE & NSE.   |
| Stock Code   | NSE : STARTECK<br>BSE : 512381<br>ISIN: INE992I01013   |
| In case the securities are suspended from trading, the Board's Report shall explain the reason thereof | Not applicable   |
| Registrar and Transfer Agent   | Adroit Corporate Services Pvt.Ltd.<br>17-20, Jafferbhoy Ind. Estate,<br>1st Floor, Makwana Road,<br>Marol Naka, Andheri (E), Mumbai 400059.  |

|   |  |
|---|--|
| Share Transfer System   | In terms of SEBI notification dated January 24, 2022 all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, members are advised to dematerialise the shares held by them in physical form.  |
| Dematerialisation of shares and liquidity   | As of March 31, 2023, 99,06,330 Equity Shares of the Company (99.96%) are held in electronic form with National Securities Depository Limited and Central Depository Services (India) Limited. Trading in shares of your Company is permitted only in the dematerialised form.   |
| Outstanding GDRs/ADRs/Warrants or any Convertible instruments conversion date and likely impact on equity | As on March 31, 2023, the Company does not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments.   |
| Credit Ratings  | NA   |
| Commodity Price risk/Foreign Exchange Risk and Hedging:   | The Company does not have any exposure to commodity price risks and foreign exchange risk.   |
| Plant Locations   | The Company is engaged in financial services business and does not have any plant.   |
| Address for correspondence  | <p>Investors and members can correspond with the Company or the share transfer agent at the following address:</p> <p>Registered Office:<br/> Starteck Finance Limited<br/> 5<sup>th</sup> Floor, Sunteck Centre, 37-40,<br/> Subhash Road, Vile Parle (E),<br/> Mumbai 400057<br/> Tel No.: 91 22 4287 7800<br/> Email ID: cosec@starteckfinance.com<br/> Website: www.starteckfinance.com</p> <p>Registrar and Share Transfer Agents:<br/> Adroit Corporate Services Private Limited<br/> 17-20, Jafferbhoy Ind. Estate,<br/> 1st Floor, Makwana Road,<br/> Marol Naka, Andheri (E), Mumbai 400059<br/> Tel No.: 91 22-42270400<br/> Email ID: info@adroitcorporate.com<br/> Website: <a href="http://www.adroitcorporate.com">www.adroitcorporate.com</a></p> |

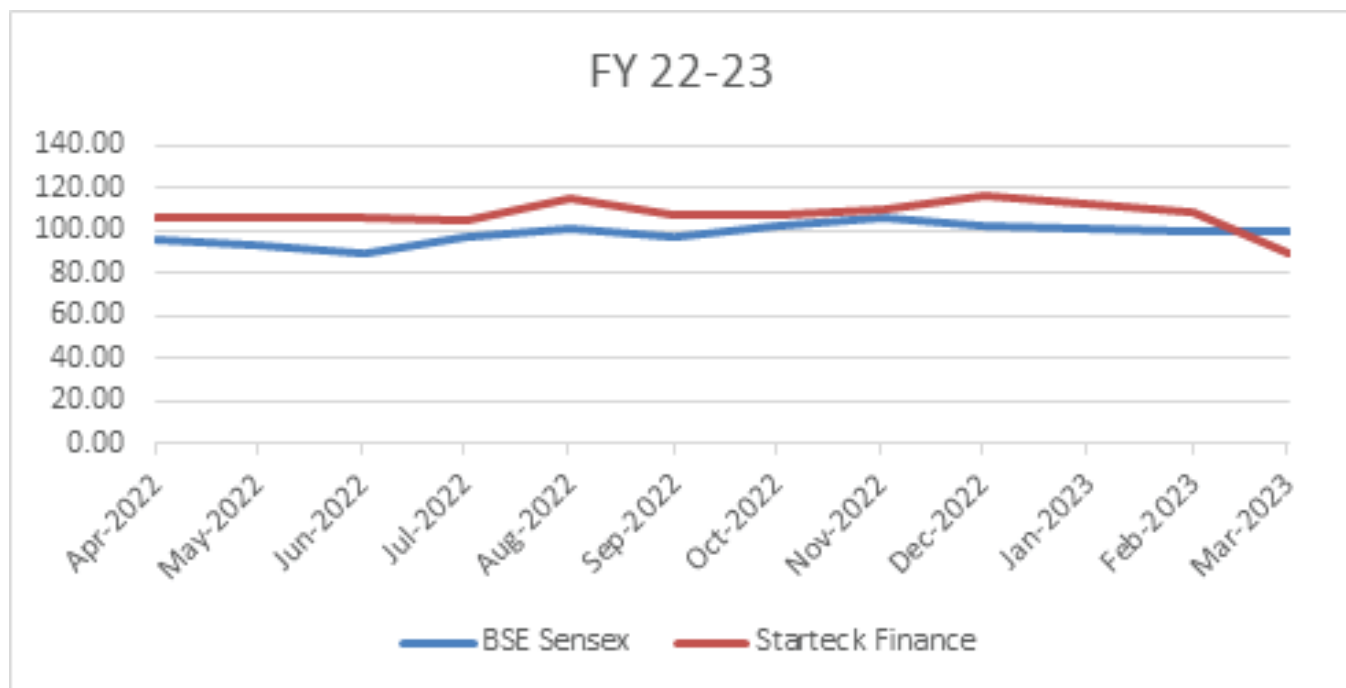
**Market Price Data:**

The market price data of the Company's shares traded on BSE and NSE during the year ended March 31, 2023 are as follows:

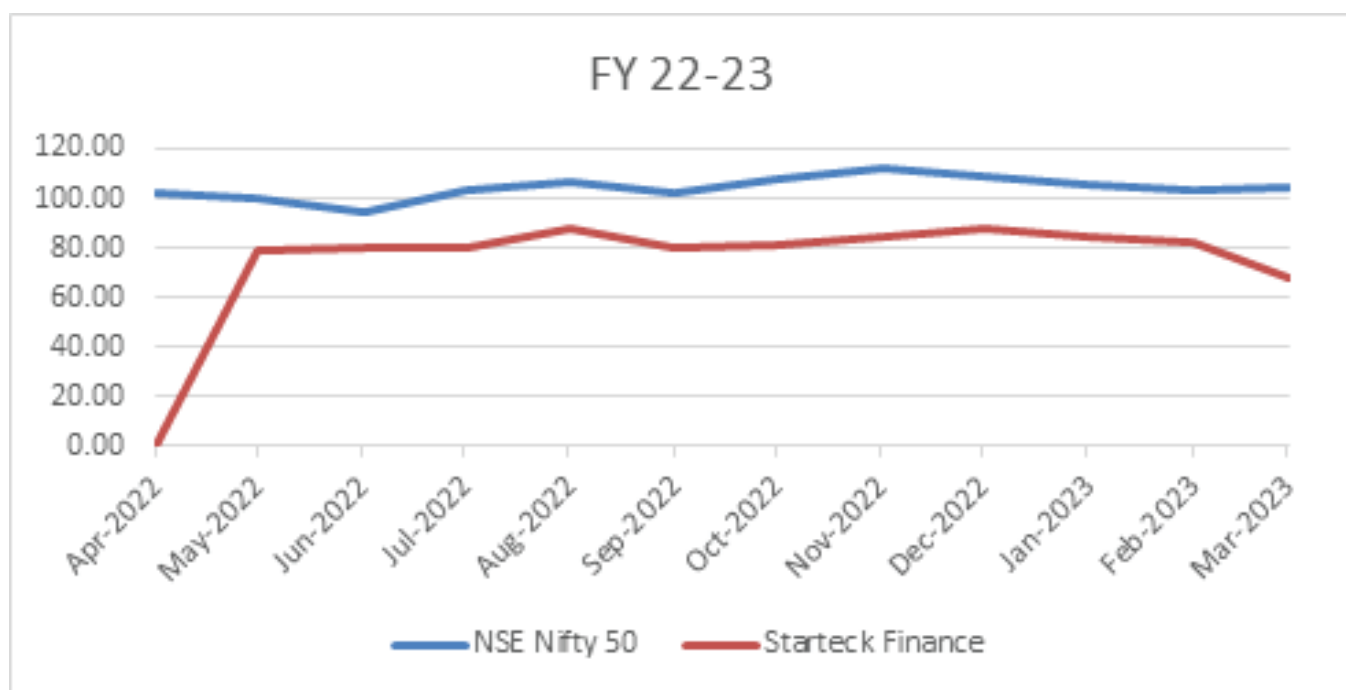
| Month          | BSE Limited    |               | National Stock Exchange of India Ltd. |               |
|----------------|----------------|---------------|---------------------------------------|---------------|
|                | High Price (₹) | Low Price (₹) | High Price (₹)                        | Low Price (₹) |
| April 2022     | 141            | 119.4         | -                                     | -             |
| May 2022       | 196.1          | 119.35        | 195.80                                | 116.30        |
| June 2022      | 147            | 118.8         | 144.90                                | 120.05        |
| July 2022      | 142.05         | 120           | 147                                   | 115           |
| August 2022    | 150.8          | 128           | 162                                   | 128.15        |
| September 2022 | 150            | 128.15        | 150                                   | 125.50        |
| October 2022   | 147            | 127.25        | 153                                   | 126.10        |
| November 2022  | 146.9          | 125           | 148                                   | 120.15        |
| December 2022  | 142.7          | 127.3         | 149.50                                | 121.85        |
| January 2023   | 159            | 128.95        | 149.80                                | 125.25        |
| February 2023  | 140.25         | 126.3         | 140.05                                | 123.15        |
| March 2023     | 138            | 104           | 148.95                                | 101.35        |

Performance in comparison of Share price of the Company with BSE Sensex and NIFTY50 is as follows:

1) Starteck Finance Limited vs. BSE Sensex



2) Starteck Finance Limited vs. NSE Nifty 50



## Distribution of Shareholding as on March 31, 2023

| Number of Shares (Range) | No. of Shareholders | Percentage of Total Shareholders | No. of Shares  | Percentage of Total Capital |
|--------------------------|---------------------|----------------------------------|----------------|-----------------------------|
| 1- 100                   | 840                 | 80.46                            | 13837          | 0.14                        |
| 101-500                  | 96                  | 9.20                             | 22578          | 0.23                        |
| 501-1000                 | 22                  | 2.11                             | 17898          | 0.18                        |
| 1001-2000                | 13                  | 1.25                             | 19693          | 0.20                        |
| 2001-3000                | 5                   | 0.48                             | 14459          | 0.15                        |
| 3001-4000                | 2                   | 0.19                             | 7755           | 0.08                        |
| 4001-5000                | 0                   | 0.00                             | 0              | 0.00                        |
| 5001-10000               | 9                   | 0.86                             | 66818          | 0.67                        |
| 10001 -20000             | 10                  | 0.96                             | 164361         | 1.66                        |
| 20001-50000              | 14                  | 1.34                             | 526525         | 5.31                        |
| 50001 & above            | 33                  | 3.16                             | 9056406        | 91.38                       |
| <b>TOTAL</b>             | <b>1044</b>         | <b>100.00</b>                    | <b>9910330</b> | <b>100.00</b>               |

## Shareholding pattern as on March 31, 2023:

| Category of Shareholders    | No. of Shares Held | % of Shares Held |
|-----------------------------|--------------------|------------------|
| Promoter & Promoter group   | 7088112            | 71.52            |
| <b>Public Shareholding</b>  |                    |                  |
| <b>Institutions</b>         | -                  | -                |
| <b>Non Institutions</b>     |                    |                  |
| Bodies Corporate            | 1230468            | 12.42            |
| Individuals                 | 1455390            | 14.69            |
| Non Resident Indians (NRIs) | 1175               | 0.01             |
| Hindu Undivided Family      | 117795             | 1.19             |
| Clearing Members            | 90                 | 0.00             |
| IEPF                        | 17300              | 0.17             |
| <b>TOTAL</b>                | <b>9910330</b>     | <b>100.00</b>    |

## SUBSIDIARY MONITORING MECHANISM

The Company monitors the performance of its subsidiaries, interalia by following means:

- The Minutes of the Board Meetings of the Subsidiary Companies are noted at the Board Meetings of the Company.
- The financial statements, in particular, investments made by the Subsidiary Companies are reviewed by the Audit Committee from time to time.
- Details of significant transactions and arrangements entered into by Subsidiary Companies are regularly placed at the Board Meetings of the Company.

The Company does not have any material subsidiary as on March 31, 2023. The Company has a policy for determining material subsidiaries which is disclosed on its website at the following web link <http://www.starteckfinance.com/Policy-for-determining-material-subsiidiaries.html>

## **UNCLAIMED AND UNPAID DIVIDENDS, AND TRANSFER OF SHARES TO IEPF:**

As on March 31, 2023, the following amounts of dividends remained unclaimed -

| Year        | Amount (in Rs.) |
|-------------|-----------------|
| FY 2015 -16 | 272740.50       |
| FY 2019 -20 | 74466.25        |
| FY 2020 -21 | 46224.50        |
| FY 2021 -22 | 35039.50        |

Pursuant to the provisions of Sections 124 and 125 of the Act read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereto, dividend / interest / refund of applications which remains unclaimed / unpaid for a period of 7 years is required to be transferred to IEPF. Further, the IEPF Rules mandate the companies to transfer all shares on which dividend remains unclaimed / unpaid for a period of 7 consecutive years to the demat account of the IEPF Authority. Hence, the Company urges all the shareholders to encash/claim their respective dividend during the prescribed period.

Accordingly, in case of instances where the dividend remains unpaid and unclaimed for 7 years and shares pertaining to which dividend remains unpaid / unclaimed for 7 consecutive years shall be transferred by the Company to IEPF. The Members / claimants whose shares or unclaimed dividends get transferred to IEPF may claim the shares or apply for refund from the IEPF Authority by following the refund procedure as detailed on the website of IEPF Authority at <http://www.iepf.gov.in/IEPF/refund.html>. The Company was not required to transfer shares to IEPF Account during the year under review.

The details of the unclaimed/unpaid amount of dividends pertaining to FY 2015-16 to FY 2021-22 have been uploaded on the website of the Company [www.starteckfinance.com](http://www.starteckfinance.com).

## **OTHER DISCLOSURES:**

1. All related party transactions entered into during the financial year were at arm's length basis and in the ordinary course of business. The details of the transactions with Related Party are provided in the notes to the Financial Statements. The Policy on Materiality of RPTs and dealing with RPTs as approved by the Board is uploaded on the Company's website at the web link [www.starteckfinance.com/codes-or-policies.html](http://www.starteckfinance.com/codes-or-policies.html). None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company save and except the payment of sitting fees to Independent Directors.

2. There were no instance of any non-compliances, nor any penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 years.

3. The Company has a Whistleblower Policy in place. During the year under review no personnel have either approached the Audit Committee or been denied access to the Audit Committee.

4. The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance. Further, the Company has reviewed the non-mandatory requirements as specified in the Listing Regulations and it shall be adopted /complied by the Company on need basis.

5. During the year under review, the Company has not raised funds through any Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A) of the Listing Regulations.

6. A certificate from Mr. Veeraraghavan N., Practising Company Secretary to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by SEBI or Ministry of Corporate Affairs or any other statutory authority is attached as a part of this Report.

7. During FY 2022-23, there were no instances where the Board had not accepted any recommendation of any committee of the Board.

8. Total fees paid to the Statutory Auditors and all entities in the network firm/ entities

The details of total fees for all the services paid by the Company and its subsidiaries on a consolidated basis to M/s. MKPS & Associates., Chartered Accountants, Statutory Auditors and all entities in the network firm/ network entity of which the Statutory Auditors are a part, are given below:

(₹ in Lakhs)

| <b>Particulars</b> | <b>FY 2022-23</b> |
|--------------------|-------------------|
| Audit fees         | 2.25              |
| Other services     | -                 |
| Total              | 2.25              |

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

During the financial year under review, no complaints were received/ cases filed/ disposed or pending under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

10. Loans and Advances in the nature of loans to firms/companies in which directors are interested by name and amount:

| <b>Name</b>                            | <b>Amount as on March 31, 2023<br/>(in Lakhs )</b> |
|--|--|
| Starteck Infraprojects Private Limited | 214.33   |
| SW Capital Private Limited             | 880.00   |

11. The Company does not have any material subsidiary as on March 31, 2023.

12. The Company has complied with the requirements of Corporate Governance Report of Paragraphs (2) to (10) mentioned in Part 'C' of Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) in the respective places in this Report.



The certificate from the Statutory Auditors of the Company confirming compliance with the requirements of Corporate Governance is attached as a part of this report.

**13. Code For Prevention Of Insider Trading:**

The Company has adopted the Code of Conduct to regulate, monitor and report trading by designated persons in securities of the Company and code of practices and procedures for fair disclosures of unpublished price sensitive information in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

14. The CEO and CFO certification in terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations forms part of the Annual Report.

15. Equity shares in the suspense account: there are no equity shares lying in the demat suspense account

**For and on Behalf of the Board of Directors**

**Place: Mumbai**  
**Date: May 30, 2023**

|                        |                       |
|------------------------|-----------------------|
| <b>Anand Shroff</b>    | <b>Pankaj Jain</b>    |
| <b>Director</b>        | <b>Director</b>       |
| <b>(DIN: 08480489)</b> | <b>(DIN:00048283)</b> |

**DECLARATION OF COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT:**

I hereby declare that all the Members of the Board and Senior Management Personnel of the Company have affirmed Compliance with the Code of Conduct for Board and Senior Management Personnel of the Company during the year ended March 31, 2023.

**For and on behalf of the Board of Directors**

**Place: Mumbai**  
**Date: May 30, 2023**

**Anand Shroff**  
**Director (DIN: 08480489)**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To  
The Members of  
**Stardeck Finance Limited**  
5th Floor, Sunteck Centre,  
37-40 Subhash Road,  
Vile Parle (East),  
Mumbai - 400 057.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Stardeck Finance Limited** having CIN **L51900MH1985PLC037039**, and having registered office at 5th Floor, Sunteck Centre, 37-40 Subhash Road, Vile Parle (East), Mumbai - 400 057, (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| <b>S. No.</b> | <b>Name of Director</b> | <b>DIN</b> | <b>Date of Appointment in Company</b> |
|---------------|-------------------------|------------|---------------------------------------|
| 1.            | Anand Shroff            | 08480489   | June 13, 2019                         |
| 2.            | Pankaj Jain             | 00048283   | June 26, 2020                         |
| 3.            | Sandhya Malhotra        | 06450511   | June 26, 2020                         |
| 4.            | Nilesh Parikh           | 02710146   | September 6, 2021                     |
| 5.            | Gautam Panchal          | 07826634   | June 27, 2017                         |

\*the date of appointment is as per the MCA Portal.

Ensuring the eligibility of 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.

**Veeraraghavan N.**  
**ACS No. 6911**  
**CP No. 4334**  
**UDIN: A006911E000426297**  
**Place: Mumbai**  
**Date: May 30, 2023**

**COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF SECURITIES AND  
EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE  
REQUIREMENTS) REGULATIONS, 2015**

To,  
The Board of Directors  
**Stardeck Finance Limited**

**We hereby certify that:**

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

i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended 31st March, 2023 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 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 the such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee that:

i) There were no significant changes in internal controls over financial reporting during the year;

ii) there were no significant changes in accounting policies during the year;

iii) there were no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board of Directors**

**Place: Mumbai**  
**Date: May 30, 2023**

**Anand Shroff**  
**Director**  
**(DIN: 08480489)**

**Pankaj Jain**  
**Director**  
**(DIN: 00048283)**

## **INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF STARTECK FINANCE LIMITED**

1. This certificate is issued in accordance with the terms of our engagement letter dated 6th September, 2021.
2. This certificate contains details of compliance with the conditions of corporate governance by **STARTECK FINANCE LIMITED** ('the Company') for the year ended 31st March 2023 as stipulated in Regulations 17-27, clause (b) to (i) and (t) of sub-regulation (2) Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations') and pursuant to the Listing Agreement of the Company with Stock exchanges.

### **Management's Responsibility for compliance with the conditions of Listing Regulations**

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

### **Auditor's Responsibility**

4. 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.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March 2023.
6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such certificate 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.

## **Restriction on Use**

10. The certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

**For MKPS & Associates  
Chartered Accountants  
Firm Registration No.:302014E**

**Place: Mumbai  
Date: May 30, 2023**

**Sanjay Jain  
Partner  
Membership No. 089840  
UDIN: 23089840BGYZAS9613**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2023**

[Pursuant to Section 204 (1) of the Companies Act 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
Starteck Finance Limited  
(CIN: L51900MH1985PLC037039)

I, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Starteck Finance Limited (CIN: L51900MH1985PLC037039) (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and return filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by 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 thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (h) 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;
- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and
- (j) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.

(vi) Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to Non-deposit taking Non Systemically Important NBFC which are specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company consist of Executive Directors, Non-Executive Directors and Independent Directors. Mr. Vishal Agarwal, Non-Executive Independent Director, resigned from the Board with effect from 20th March, 2023. The Company shall fill the vacancy caused by the resignation of the said Director within the time prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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 decision is carried through, while the dissenting members' views (if any) are captured and recorded as part of the minutes.

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

I further report that during the period under report-

The Hon'ble National Company Law Tribunal (NCLT), Bengaluru Bench, vide its order dated June 24, 2022 had approved the resolution plan submitted by the Company for the Corporate Insolvency Resolution Process of Bhuwalka Steel Industries Limited (BSIL) under Section 31 of the Insolvency and Bankruptcy Code, 2016. The Company had infused an amount of Rs.1,00,000/- for acquiring 100% stake in Bhuwalka Steel Industries Limited (BSIL). Pursuant to the approved resolution plan, the existing issued, subscribed and paid up share capital of BSIL stands cancelled fully and BSIL has become a wholly owned subsidiary of the Company w.e.f. November 9, 2022.

**Veeraraghavan N.**

**ACS No. 6911**

**CP No. 4334**

**Place: Mumbai**

**Date: May 30, 2023**

**UDIN: A006911E000426264**



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### • OVERVIEW

The Management Discussion and Analysis Report has been prepared in accordance with the provisions of Regulation 34(2)(e) of Listing Regulations, read with Schedule V(B) thereto, with a view to provide an analysis of the business and Financial Statements of the Company for FY2022-23 and should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included in the Report.

### • STARTECK FINANCE LIMITED

Starteck Finance Limited, formerly known as Nivedita Mercantile and Financing Limited, was founded in 1985. It operates as a registered Non-Deposit Accepting Non-Banking Financial Company (NBFC) under Section 451A of the Reserve Bank of India Act, 1934. It serves the financing needs of the various corporates having presence in urban and semi-urban areas of India. The company has a diversified portfolio across Retail, SMEs and Commercial customers.

### • INDUSTRY STRUCTURE AND DEVELOPMENTS

#### GLOBAL ECONOMY

The global economy has shown strength but is slowing down amid uncertainty and with the ongoing war between Russia-Ukraine. There has been persistent high inflation and financial sector stresses. There have been tightening monetary policies to tame the inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. According to IMF the projected global growth is 3.0% in FY 2024. China's economic condition indeed plays a significant role in shaping the course of the global economy. As the world's second-largest economy and the most populous country, China's economic performance has far-reaching implications for other nations and global economic stability. The consumer spending in USA is proving to be resilient in the face of surging inflation and the spending on goods have declined for the third consecutive quarter. Multilateral efforts to respond to humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress and tackle climate change.

#### INDIAN ECONOMY

Indian economy has faced significant challenges in recent times, including the pandemic-induced contraction, the Russian-Ukraine conflict, and inflationary pressures. However, it is currently exhibiting signs of a broad-based recovery across sectors, indicating its positioning to ascend to the pre-pandemic growth path in the fiscal year 2023. The Indian Rupee performed well compared to the other Emerging Market Economies. While India's retail inflation rate peaked at 7.8% in April 2022, above the RBI's upper tolerance limit of 6%, the overshoot of inflation above the upper end of the target range in India was however one of the lowest in the world.

| <b>BREAKDOWN OF OVERALL AND SECTORAL GROWTH NUMBERS</b> |                |                |                |           |           |           |
|---|----------------|----------------|----------------|-----------|-----------|-----------|
|   | <b>FY 2021</b> | <b>FY 2022</b> | <b>FY 2023</b> |           |           |           |
|   |                |                | <b>Q1</b>      | <b>Q2</b> | <b>Q3</b> | <b>Q4</b> |
| <b>Real GDP</b>   | -6.6%          | 8.7%           | 13.1%          | 6.2%      | 4.5%      | 6.1%      |
| <b>Nominal GDP</b>                                      | -1.4%          | 19.5%          | 16.1%          |           |           |           |
| <b>Real GVA</b>   | -4.8%          | 8.1%           | 11.9%          | 5.4%      | 4.7%      | 6.5%      |
| <b>Agriculture, forestry, mining</b>                    | 3.3%           | 3.0%           | 2.4%           | 2.5%      | 4.7%      | 5.5%      |
| <b>Mining and quarrying</b>                             | -8.6%          | 11.5%          | 9.5%           | -0.1%     | 4.1%      | 4.3%      |
| <b>Manufacturing</b>                                    | -0.6%          | 9.9%           | 6.1%           | -3.8%     | -1.4%     | 4.5%      |
| <b>Electricity, gas, other utilities</b>                | -3.6%          | 7.5%           | 14.9%          | 6.0%      | 8.2%      | 6.9%      |
| <b>Construction</b>                                     | -7.3%          | 11.5%          | 16.0%          | 5.7%      | 8.3%      | 10.4%     |
| <b>Trade, hotels, transport</b>                         | -20.2%         | 11.1%          | 25.7%          | 15.6%     | 9.6%      | 9.1%      |
| <b>Financial, real Estate, professional services</b>    | 2.2%           | 4.2%           | 8.5%           | 7.1%      | 5.7%      | 7.1%      |
| <b>Public administration, defence, other services</b>   | -5.5%          | 12.6%          | 21.3%          | 5.6%      | 2.0%      | 3.1%      |

FY 2023 saw the trade sector make a robust return expanding to 15%. Agriculture sector was steady having growth of 3.8% compared to 3.0% in FY 2022. The Financial, Real Estate and professional services showed significant growth in FY 2023 compared to 4.2% in FY 2022.

## • INDIAN FINANCIAL SERVICES INDUSTRY

The financial services sector in India is a diversified sector consisting of commercial banks, insurance companies, non-banking financial companies, housing finance companies, co-operatives, pension funds, mutual funds and other smaller financial entities. Financial inclusion drive by RBI has expanded the target market to semi-urban and rural areas. NBFCs especially those catering to the urban and rural poor namely NBFC-MFIs and Asset Finance Companies have a complimentary role in the financial inclusion agenda of the country. Financial services sector is poised to grow on the back of rising incomes, significant government attention and the increasing pace of digital adoption.

Financial inclusion has been a key agenda of the central government. To promote financial inclusion, the central bank has set up a pilot project in association with banks under which at least one district in each State/UT would be 100 per cent digitally enabled. The digital payment regime has grown since the introduction of fast payment system, such as Immediate Payment Service and Unified Payment Interface, which provide immediate credit to beneficiaries and are available round the clock. Moreover, the financial inclusion drive in the country is now supported by a benchmark. The Reserve Bank of India has launched a “Financial Inclusion Index” or FI- Index to measure and improve the extent of access, usage and quality of financial inclusion in the country.

The banking and non-banking financial company sector in India has witnessed significant market-drive and regulatory events in the last decade. Cumulatively, these have had a profound impact on the industry. Some of the noteworthy developments include the issuance of new bank licenses for universal banks, introduction of new category of banks; insolvency processes and the resolution of a few large non-performing assets situations and consolidation of the public sector banks.

The Reserve Bank of India recently issued discussion documents on the extent of ownership of banks as well as scale-based governance frameworks for NBFCs. While the industry provided feedback on both these documents, it is now eagerly awaiting the regulator’s final decision and circular on the matters. It appears almost certain that larger NBFCs that have the potential to systematically influence the overall banking and financial services system may now enjoy less of a regulatory arbitrage and be subject to a governance framework akin to banks. With expected regulations around corporate houses being allowed to own a bank, we can also expect significant consolidation in this segment resulting in a few large NBFCs either converting into a bank or merging with existing banks. The decision to convert into a bank though could also depend on the transition guidelines, especially those

related to liquidity ratio. At the same time, it would be interesting to see if large NBFCs will leverage the government's privatization of PSB programme to convert into banks.

Ongoing stress in public sector banks because of increasing bad debts, lending in rural areas deterioration has provided NBFCs with the opportunity to increase presence. The success of these NBFCs vs PSUs can be attributed to product lines, lower cost, wider and effective reach, strong risk management capabilities to check and control bad debts, and a better understanding of customer segments versus banks. NBFCs have witnessed success in the passenger and commercial vehicle finance segments as well as growing AUM in the personal loan and housing finance sector. Additionally, improving macroeconomic conditions, higher credit penetrations, consumption themes and disruptive digital trends have influenced NBFC credit growth. Stress in public sector, underlying credit demand, digital disruption for MSMEs and SMEs as well as increased consumption and distribution access and sectors where traditional banks do not lend are major reasons for the switch from traditional banks to NBFCs.

Banking and NBFC sector is once again at an inflexion point, given the potential transformational, operational and stakeholder changes influenced by the above-mentioned drivers. There's a need for financial institutions to assess and evaluate their current business model and take a strategic call on their commercial and operational framework in anticipation of newer ways of doing business coupled with changes in market and competition landscape.

#### • **FINANCIAL PERFORMANCE**

Standalone Financial Performance: The Company's loan portfolio is at INR 218.10 Crs in FY 2023 from INR 174.93 Crs in FY 2022. During the year under consideration, your Company's total income including other income is INR 26.16 Crs as compared to INR 16.45 Crs in the previous years. The Net Profit after tax is INR 9.84 Crs against the profit of INR 9.36 Crs in the previous years.

#### • **SEGMENT WISE / PRODUCT WISE PERFORMANCE**

The Company is engaged in financing activities, hence the requirement of segment-wise reporting is considered irrelevant.

#### • **OUTLOOK**

The Company's growth prospects remain positive as it is well equipped to handle any exigency. The Company is consistently adding its revenue sources while containing costs and work upon disruptions to its advantage. The Company has adequate capital and financial resources to run its business operations and has adequate internal financial reporting and control.

#### • **OPPORTUNITIES, THREATS, RISK & CONCERNS**

Risk is synonym with NBFCs which is inherent part of their business. The Company is also subjected to various types of risks. The Company has identified risks and guarded itself by adopting a range of strategies and measures to reduce the impact of risks. Business Opportunities for NBFCs are enormous. As the new areas and segments are being explored, there is a large scope of medium size NBFCs like ours, for certain segment of customers, which remain unserved by Banks and large size NBFCs. The major threat being faced by NBFCs are from aggressive marketing of Banks and low rates of financing offered by them.

#### • **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has adequate internal control systems to ensure operational efficiency and accuracy in financial reporting and compliance of applicable laws and regulations. The internal control is supplemented by review of internal auditors. Observations of the internal auditors are subject to periodic review and compliance monitoring. The Audit Committee of Directors reviews the Internal Audit process and the adequacy and effectiveness of internal audit and controls periodically.

## • HUMAN RESOURCES

During the year under review there has been no material development on the Human Resource/Industrial Relations front.

## • CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the company's objectives, estimates and expectations may be "forward-looking statements" within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied due to several factors which are beyond the control of the management. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the company, no representation is made on its accuracy and comprehensiveness though the same are based on sources believed to be reliable. Utmost care has been taken to ensure that the opinions expressed by the management herein contains its perceptions on the material impacts on the company's operation but it's not exhaustive. The Company assumes no obligation to amend or update forward looking statements in future on the basis of new information, subsequent developments or otherwise.

# Independent Auditor's Report

**To  
The Members of  
Starteck Finance Limited**

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

### **Opinion**

We have audited the accompanying Standalone financial statements of Starteck Finance Limited (“the Company”), which comprises of Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 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, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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.

### **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. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

| Sr. No | Key Audit Matter  | Auditor's Response  |
|--------|---|---|
| 1.     | <p data-bbox="272 241 691 344">Income Recognition, Asset Classification and Provisioning Pertaining to Advances:</p> <p data-bbox="272 389 719 815">Accuracy in identification and categorisation of receivables from financing activities as performing and non -performing assets and in ensuring appropriate asset classification, existence of security, income recognition, provisioning/ write off thereof and completeness of disclosure including compliance in accordance with the applicable extant guidelines issued by Reserve Bank of India (RBI).</p> | <p data-bbox="767 241 1182 275">Principal Audit Procedures performed:</p> <p data-bbox="767 315 1401 1256">We have assessed the systems and processes laid down by the Company to appropriately identify and classify the receivables from financing activities including those in place to ensure correct classification, income recognition and provisioning/write off including of Non -performing assets as per applicable RBI guidelines. The audit approach included testing the existence and effectiveness of the control environment laid down by the management and conducting of detailed substantive verification on selected samples of continuing and new transactions in accordance with the principles laid down in the Standards on Auditing and other guidance issued by Institute of Chartered Accountants of India. Agreements entered into regarding significant transactions including related to corporate loans have been examined to ensure compliance. We have also reviewed the reports generated from management information systems; reports issued by the internal/secretarial auditors. The impact of all significant external and internal events including those if any, subsequent to balance sheet date have been taken into consideration for the above purposes. Compliance with material disclosure requirements prescribed by RBI guidelines and other statutory requirements have been verified.</p> <p data-bbox="767 1296 1362 1543">We also performed an overall assessment of the Expected Credit Loss provision levels at each stage including Management's assessment on Covid -19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk Management practices and the macroeconomic environment.</p> <p data-bbox="767 1583 1390 1724">The Procedures performed gave us sufficient evidence to conclude that the Income recognition, Asset classification and provisioning are being done in accordance with RBI guidelines.</p> |

### Information Other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business Sustainability & Responsibility Report, Corporate Governance Report and Shareholder's information, but does not include the standalone financial statement 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 financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we 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), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, the 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.

### **Auditor's 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place with reference to standalone financial statements 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 entity'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 upto the date of our auditor's report. However, future events or conditions may cause the entity 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 financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) To evaluate the effect of any identified misstatements in the 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 year 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. Pursuant to the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, 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. 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 and records.

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

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representation received from the directors as on March 31, 2023 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a Directors in terms of Section 164(2) of the Act.

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

Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year and hence the provisions of Section 197 of the Act is not applicable.

(h) With respect to the matters to be included in the Auditor's report in accordance with the 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 do not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub clause (i) and (ii) of Rule 11(e), as provided under h(iv)(a) and h(iv)(b) above, contain any material misstatement

v. The Company has declared or paid dividend during the year ended March 31, 2023.

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

**For MKPS and Associates**  
**Chartered Accountants**  
**Firm Registration No. – 302014E**

**Sanjay Jain**  
**Partner**  
**Membership No. 089840**  
**UDIN: 23089840BGYZAQ8771**

**Place: Mumbai**  
**Date: May 30th, 2023**

**Annexure “A” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Starteck Finance Limited for the year ended March 31, 2023:**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

i. The Company does not have any Property, Plant and Equipment and therefore the reporting requirements of clause 3(i) of the Order is not applicable to the Company.

ii. (a) The Company does not carry any inventories and hence, the reporting requirements under sub-clause (a) of clause (ii) of paragraph 3 of the Order is not applicable to the Company.

(b) The Company has not been sanctioned any working capital limits and hence the reporting requirements under sub-clause (b) of clause (ii) of paragraph 3 of the Order is not applicable to the Company.

iii. (a) The Company’s principal business is to give loans. Accordingly, the provision of clause 3(iii)(a) of the Order is not applicable to it..

(b) The Company, is a non-Banking Financial Company (‘NBFC’), registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company’s interest.

(c) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated.

(d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and reports total amount overdue including principal and/or payment of interest by its customers for more than 90 days. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.

(e) Since the Company’s principal business is to give loans, the provision of clause 3(iii)(e) of the Order is not applicable to it.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment to any promoter, related parties as defined in clause (76) of section 2 of companies Act 2013.

iv. In respect of Investments made and loans given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 (“the Act”) have been complied with. The Company has not provided any guarantees and security during the year as specified under section 185 and section 186 of the Act.

v. No deposits have been accepted by the Company within the meaning of directives issued by RBI (Reserve Bank of India) and Section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. Hence reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. (a) The Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues to the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a year of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Income Tax, GST and Duty of Customs which have not been deposited on account of any dispute except the following:

| Statute              | Nature of Dues | Forum where the dispute is pending   | Amount (Rs. In Lakhs) | Financial Year to which it relates |
|----------------------|----------------|--------------------------------------|-----------------------|------------------------------------|
| Income Tax Act, 1961 | Income Tax     | Commissioner of Income Tax (Appeals) | 49.52                 | 2012-13                            |

viii. 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) and hence reporting under clause 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lenders and hence reporting requirement under clause 3 (ix) (a) of the Order is not applicable to the Company.

(b) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion, monies raised by way of term loans were applied for the purposes for which these were obtained.

(d) On an overall examination of the standalone financial statements of the Company, funds raised by the Company on short-term basis have not been utilized for long-term purposes.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company has not raised any funds during the year on the pledge of securities held in its subsidiaries and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of Initial public offer or further public offer (including debt instrument) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment, private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.

(b) During the year, no report under sub section 12 of Section 143 of the Act has been filed in Form ADT-4 as prescribed in rule 13 of Companies (Audit and Auditors) rules, 2014 with the Central Government.

(c) No whistle blower complaints have been received during the year by the Company and hence reporting under clause 3 (xi) (c) of the Order is not applicable to the Company.

xii. The Company is not a Nidhi Company and hence reporting requirements under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our Opinion, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedure.

xv. In our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

xvi. (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the required registration.

(b) The Company has not conducted any non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) The Group does not have any CIC, hence reporting requirements under clause (xvi)(d) is not applicable to the Company.

xvii. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

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

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone 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. According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year and hence reporting requirements under clause 3 (xx) of the Order is not applicable to the Company.

xxi. There are no qualification or adverse remarks by the respective auditors in the companies (Auditors Report) order report of the companies included in consolidated financial statements.

**For MKPS and Associates**  
**Chartered Accountants**  
**Firm Registration No. – 302014E**

**Place: Mumbai**  
**Date: May 30th, 2023**

**Sanjay Jain**  
**Partner**  
**Membership No. 089840**  
**UDIN: 23089840BGYZAQ8771**

**Annexure “B” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the Members of Stardeck Finance Limited for the year ended March 31, 2023:**

**Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls with reference to standalone financial statements of the Stardeck 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of Internal Financial Controls with reference standalone to financial statements included obtaining an understanding of Internal Financial Controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the 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 Company’s internal financial controls system with reference to 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 includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of management; (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the entity'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 controls 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.

### **Opinion**

In our opinion, the best of our information and according to the explanations given to us, the Company has, broadly in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such Internal Financial Controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential Component 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 MKPS and Associates**  
**Chartered Accountants**  
**Firm Registration No. – 302014E**

**Sanjay Jain**  
**Partner**  
**Membership No. 089840**  
**UDIN: 23089840BGYZAQ8771**

**Place: Mumbai**  
**Date: May 30th, 2023**



**STARTECK FINANCE LIMITED**  
**CIN : L51900MH1985PLC037039**  
**STANDALONE BALANCE SHEET AS AT 31ST MARCH 2023**

(Rs in Lakhs)

| Particulars  | Notes | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|-------|---------------------------|---------------------------|
| <b>ASSETS</b>  |       |                           |                           |
| <b>Financial assets</b>  |       |                           |                           |
| (a) Cash and cash equivalents  | 2     | 12.16                     | 6.97                      |
| (b) Bank balances other than (a) above   | 3     | 425.79                    | 382.77                    |
| (c) Receivable   |       |                           |                           |
| - Other Receivable   | 4     | 551.33                    | 158.82                    |
| (d) Loans  | 5     | 21,810.42                 | 17,493.18                 |
| (e) Investments  | 6     |                           |                           |
| - Investments in subsidiaries and joint ventures   |       | 25.91                     | 24.91                     |
| - Investment in Bonds and Debentures   |       | 4,851.80                  | 5,200.94                  |
| - Other investments  |       | 2,396.65                  | 2,203.25                  |
| (f) Other Financial Asset  | 7     | 4.12                      | 19.45                     |
| <b>Non Financial assets</b>  |       |                           |                           |
| (a) Current tax assets (net)   |       | 71.83                     | 102.46                    |
| (b) Other Non Financial Asset  | 8     | 18.26                     | 6.15                      |
| <b>Total Assets</b>  |       | <b>30,168.27</b>          | <b>25,598.90</b>          |
| <b>EQUITY AND LIABILITIES</b>  |       |                           |                           |
| <b>Financial Liabilities</b>   |       |                           |                           |
| (a) Payable  |       |                           |                           |
| - Other Payable  |       |                           |                           |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 9     | 64.99                     | 29.79                     |
| (b) Borrowings   | 10    | 12,298.65                 | 9,228.20                  |
| (c) Other Financial Liabilities  | 11    | 581.60                    | 5.27                      |
| <b>Non Financial Liabilities</b>   |       |                           |                           |
| (a) Provisions   | 12    | 314.48                    | 156.48                    |
| (b) Other Non Financial Liabilities  | 13    | 73.06                     | 12.39                     |
| (c) Current tax liability  |       | 68.27                     | 57.05                     |
| <b>EQUITY</b>  |       |                           |                           |
| Equity share capital   | 14    | 991.03                    | 991.03                    |
| Other equity   | 15    | 15,776.19                 | 15,118.68                 |
| <b>Total Equity and Liabilities</b>  |       | <b>30,168.27</b>          | <b>25,598.90</b>          |

**Significant accounting policies**

1

The accompanying notes are an integral part of these standalone financial statements

**As per our attached report of even date**

**For MKPS & Associates**

Chartered Accountants

Firm Registration No. 302014E

**For and on behalf of the Board of Directors  
of Starteck Finance Ltd**

**Anand Shroff**  
Director  
(DIN: 08480489)

**Pankaj Jain**  
Director  
(DIN: 00048283)

**Sanjay Jain**

Partner

Membership No. 089840

**Nilesh Parikh**  
Director (DIN: 02710146)

**Sandhya Malhotra**  
Director (DIN: 06450511)

Place : Mumbai

Dated: 30th May 2023

**Mayuri Jain**  
Company Secretary

| <b>STARTECK FINANCE LIMITED</b>   |       |  |                                |
|---|-------|--|--------------------------------|
| <b>CIN : L51900MH1985PLC037039</b>  |       |  |                                |
| <b>STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023</b>           |       |  |                                |
| (Rs in Lakhs)   |       |  |                                |
| Particulars   | Notes | Year ended<br>31st March, 2023                     | Year ended<br>31st March, 2022 |
| <b>INCOME</b>   |       |  |                                |
| <b>Revenue from operations</b>  |       |  |                                |
| Interest Income   | 16    | 2,579.72   | 1,545.85                       |
| Dividend Income   | 17    | 14.65  | 18.80                          |
| Fees and Commission Income  | 18    | 22.09  | 23.98                          |
| <b>Total Revenue from operation (I)</b>   |       | <b>2,616.47</b>                                    | 1,588.62                       |
| <b>Other income (II)</b>  | 19    | -  | 56.50                          |
| <b>Total Income (I+II)</b>  |       | <b>2,616.47</b>                                    | 1,645.12                       |
| <b>EXPENSES</b>   |       |  |                                |
| Finance Cost  | 20    | 936.19   | 306.25                         |
| Employee benefits expense   | 21    | 65.59  | 87.62                          |
| Other expenses  | 22    | 390.50   | 167.85                         |
| <b>Total Expenses</b>   |       | <b>1,392.28</b>                                    | <b>561.72</b>                  |
| <b>Profit before tax</b>  |       | 1,224.19   | 1,083.40                       |
| <b>Tax expense :</b>  |       | 240.04   | 147.33                         |
| Current tax   |       | 227.78   | 147.33                         |
| Short / (excess) taxation of earlier years  |       | 12.26  | -                              |
| <b>Profit for the year</b>  |       | <b>984.15</b>                                      | 936.07                         |
| <b>Other Comprehensive Income</b>   |       |  |                                |
| <b>Items that will not be reclassified to profit or loss</b>                                |       |  |                                |
| - Equity Instruments through other comprehensive income                                     |       | (319.58)   | 476.59                         |
| <b>Total Comprehensive Income for the year</b>  |       | <b>664.57</b>                                      | 1,412.66                       |
| <b>Earnings per equity share of face value Rs. 10 each</b>                                  |       |  |                                |
| Basic   |       | 9.93   | 9.45                           |
| Diluted   |       | 9.93   | 9.45                           |
| <b>Significant accounting policies</b>  | 1     |  |                                |
| <b>The accompanying notes are an integral part of these standalone financial statements</b> |       |  |                                |
| <b>As per our attached report of even date</b>  |       |  |                                |
| <b>For MKPS &amp; Associates</b>  |       | <b>For and on behalf of the Board of Directors</b> |                                |
| Chartered Accountants   |       | <b>of Starteck Finance Ltd</b>                     |                                |
| Firm Registration No. 302014E   |       |  |                                |
|   |       | <b>Anand Shroff</b>                                | <b>Pankaj Jain</b>             |
|   |       | Director   | Director                       |
|   |       | (DIN: 08480489)                                    | (DIN: 00048283)                |
| <b>Sanjay Jain</b>  |       |  |                                |
| Partner   |       | <b>Nilesh Parikh</b>                               | <b>Sandhya Malhotra</b>        |
| Membership No. 089840   |       | Director (DIN: 02710146)                           | Director (DIN: 06450511)       |
| Place : Mumbai  |       | <b>Mayuri Jain</b>                                 |                                |
| Dated: 30th May 2023  |       | Company Secretary                                  |                                |

**STARTECK FINANCE LIMITED**

**CIN : L51900MH1985PLC037039**

**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023**

(Rs in Lakhs)

| <b>A. Equity Share Capital</b>                 | <b>No of Shares</b> | <b>Amount</b> |
|--|---------------------|---------------|
| As at 31st March, 2022                         | <b>99,10,330</b>    | 991.03        |
| Changes in equity share capital during 2022-23 | -                   | -             |
| <b>As at 31st March, 2023</b>                  | <b>99,10,330</b>    | <b>991.03</b> |

**B. Other Equity** (Rs in Lakhs)

| <b>Particulars</b>                             | <b>Reserves and surplus</b>       |  |                          | <b>Other Comprehensive Income</b>                           | <b>Total</b>     |
|--|-----------------------------------|--|--------------------------|---|------------------|
|  | <b>Securities premium account</b> | <b>Reserve u/s 45- IC of Reserve Bank of India Act, 1934</b> | <b>Retained earnings</b> | <b>Equity instrument through other comprehensive income</b> |                  |
| As at 1st April, 2022                          | 8,048.66                          | 1,420.08   | 4,829.43                 | 820.51  | 15,118.68        |
| Profit for the year                            | -                                 |  | 984.15                   | -   | 984.15           |
| Dividend Paid                                  |                                   |  | (7.06)                   |   | (7.06)           |
| Other comprehensive income for the year        | -                                 | -  | -                        | (319.58)  | (319.58)         |
| <b>Total Comprehensive Income for the year</b> | <b>8,048.66</b>                   | <b>1,420.08</b>  | <b>5,806.52</b>          | <b>500.93</b>   | <b>15,776.19</b> |
| Transfer to Statutory Reserve                  | -                                 | 197.00   | (197.00)                 | -   | -                |
| <b>Balance as at 31st March, 2023</b>          | <b>8,048.66</b>                   | <b>1,617.08</b>  | <b>5,609.52</b>          | <b>500.93</b>   | <b>15,776.19</b> |

The accompanying notes are an integral part of these standalone financial statements

**As per our attached report of even date**

**For MKPS & Associates**  
Chartered Accountants  
Firm Registration No. 302014E

**For and on behalf of the Board of Directors  
of Starteck Finance Ltd**

**Sanjay Jain**  
Partner  
Membership No. 089840

**Anand Shroff**  
Director  
(DIN: 08480489)

**Pankaj Jain**  
Director  
(DIN: 00048283)

**Nilesh Parikh**  
Director (DIN: 02710146)

**Sandhya Malhotra**  
Director (DIN: 06450511)

Place : Mumbai  
Dated: 30th May 2023

**Mayuri Jain**  
Company Secretary

**STARTECK FINANCE LIMITED**

CIN : L51900MH1985PLC037039

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023**

(Rs in Lakhs)

|   | Year ended<br>31st March 2023 |          | Year ended<br>31st March 2022 |            |
|---|-------------------------------|----------|-------------------------------|------------|
|   | Rs.                           | Rs.      | Rs.                           | Rs.        |
| <b>Cash Flow from Operating Activities</b>                |                               |          |                               |            |
| Profit before tax as per Statement of Profit and Loss     |                               | 1,224.18 |                               | 1,083.41   |
| <b>Adjusted for:</b>                                      |                               |          |                               |            |
| Gain/ Loss on sale of Investment                          | -                             |          | (56.50)                       |            |
| Provision for standard & sub- standard assets             | 49.16                         |          | 46.93                         |            |
| Bad Debts Written Off                                     | 123.87                        |          | 27.39                         |            |
| Dividend Income   | (14.65)                       | 158.38   | (18.80)                       | (0.98)     |
| <b>Operating Profit before Working Capital Changes</b>    |                               | 1,382.56 |                               | 1,082.43   |
| <b>Adjusted for:</b>                                      |                               |          |                               |            |
| (Increase)/Decrease in Financial Asset                    | (4,694.20)                    |          | (5,687.61)                    |            |
| (Increase)/Decrease in Non Financial Asset                | 18.51                         |          | 23.16                         |            |
| Increase/(Decrease) in Financial Liabilities              | 3,681.63                      |          | 4,185.42                      |            |
| Increase/(Decrease) in Others Liabilities & Provisions    | 71.89                         | (922.17) | 26.18                         | (1,452.86) |
| Cash Generated From Operations                            |                               | 460.38   |                               | (370.42)   |
| Less: Income Tax Paid                                     |                               | 221.44   |                               | 106.93     |
| Cash Inflow Before Prior Period Adjustments               |                               | 238.95   |                               | (477.36)   |
| Less : Prior Period Adjustment                            |                               | -        |                               | -          |
| <b>Net Cash from / (used in) Operating Activities (A)</b> |                               | 238.95   |                               | (477.36)   |
| <b>Cash Flow from Investing Activities</b>                |                               |          |                               |            |
| Interest on IT Refund                                     | -                             |          |                               |            |
| Dividend Income   | 14.65                         |          | 18.80                         |            |
| Sale of Investments                                       | 507.15                        |          | 1,251.60                      |            |
| Purchase of Investments                                   | (721.11)                      | (199.31) | (595.10)                      | 675.30     |
| <b>Net Cash from / (used in) Investing Activities (B)</b> |                               | (199.31) |                               | 675.30     |
| <b>Cash Flow from Financing Activities</b>                |                               |          |                               |            |
| Dividend Paid   | (7.06)                        |          | (7.35)                        | -          |
| CSR Payment   | (27.38)                       |          | -                             |            |
| FDR   | -                             |          | (365.00)                      | (372.35)   |
| <b>Net Cash from / (used in) Financing Activities (C)</b> |                               | (34.43)  |                               | (372.35)   |
| <b>(A+B+C)</b>  |                               | 5.19     |                               | (174.41)   |
| <b>Cash and Cash Equivalents - Opening Balance</b>        |                               | 6.97     |                               | 181.38     |
| <b>Cash and Cash Equivalents - Closing Balance</b>        |                               | 12.16    |                               | 6.97       |

**Note:**

Cash flows arising on account of taxes on income are not specifically bifurcated with respect to investing & financing activities.

Figures in brackets represent outflows

**As per our attached report of even date**

**For MKPS & Associates**

Chartered Accountants

Firm Registration No. 302014E

**For and on behalf of the Board of Directors  
of Stardeck Finance Ltd**

**Anand Shroff**  
Director  
(DIN: 08480489)

**Pankaj Jain**  
Director  
(DIN: 00048283)

**Sanjay Jain**

Partner

Membership No. 089840

**Nilesh Parikh**  
Director (DIN: 02710146)

**Sandhya Malhotra**  
Director (DIN: 06450511)

Place : Mumbai

Dated: 30th May 2023

**Mayuri Jain**

Company Secretary

# STARTECK FINANCE LIMITED

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENT

### 1.1 CORPORATE INFORMATION AND BASIS OF PREPARATION OF FINANCIAL STATEMENT

#### Corporate Information

Starteck Finance Limited is a public company incorporated in India under the provision of erstwhile companies Act 1956. The company is a Non-Deposit taking, Non-Systemically Important (“ND-NSI”) registered with Reserve Bank of India (RBI) and engaged in the the lending and investment. Equity Shares of the Company are listed on BSE Limited & NSE Limited, India.

#### Basis of Preparation of Financial Statement

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act, as amended from time to time and other accounting principles generally accepted in India along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Non Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (‘the NBFC Master Directions’) issued by RBI.

The Company’s financial statements up to and for the year ended March 31, 2023 were prepared in accordance with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP), notified under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, to the extent applicable including the NBFC Master Directions.

The financial statements have been prepared and presented on accrual basis and under a historical cost basis, except for the following:

- Certain financial assets and liabilities – measured at fair value;
- Share-based payments – measured at fair value;
- Defined benefit plans – plan assets measured at fair value.

Based on the nature of products / activities of the Company normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities. The Standalone financial statements are presented in Indian rupee (INR), which is Company’s functional and presentation currency. Functional Currency is the currency of a primary economic environment in which the Company operates. All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III of the Companies Act, 2013 unless otherwise stated.

### 1.2 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATE

In preparing these financial statements management requires to make judgment’s, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, contingent liabilities as at the date of the financial statement and reported amount of income and expenses for the reporting period. Actual results may differ from these estimates. The recognition, measurement, classification or disclosure of an item or information in the financial statement is made relying on these estimates. Revisions to estimates are recognized prospectively.

## Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for every period ended is included below:

1. Measurement of defined benefit obligations: key actuarial assumptions;
2. Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
3. Impairment test: key assumptions underlying recoverable amounts.
4. Useful life and residual value of property, plant and equipment, other intangible assets and Right of Use assets;
5. Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
6. Impairment of financial assets: key assumptions used in estimating recoverable cash flows
7. Measurement of expected credit losses. - Uncertainty relating to the global health pandemic.

## Judgments

Information about the judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements have been given below:

1. Assessing the lease term (including anticipated renewals) and the applicable discount rate.
2. Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

## 1.3 REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

### Interest and allied Income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument. The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs). Late payment charges, prepayment charges etc. are recognised on a point-in-time basis, and are recorded when realised since the probability of collecting and reported under "Fees and commission income".

### Dividend Income

Dividend income is accounted for when the right to receive the income is established, which generally when the shareholders approves the dividend.

## Net Gain/ Loss on Fair Value Changes

Any differences between the fair values of the investment in debt oriented mutual funds classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in “Net gains or fair value changes” under revenue from operations and if there is a net loss the same is disclosed “Expenses”, in the statement of profit and loss

### 1.4 FINANCIAL INSTRUMENTS:

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

#### (i) Initial recognition and measurement

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability which is not recognised at Fair Value Through Profit and Loss, is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue

#### (ii) Subsequent recognition

##### (A) Financial Assets

On initial recognition, a financial asset is classified and measured at

- Amortised Cost;
- Fair Value Through Other Comprehensive Income (FVOCI); or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not recognised as at FVTPL

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the

Investments fair value in Other Comprehensive Income (OCI) (designated as FVOCI – equity investment). This election is made on an

investment-by-investment basis.

All financial assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(B) Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised as profit or loss respectively.

(iii) Derecognition

(A) Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

(B) Financial Assets

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iv) Offsetting Financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

## 1.5 INCOME TAX

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income.

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

(i) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are not recognised for:



- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

(ii) The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(iii) Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### Minimum alternate tax

Minimum alternate tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the 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. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

### 1.6 EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit/ (loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, and bonus element in a rights issue to existing shareholders, share split and reverse share split.

Diluted earnings per share is computed by dividing the profit/ (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) 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. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

### 1.7 PROVISIONS, CONTINGENCIES AND COMMITMENTS

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present

obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made where there is:

- (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (ii) a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

## 1.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## 1.9 EMPLOYEE BENEFITS

### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

### (ii) Compensated absences

#### 1. Short term

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of the benefit expected to be availed by the employees.

#### 2. Long term

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to statement of profit and loss in the year in which such gains or losses are determined.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plan such as gratuity; and
- (b) defined contribution plan such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined contribution plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates:

- (a) When the Company can no longer withdraw the offer of those benefits; and
- (b) When the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(v) Share-based payments

The fair value of options granted under the Employee Stock Option Plan to the employees of the Company is recognised as an employee benefits expense with a corresponding increase in equity share capital and the fair value options granted under the Employee Stock Option Plan to the employees of subsidiaries is recognised as an investment in respective subsidiaries with a corresponding increase in equity share capital. The total amount to be expensed is determined by reference to the fair value of the options granted. In the case where eligible employees left before or in between the vesting period the share based payment reserve gets reduced by the amount of reserve already created for the employees left with the increase in retained earnings and decrease in investment in subsidiaries accordingly.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the share options at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

(vi) Contributed equity

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

#### 1.10 DIVIDEND

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**STARTECK FINANCE LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Rs in Lakhs)

| Particulars   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|---|---------------------------|---------------------------|
| <b>2 Cash and cash equivalents</b>  |                           |                           |
| <b>Balances with Banks</b>  |                           |                           |
| In current accounts   | 9.10                      | 4.87                      |
| Cash on hand  | 3.06                      | 2.10                      |
| <b>Total cash and cash equivalents</b>  | <b>12.16</b>              | <b>6.97</b>               |
| <b>3 Bank balances other than (note no. 2 ) above</b>   |                           |                           |
| Deposits with original maturity of more than 3 months but less than 12 months   | 392.79                    | 377.50                    |
| <b>Earmarked bank balances#</b>   |                           |                           |
| Unpaid dividend account   | 5.62                      | 5.27                      |
| Unspent corporate social responsibility account   | 27.38                     | -                         |
| <b>Total bank balances other than (note no. 2 ) above</b>   | <b>425.79</b>             | <b>382.77</b>             |
| <br>#There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at each reporting date. |                           |                           |
| <b>4 Receivable</b>   |                           |                           |
| <b>Unsecured considered goods</b>   |                           |                           |
| Interest accrued  | 551.33                    | 158.82                    |
| <b>Total receivable</b>   | <b>551.33</b>             | <b>158.82</b>             |
| <b>5 Loans</b>  |                           |                           |
| <b>Secured, considered good</b>   |                           |                           |
| Loan to Body corporates and others  | 7,553.96                  | 4,260.40                  |
| <b>Unsecured, considered good</b>   |                           |                           |
| Loans to subsidiary   | 3,505.94                  | 429.03                    |
| Loan to Body corporates and others  | 10,938.04                 | 12,953.16                 |
| <b>Gross loans</b>  | <b>21,997.94</b>          | <b>17,642.59</b>          |
| Less: Unamortization of processing fees   | (187.52)                  | (149.41)                  |
| <b>Total loans</b>  | <b>21,810.42</b>          | <b>17,493.18</b>          |
| <b>5.1 Break up of Loans</b>  |                           |                           |
| Secured by tangible assets  | 7,276.64                  | 3,779.09                  |
| Secured by book debts   | 277.32                    | 481.31                    |
| Unsecured   | 14,443.98                 | 13,382.19                 |
| <b>Gross loans</b>  | <b>21,997.94</b>          | <b>17,642.59</b>          |
| Less: Unamortization of processing fees   | (187.52)                  | (149.41)                  |
|   | <b>21,810.42</b>          | <b>17,493.18</b>          |
| <b>5.2 Loans in India</b>   |                           |                           |
| Public Sector   | -                         | -                         |
| Others  | 21,997.94                 | 17,642.59                 |
| <b>Gross loans</b>  | <b>21,997.94</b>          | <b>17,642.59</b>          |
| Less: Unamortization of processing fees   | (187.52)                  | (149.41)                  |
|   | <b>21,810.42</b>          | <b>17,493.18</b>          |

**6 Investments****Investment in subsidiaries and joint ventures****Investment in equity instruments (at cost)****Unquoted, fully paid up****Investment in subsidiaries****Equity shares**

|  |              |              |
|--|--------------|--------------|
| V Can Exports Pvt Ltd  | 1.00         | 1.00         |
| 10,000 (31st March 2022 10,000) equity shares of Rs. 10 each fully paid up |              |              |
| Bhuwalka Steel Industries Ltd  | 1.00         | -            |
| 10,000 (31st March 2022 NIL ) equity shares of Rs. 10 each fully paid up   |              |              |
| Chitta Finlease Pvt Ltd  | 23.91        | 23.91        |
| 1,000 (31st March 2022 1,000) equity shares of Rs. 100 each fully paid up  |              |              |
| <b>Total investment in subsidiaries equity shares</b>                      | <b>25.91</b> | <b>24.91</b> |

**Investments in Bonds and Debenture****Investments in Tax Free Bonds (Quoted)**

|   |        |        |
|---|--------|--------|
| Housing & Urban Development Corporation ,8.14%,25th October 2023<br>25,000 (31st March 2022 25,000) bonds of Rs. 1,000 each     | 250.11 | 250.24 |
| Housing & Urban Development Corporation,8.39%,25th October 2023<br>5,000 (31st March 2022 5,000 ) bonds of Rs. 1,000 each       | 50.02  | 49.97  |
| Housing & Urban Development Corporation,8.58%,13th January 2029<br>21,000 (31st March 2022 21,000 ) bonds of Rs. 1,000 each     | 216.28 | 217.12 |
| India Infrastructure Finance Company Ltd,8.38%,12th November 2028<br>30,000 (31st March 2022 30,000) bonds of Rs. 1,000 each    | 300.83 | 300.94 |
| India Infrastructure Finance Company Ltd,8.48% 22nd January 2029<br>20,000 (31st March 2022 20,000) bonds of Rs. 1,000 each     | 206.37 | 207.22 |
| India Infrastructure Finance Company Ltd 8.55% 27th March 2029<br>20,000 (31st March 2022 20,000) bonds of Rs. 1,000 each       | 215.01 | 217.05 |
| India Renewable Energy Development Agency Ltd,8.55%,13th March 2029<br>20,000 (31st March 2022 20,000 ) bonds of Rs. 1,000 each | 200.00 | 200.00 |
| Indian Railway Finance Corporation 8.40%,18th February 2029<br>20,000 (31st March 2022 20,000) bonds of Rs. 1,000 each          | 200.00 | 200.00 |
| Indian Railway Finance Corporation 8.63%,26th March 2029<br>20,000 (31st March 2022 20,000) bonds of Rs. 1,000 each             | 200.00 | 200.00 |
| National Highway Authority of India 8.50%,05th February 2029<br>20,000 (31st March 2022 20,000) bonds of Rs. 1,000 each         | 200.00 | 200.00 |
| National Housing Bank 8.63% 13th January 2029<br>1,444 (31st March 2022 1,444) bonds of Rs. 5,000 each                          | 72.20  | 72.20  |
| NHPC Ltd 8.54%,02nd November 2028<br>16,105 (31st March 2022 16,105) bonds of Rs. 1,000 each                                    | 161.05 | 161.05 |
| NHPC Ltd 8.79%,02nd November 2028<br>5,000 (31st March 2022 5,000) bonds of Rs. 1,000 each                                      | 51.39  | 51.58  |
| Power Finance Corporation 8.54%,16th November 2028<br>29,150 (31st March 2022 29,150) bonds of Rs. 1,000 each                   | 291.50 | 291.50 |
| Power Finance Corporation 8.79%16th November 2028<br>4,310 (31st March 2022 4,310) bonds of Rs. 1,000 each                      | 43.62  | 43.68  |
| Rural Electrification Corporation Ltd 8.26% 24th September 2023<br>5,000 (31st March 2022 5,000) bonds of Rs. 1,000 each        | 50.03  | 50.02  |
| Rural Electrification Corporation Ltd 8.63% 24th March 2029<br>20,000 (31st March 2022 20,000) bonds of Rs. 1,000 each          | 200.00 | 200.00 |
| Rural Electrification Corporation Ltd 7.22 %,19th December 2022<br>NIL (31st March 2022 30,002) bonds of Rs. 1,000 each         | -      | 300.59 |
| Indian Railway Finance Corporation 8.65%,18th February 2029<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each            | 48.24  | 49.43  |
| National Highway Authority of India 8.75%,05th February 2029<br>5,000 (31st March 2022 5,000) bonds of Rs. 1,000 each           | 60.45  | 61.99  |

|  |               |        |
|--|---------------|--------|
| Housing & Urban Development Corporation ,8.83%,13th January 2029<br>9,000 (31st March 2022 9,000) bonds of Rs. 1,000 each          | <b>111.09</b> | 112.62 |
| Indian Railway Finance Corporation 8.88%,26th March 2029<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each                  | <b>48.32</b>  | 49.59  |
| National Housing Bank 8.88% 13th January 2029<br>600 (31st March 2022 600) bonds of Rs. 5,000 each                                 | <b>36.53</b>  | 37.50  |
| Rural Electrification Corporation Ltd 8.63 %,29th March 2029<br>1,000 (31st March 2022 1,000) bonds of Rs. 1,000 each              | <b>12.11</b>  | 12.41  |
| India Infrastructure Finance Company Ltd 8.55% 27th March 2029<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each            | <b>48.07</b>  | 49.21  |
| India Renewable Energy Development Agency Ltd,8.80%,13th March 2029<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each       | <b>48.83</b>  | 50.10  |
| National Housing Bank 8.93% 24th March 2029<br>767 (31st March 2022 767) bonds of Rs. 5,000 each                                   | <b>46.65</b>  | 47.80  |
| Housing & Urban Development Corporation ,8.98%,28th March 2029<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each            | <b>48.52</b>  | 49.73  |
| Kamarajar Port Limited 9% 25th March 2029<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each                                 | <b>49.05</b>  | 50.34  |
| Housing & Urban Development Corporation ,7.64%,8th February 2031<br>1,499 (31st March 2022 1,499) bonds of Rs. 1,000 each          | <b>17.75</b>  | 18.02  |
| Housing & Urban Development Corporation ,7.69%,15th March 2031<br>1,563 (31st March 2022 1,563) bonds of Rs. 1,000 each            | <b>18.56</b>  | 18.87  |
| Housing & Urban Development Corporation,8.39%,25th October 2023<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each           | <b>40.33</b>  | 40.77  |
| India Infrastructure Finance Company Ltd,8.38%,12th November 2028<br>5,000 (31st March 2022 5,000) bonds of Rs. 1,000 each         | <b>59.42</b>  | 60.84  |
| India Infrastructure Finance Company Ltd 8.63% 12th November 2028<br>5,000 (31st March 2022 5,000) bonds of Rs. 1,000 each         | <b>59.69</b>  | 61.15  |
| India Infrastructure Finance Company Ltd 8.73% 22nd January 2029<br>10,000 (31st March 2022 10,000) bonds of Rs. 1,000 each        | <b>119.16</b> | 121.94 |
| India Renewable Energy Development Agency Ltd,7.74%,21st January 2031<br>2,232 (31st March 2022 2,232) bonds of Rs. 1,000 each     | <b>26.57</b>  | 27.00  |
| Indian Railway Finance Corporation 7.53%,21st December 2030<br>1,582 (31st March 2022 1,582) bonds of Rs. 1,000 each               | <b>17.74</b>  | 17.93  |
| Indian Railway Finance Corporation 7.64%,22nd March 2031<br>3,000 (31st March 2022 3,000) bonds of Rs. 1,000 each                  | <b>33.88</b>  | 34.26  |
| Indian Railway Finance Corporation 8.40%,18th February 2029<br>15,000 (31st March 2022 15,000) bonds of Rs. 1,000 each             | <b>179.48</b> | 183.77 |
| National Bank for Agriculture and Rural Development 7.64% 23rd March 2031<br>3,000 (31st March 2022 3,000) bonds of Rs. 1,000 each | <b>35.66</b>  | 36.25  |
| National Highway Authority of India 7.60%,11th January 2031<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each               | <b>47.61</b>  | 48.42  |
| National Highway Authority of India 7.69%,06th March 2031<br>2,655 (31st March 2022 2,655) bonds of Rs. 1,000 each                 | <b>32.51</b>  | 32.75  |
| National Highway Authority of India 8.50%,05th February 2029<br>20,000 (31st March 2022 20,000) bonds of Rs. 1,000 each            | <b>240.08</b> | 245.93 |
| National Housing Bank 8.63% 13th January 2029<br>2,696 (31st March 2022 2,696) bonds of Rs. 5,000 each                             | <b>162.77</b> | 166.90 |
| NHPC Ltd 8.54%,02nd November 2028<br>1,611 (31st March 2022 1,611) bonds of Rs. 1,000 each   | <b>19.25</b>  | 19.73  |
| NHPC Ltd 8.79%,02nd November 2028<br>5,000 (31st March 2022 5,000) bonds of Rs. 1,000 each   | <b>60.39</b>  | 62.00  |
| Power Finance Corporation 8.54%,16th November 2028<br>6,478 (31st March 2022 6,478) bonds of Rs. 1,000 each                        | <b>77.49</b>  | 79.42  |

|   |                 |                 |
|---|-----------------|-----------------|
| Rural Electrification Corporation Ltd 8.26% 24th September 2023<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each  | 40.77           | 42.22           |
| Rural Electrification Corporation Ltd 8.63 %,29th March 2029<br>3,000 (31st March 2022 3,000) bonds of Rs. 1,000 each   | 36.31           | 37.21           |
| <b>Total investment in bonds and debenture</b>  | <b>4,851.80</b> | <b>5,200.94</b> |
| <b>Other Investments</b>  |                 |                 |
| <b>Investment in equity instruments (At fair value through other comprehensive income unless otherwise stated)</b>  |                 |                 |
| <b>Quoted, fully paid up (At fair value through other comprehensive income unless otherwise stated)</b>   |                 |                 |
| Cox & Kings Financial Services Ltd<br>4,667 (31st March 2022 4,667) share of Rs. 5 each   | 0.01            | 0.01            |
| Powergrid Infrastructure Investment Trust<br>350,000 (31st March 2022 5,00,000) share of Rs. 100 each   | 446.74          | 671.90          |
| <b>Unquoted, fully paid up</b>  |                 |                 |
| Eskay Infrastructure Development Pvt Ltd<br>78,732 (31st March 2022 78,732) shares of Rs 10 each  | 1,229.79        | 1,531.34        |
| NSE Limited<br>25,000 (31st March 2022 NIL) shares of Re 1 each   | 720.11          | -               |
| <b>Total other investments</b>  | <b>2,396.65</b> | <b>2,203.25</b> |
| <b>6.1 Break up of Invesstments</b>   |                 |                 |
| In India  | 7,274.36        | 7,429.10        |
| Outside India   | -               | -               |
|   | <b>7,274.36</b> | <b>7,429.10</b> |
| Tax Free Bonds of Books Value Rs 4,851.78/- lakhs (Previous Year Rs 5,200.94/- lakhs) are pledged to Barclays Bank Plc for securing credit limits                                       |                 |                 |
| Powergrid Infrastructure Investment Trust of Books Value Rs 446.74/- lakhs (Previous Year Rs. 671.90) are pledged to Tata Capital Financial Services Limited for securing credit limits |                 |                 |
| <b>7 Other Financial assets</b>   |                 |                 |
| Other advances and receivables  | 2.62            | 17.95           |
| Security deposits   | 1.50            | 1.50            |
| <b>Total other financial assets</b>   | <b>4.12</b>     | <b>19.45</b>    |
| <b>8 Other Non Financial assets</b>   |                 |                 |
| Balance with statutory/government authority   | 18.26           | 6.15            |
| <b>Total other non financial assets</b>   | <b>18.26</b>    | <b>6.15</b>     |



**STARTECK FINANCE LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Rs in Lakhs)

| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------------------------|---------------------------|
| <b>9 Trade payables</b>                                |                           |                           |
| Trade payable - Micro and small enterprises*           |                           |                           |
| Trade payable - Other than micro and small enterprises | 64.99                     | 29.79                     |
| <b>Total trade payables</b>                            | <b>64.99</b>              | <b>29.79</b>              |

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of Information available with the Company. The amount of principal and interest outstanding during the year is given below

| Particulars   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|---|---------------------------|---------------------------|
| 1) Principal amount due and remaining unpaid                                | -                         | -                         |
| 2) Interest due on (1) above and the unpaid interest                        | -                         | -                         |
| 3) Interest paid on all delayed payment under the MSMED Act                 | -                         | -                         |
| 4) Payment made beyond the appointed day during the year                    | -                         | -                         |
| 5) Interest due and payable for the period of delay other than (3) above    | -                         | -                         |
| 6) Interest accrued and remaining unpaid                                    | -                         | -                         |
| 7) Amount of further interest remaining due and payable in succeeding years | -                         | -                         |

**Ageing schedule**

**Current year**

|                             | Less than 1<br>year | 1-3 years | More than 3 years | Total |
|-----------------------------|---------------------|-----------|-------------------|-------|
| (i) MSME                    | -                   | -         | -                 | -     |
| (ii) Others                 | 64.99               | -         | -                 | 64.99 |
| (iii) Disputed dues - MSME  | -                   | -         | -                 | -     |
| (iv) Disputed dues - Others | -                   | -         | -                 | -     |

**Previous Years**

|                             | Less than 1<br>year | 1-3 years | More than 3 years | Total |
|-----------------------------|---------------------|-----------|-------------------|-------|
| (i) MSME                    | -                   | -         | -                 | -     |
| (ii) Others                 | 29.79               | -         | -                 | 29.79 |
| (iii) Disputed dues - MSME  | -                   | -         | -                 | -     |
| (iv) Disputed dues - Others | -                   | -         | -                 | -     |

|   |                  |          |
|---|------------------|----------|
| <b>10 Borrowings</b>  |                  |          |
| <b>At Amortised Cost</b>  |                  |          |
| <b>Secured</b>  |                  |          |
| Term Loan From Financial institutions   | <b>205.00</b>    | -        |
| <b>Loan repayable on demand</b>   |                  |          |
| From Bank (Overdraft)   | <b>4,297.14</b>  | 4,875.45 |
| <b>Unsecured</b>  |                  |          |
| From Body Corporates  | <b>7,796.51</b>  | 4,352.75 |
| <b>Total borrowings</b>   | <b>12,298.65</b> | 9,228.20 |
| <b>10.1 Out of Above</b>  |                  |          |
| Borrowings in India   | <b>12,298.65</b> | 9,228.20 |
| Borrowings outside India  | -                | -        |
|   | <b>12,298.65</b> | 9,228.20 |
| <b>Terms and Conditions for Secured Loan taken from Banks</b>   |                  |          |
| <b>ICICI Bank Limited</b>   |                  |          |
| - The Bank overdraft of NIL (Previous Year Rs 905.91 lakhs) is secured by way of pledge of tax free bonds and other securities.             |                  |          |
| - The interest rate on Bank Overdraft of NIL (Previous Year Rs 905.91 Lakhs) @ NIL (Previous Year 7.95%)                                    |                  |          |
| <b>Barclays Bank Plc</b>  |                  |          |
| - The Bank overdraft of Rs.4,297.14 Lakhs (Previous Year 3,969.54 Lakh) is secured by way of pledge of tax free bonds and other securities. |                  |          |
| - The interest rate on Bank Overdraft of Rs.4,297.14 Lakhs (Previous Year 3,969.54 Lakh) @ 8.15% (Previous Year @ 7.20%)                    |                  |          |
| <b>Terms and Conditions for Secured Loan taken from Financial institutions</b>  |                  |          |
| <b>Tata Capital Financial Services Limited</b>  |                  |          |
| - The Term Loan of Rs.205.00 Lakhs (Previous Year NIL) is secured by way of pledge of shares held in demat form                             |                  |          |
| - The interest rate on Term Loan of Rs.205.00 Lakhs (Previous Year NIL) @ 9.50% (Previous Year Not Applicable)                              |                  |          |
| <b>11 Other financial liabilities</b>   |                  |          |
| Interest accrued but not due on borrowings  | <b>575.98</b>    | -        |
| Unclaimed dividend  | <b>5.62</b>      | 5.27     |
| <b>Total other financial liabilities</b>  | <b>581.60</b>    | 5.27     |
| <b>12 Provisions</b>  |                  |          |
| Unspent CSR Liability   | <b>61.50</b>     | 27.38    |
| Impairment Loss allowance on loans  | <b>252.98</b>    | 129.10   |
| <b>Total provisions</b>   | <b>314.48</b>    | 156.48   |
| <b>13 Other Non financial liabilities</b>   |                  |          |
| Statutory dues  | <b>73.06</b>     | 12.39    |
| <b>Total other non financial liabilities</b>  | <b>73.06</b>     | 12.39    |

**STARTECK FINANCE LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Rs in Lakhs)

| Particulars   | As at            | As at            |
|---|------------------|------------------|
|   | 31st March, 2023 | 31st March, 2022 |
| <b>14 Equity share capital</b>  |                  |                  |
| <b>Authorised share capital</b>   |                  |                  |
| 15,00,00,000 equity shares of Rs. 10 each<br>(31st March 2022 15,00,00,000) | <b>15,000.00</b> | 15,000.00        |
| <b>Total authorised share capital</b>                                       | <b>15,000.00</b> | 15,000.00        |
| <b>Issued, subscribed and fully paid up</b>                                 |                  |                  |
| 99,10,330 equity shares of Re. 10 each (31st<br>March 2022 99,10,330)       | <b>991.03</b>    | 991.03           |
| <b>Total issued, subscribed and fully paid up share capital</b>             | <b>991.03</b>    | 991.03           |

**(i) Reconciliation of equity share capital**

| Particulars                                 | As at<br>31st March, 2023 |               | As at<br>31st March, 2022 |              |
|---|---------------------------|---------------|---------------------------|--------------|
|   | Number<br>of shares       | Rs. in lakhs  | Number<br>of shares       | Rs. in lakhs |
| At the beginning of the period              | <b>99,10,330</b>          | <b>991.03</b> | 99,10,330                 | 991.03       |
| Issued during the year                      |                           |               |                           |              |
| <b>Outstanding at the end of the period</b> | <b>99,10,330</b>          | <b>991.03</b> | 99,10,330                 | 991.03       |

**(ii) Terms and rights attached to equity shares**

The Company has only one class of equity share having value of Rs 10 each with an entitlement of one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the annual general meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(iii) Details of shareholders holding more than 5% shares in the Company**

| Particulars                                      | As at<br>31st March, 2023 |                  | As at<br>31st March, 2022 |           |
|--|---------------------------|------------------|---------------------------|-----------|
|  | Number                    | % holding        | Number                    | % holding |
| SW Capital Private Limited                       | <b>10.02%</b>             | <b>9,92,739</b>  | 10.02%                    | 9,92,739  |
| Eskay Infrastructure Development Private Limited | <b>10.55%</b>             | <b>10,45,700</b> | 10.55%                    | 10,45,700 |
| Astha Trust                                      | <b>10.55%</b>             | <b>10,45,413</b> | 10.55%                    | 10,45,413 |
| Matrabhav Trust                                  | <b>11.69%</b>             | <b>11,58,666</b> | 11.69%                    | 11,58,666 |
| Akrur Kamal Khetan                               | <b>5.50%</b>              | <b>5,45,400</b>  | 5.50%                     | 5,45,400  |
| Anupma Kamal Khetan                              | <b>5.50%</b>              | <b>5,45,400</b>  | 5.50%                     | 5,45,400  |

**(iv) Details of shareholders held by Promoter**

| Particulars                                      | As at               |                  | As at               |              |
|--|---------------------|------------------|---------------------|--------------|
|  | Number<br>of shares | %<br>holding     | Number<br>of shares | %<br>holding |
| SW Capital Private Limited                       | <b>10.02%</b>       | <b>9,92,739</b>  | 10.02%              | 9,92,739     |
| Eskay Infrastructure Development Private Limited | <b>10.55%</b>       | <b>10,45,700</b> | 10.55%              | 10,45,700    |
| Astha Trust                                      | <b>10.55%</b>       | <b>10,45,413</b> | 10.55%              | 10,45,413    |
| Matrabhav Trust                                  | <b>11.69%</b>       | <b>11,58,666</b> | 11.69%              | 11,58,666    |
| Akrur Kamal Khetan                               | <b>5.50%</b>        | <b>5,45,400</b>  | 5.50%               | 5,45,400     |
| Anupma Kamal Khetan                              | <b>5.50%</b>        | <b>5,45,400</b>  | 5.50%               | 5,45,400     |

**STARTECK FINANCE LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(Rs in lakhs)

| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------------------------|---------------------------|
| <b>15 Other equity</b>                                 |                           |                           |
| Reserves & surplus                                     |                           |                           |
| - Securities premium account                           | 8,048.66                  | 8,048.66                  |
| - Statutory Reserve Fund                               | 1,617.08                  | 1,420.08                  |
| - Retained earnings                                    | 5,609.53                  | 4,829.44                  |
| Other comprehensive income                             |                           |                           |
| - Equity instrument through other comprehensive        | 500.93                    | 820.51                    |
| <b>Total other equity</b>                              | <b>15,776.20</b>          | <b>15,118.68</b>          |
|  |                           |                           |
| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| <b>(i) Securities premium reserve</b>                  |                           |                           |
| Opening balance  | 8,048.66                  | 8,048.66                  |
| Addition during the year                               | -                         | -                         |
| <b>Closing balance</b>                                 | <b>8,048.66</b>           | <b>8,048.66</b>           |
| <b>(ii) Statutory Reserve</b>                          |                           |                           |
| Opening balance  | 1,420.08                  | 1,233.08                  |
| Transferred from Retained Earning                      | 197.00                    | 187.00                    |
| <b>Closing balance</b>                                 | <b>1,617.08</b>           | <b>1,420.08</b>           |
| <b>(iii) Retained earnings</b>                         |                           |                           |
| Opening balance  | 4,829.44                  | 4,087.71                  |
| Net profit for the year                                | 984.14                    | 936.08                    |
| Transferred to Statutory Reserve                       | (197.00)                  | (187.00)                  |
| Dividend Paid  | (7.06)                    | (7.35)                    |
| <b>Closing balance</b>                                 | <b>5,609.53</b>           | <b>4,829.44</b>           |
| <b>(iv) Other comprehensive income</b>                 |                           |                           |
| - Equity instrument through other comprehensive income |                           |                           |
| Opening balance  | 820.51                    | 343.92                    |
| Income/(loss) for the year                             | (319.58)                  | 476.59                    |
| <b>Closing balance</b>                                 | <b>500.93</b>             | <b>820.51</b>             |

**Nature & purpose of other equity and reserves :**

**(a) Securities premium account :**

Securities premium reserve is used to record the premium on issue of financial securities such as equity shares, preference shares, compulsory convertible debentures. The reserve is utilised in accordance with the provision of the Act.

**(b) Reserve u/s 45 IC of the Reserve Bank of India Act, 1934:**

The Company created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.

**STARTECK FINANCE LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

(Rs in Lakhs)

| Particulars                                   | Year ended<br>31st March, 2023 | Year ended<br>31st March, 2022 |
|---|--------------------------------|--------------------------------|
| <b>16 Revenue from operations</b>             |                                |                                |
| <b>Interest Income</b>                        |                                |                                |
| Interest on Loan                              | 2,208.50                       | 1,199.85                       |
| Interest income on Investment                 | 371.22                         | 346.00                         |
| <b>Total revenue from operations</b>          | <b>2,579.72</b>                | <b>1,545.85</b>                |
| <b>17 Dividend Income</b>                     |                                |                                |
| Dividend on Shares                            | 14.65                          | 18.80                          |
| <b>Total dividend income</b>                  | <b>14.65</b>                   | <b>18.80</b>                   |
| <b>18 Fees and Commission income</b>          |                                |                                |
| Processing Fees                               | 22.09                          | 23.98                          |
| <b>Total fees and commission income</b>       | <b>22.09</b>                   | <b>23.98</b>                   |
| <b>19 Other income</b>                        |                                |                                |
| Profit on sales of Investment                 | -                              | 56.50                          |
| <b>Total other income</b>                     | -                              | <b>56.50</b>                   |
| <b>20 Finance Cost</b>                        |                                |                                |
| Interest on Borrowing                         | 662.40                         | 30.40                          |
| Interest on Bank OD                           | 270.90                         | 274.26                         |
| Other Borrowing Cost                          | 2.89                           | 1.60                           |
| <b>Total finance cost</b>                     | <b>936.19</b>                  | <b>306.25</b>                  |
| <b>21 Employee benefits expense</b>           |                                |                                |
| Salaries and wages                            | 62.15                          | 87.56                          |
| Staff welfare expenses                        | 3.44                           | 0.06                           |
| <b>Total employee benefits expense</b>        | <b>65.59</b>                   | <b>87.62</b>                   |
| <b>22 Other expenses</b>                      |                                |                                |
| Annual, listing fees and other fees           | 15.15                          | 3.89                           |
| Business promotion                            | 2.65                           | 29.48                          |
| Demat/Bank charges                            | 0.04                           | 0.47                           |
| Director sitting fees                         | 1.05                           | 1.00                           |
| Legal and professional                        | 173.69                         | 62.08                          |
| Miscellaneous expenses                        | 12.80                          | 4.29                           |
| Payments to auditors                          | 2.25                           | 3.00                           |
| Repair & Maintenance                          | 15.29                          | -                              |
| Provision for standard & sub- standard assets | 123.87                         | 27.39                          |
| Rent, rates and taxes                         | 4.23                           | 5.38                           |
| Travelling and conveyance                     | 5.19                           | 3.49                           |
| Foreign Travelling Expenses                   | 0.17                           | -                              |
| CSR Activity                                  | 34.12                          | 27.38                          |
| <b>Total other expenses</b>                   | <b>390.50</b>                  | <b>167.85</b>                  |

**STARTECK FINANCE LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

**23 Income tax expense**

This note provides an analysis of the Company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

**(a) Tax expense recognised in the Statement of Profit and Loss**

(Rs in Lakhs)

| Particulars   | Year ended<br>31st March, 2023 | Year ended<br>31st March, 2022 |
|---|--------------------------------|--------------------------------|
| Current tax on profits for the year                                   | 227.78                         | 147.33                         |
| Adjustments for current tax of prior periods                          | 12.26                          | -                              |
| <b>Total current tax expense</b>                                      | <b>240.04</b>                  | 147.33                         |
| Deferred tax charge/(credit)-P&L                                      | -                              | -                              |
| Other Comprehensive Income-Remeasurments of net defined benefit plans | -                              | -                              |
| <b>Total deferred tax expense/(benefit)</b>                           | <b>-</b>                       | <b>-</b>                       |
| <b>Income tax expense/(benefit)</b>                                   | <b>240.04</b>                  | 147.33                         |

(Rs in Lakhs)

| Particulars  | Year ended<br>31st March, 2023 | Year ended<br>31st March, 2022 |
|--|--------------------------------|--------------------------------|
| <b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b> |                                |                                |
| Enacted income tax rate in India applicable to the Company   | 25.168%                        | 25.168%                        |
| Profit/(loss) before income tax expense  | 1,224.19                       | 1,083.40                       |
| Current Tax Expense on Profit/(Loss) before tax expenses at enacted income tax rate in India       | 308.10                         | 272.67                         |
| Tax effects of:  |                                |                                |
| Disallowabale expenses   | 13.28                          | -                              |
| Exempt income  | (111.69)                       | (125.34)                       |
| Income Tax at special rate   | (13.64)                        | -                              |
| Tax in respect of earlier years  | 12.26                          | -                              |
| Other items  | 31.73                          | -                              |
| <b>Income tax expense</b>  | <b>240.04</b>                  | 147.33                         |

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax for the year ended March 31, 2021 and remeasured its deferred tax assets and liabilities, basis the rate prescribed in the said section. The full impact of this change has been recognised during the year

**STARTECK FINANCE LIMITED**  
**NOTES TO STANDALONE FINANCIAL STATEMENTS**

**24 Related Party Disclosures**

**Name of the Related Parties :**

**Disclosure of related party transaction and balances for the year ended 31st March 2023**

**Relationship**

**List of related parties with whom transactions has been entered in the ordinary course of business**

**(A) Key Management Personal**

Anand Shroff  
Mayuri Jain

**(B) Entity/ Person having Significant Influence**

Akshunya Energy Private Limited  
Eskay Infrastructure Development Private Limited  
Glint Infraprojects Private Limited  
Luton Finance and Investment Private Limited  
Samagra Wealthmax Private Limited  
Starteck Infraprojects Private Limited  
Sunteck Realty Limited  
SW1 Advisory Private Limited  
SW Capital Private Limited  
Niyamit Mercantile and Trading LLP  
SW Investments Limited  
SW Capital Private Limited  
Starteck Housing Finance Private Limited

**(C) Subsidiaries**

Chitta Finlease Private Limited  
V Can Export Private Limited  
Bhuwalka Steel Industries Limited from 9th November 2022

| <b>Related Party Transactions</b>            |   | (Rs.in Lakhs)        |                      |
|--|---|----------------------|----------------------|
| <b>Particulars</b>                           | <b>Relationship</b>                         | <b>F Y 2022 2023</b> | <b>F Y 2021 2022</b> |
| <b>(i) Transaction during the year</b>       |   |                      |                      |
| <b>Rent Paid</b>                             |   |                      |                      |
| Sunteck Realty Ltd                           | Entity/ Person having Significant Influence | 4.20                 | 4.08                 |
| <b>Salary Paid(including reimbursements)</b> |   |                      |                      |
| Anand Shroff                                 | KMP   | 50.56                | 64.79                |
| Mayuri Jain                                  | KMP   | 7.42                 | 5.24                 |
| <b>Interest Received</b>                     |   |                      |                      |
| Niyamit Mercantile and Trading LLP           | Entity/ Person having Significant Influence | -                    | 120.09               |
| Eskay Infrastructure Development Pvt Ltd     | Entity/ Person having Significant Influence | 210.32               | 83.92                |
| Starteck Infraprojects Pvt Ltd               | Entity/ Person having Significant Influence | 21.11                | 4.58                 |
| Glint Infraprojects Pvt Ltd                  | Entity/ Person having Significant Influence | 5.68                 | -                    |
| SW Capital Pvt Ltd                           | Entity/ Person having Significant Influence | 103.65               | 50.44                |
| <b>Interest Paid</b>                         |   |                      |                      |
| Akshunya Energy Private Limited              | Entity/ Person having Significant Influence | 3.44                 | 24.61                |
| Niyamit Mercantile and Trading LLP           | Entity/ Person having Significant Influence | 24.97                | -                    |
| Glint Infraprojects Pvt Ltd                  | Entity/ Person having Significant Influence | -                    | 2.67                 |
| Kamal Khetan                                 | Entity/ Person having Significant Influence | 268.36               | 0.73                 |
| Samagra Wealthmax Pvt Ltd                    | Entity/ Person having Significant Influence | 58.04                | -                    |
| Sunteck Realty Ltd                           | Entity/ Person having Significant Influence | 267.79               | -                    |
| SW Investments Ltd                           | Entity/ Person having Significant Influence | 5.83                 | 2.38                 |
| <b>Investment in Subsidiaries</b>            |   |                      |                      |
| Bhuwalka Steel Industries Ltd                | Subsidiary                                  | 1.00                 | -                    |
| <b>Profit from Sell of Investment</b>        |   |                      |                      |
| Mintec Holding Private Limited               | Entity/ Person having Significant Influence | -                    | 45.00                |
| <b>Loan and Advances given</b>               |   |                      |                      |
| Eskay Infrastructure Development Pvt Ltd     | Entity/ Person having Significant Influence | -                    | 951.02               |
| SW Capital Pvt Ltd                           | Entity/ Person having Significant Influence | 834.61               | -                    |
| Kamal Khetan                                 | Entity/ Person having Significant Influence | 1,110.50             | -                    |
| Niyamit Mercantile and Trading LLP           | Entity/ Person having Significant Influence | 618.24               | -                    |
| Starteck Infraprojects Pvt Ltd               | Entity/ Person having Significant Influence | -                    | 164.77               |
| Bhuwalka Steel Industries Ltd                | Subsidiary                                  | 3,319.24             | -                    |
| <b>Loan Taken</b>                            |   |                      |                      |
| Glint Infraprojects Pvt Ltd                  | Entity/ Person having Significant Influence | -                    | 609.28               |
| Eskay Infrastructure Development Pvt Ltd     | Entity/ Person having Significant Influence | 154.67               | -                    |
| SW Investments Ltd                           | Entity/ Person having Significant Influence | -                    | 68.95                |
| Niyamit Mercantile and Trading LLP           | Entity/ Person having Significant Influence | -                    | 692.26               |
| Sunteck Realty Ltd                           | Entity/ Person having Significant Influence | 2,731.50             | -                    |
| Samagra Wealthmax Pvt Ltd                    | Entity/ Person having Significant Influence | 1,299.50             | -                    |
| Kamal Khetan                                 | Entity/ Person having Significant Influence | -                    | 2,975.66             |
| Akshunya Energy Pvt Ltd                      | Entity/ Person having Significant Influence | 153.50               | -                    |
| Starteck Infraprojects Pvt Ltd               | Entity/ Person having Significant Influence | 2.75                 | -                    |
| Chitta Finlease Pvt Ltd                      | Subsidiary                                  | 242.33               | -                    |



| Particulars   | Relationship                                | F Y 2022 2023 | F Y 2021 2022 |
|---|---|---------------|---------------|
| <b>(ii) Outstanding balance as at year end Loans and Advances given</b> |   |               |               |
| Eskay Infrastructure Development Pvt Ltd                                | Entity/ Person having Significant Influence | 2,423.95      | 2,578.62      |
| Starteck Infraprojects Pvt Ltd  | Entity/ Person having Significant Influence | 214.33        | 217.08        |
| SW Capital Pvt Ltd  | Entity/ Person having Significant Influence | 880.00        | 45.39         |
| Chitta Finlease Pvt Ltd   | Subsidiary                                  | 186.70        | 429.03        |
| Bhuwalka Steel Industries Ltd   | Subsidiary                                  | 3,319.24      | -             |
| <b>Loan Taken</b>   |   |               |               |
| Akshunya Energy Pvt Ltd   | Entity/ Person having Significant Influence | 160.10        | 6.60          |
| SW Investments Ltd  | Entity/ Person having Significant Influence | 61.95         | 68.95         |
| Glint Infraprojects Pvt Ltd   | Entity/ Person having Significant Influence | 629.51        | 609.28        |
| Niyamit Mercantile and Trading LLP                                      | Entity/ Person having Significant Influence | 74.02         | 692.26        |
| Samagra Wealthmax Pvt Ltd   | Entity/ Person having Significant Influence | 1,299.50      | -             |
| Sunteck Realty Ltd  | Entity/ Person having Significant Influence | 2,731.50      | -             |
| Kamal Khetan  | Entity/ Person having Significant Influence | 1,865.16      | 2,975.66      |
| <b>Deposit</b>  |   |               |               |
| Sunteck Realty Ltd  | Entity/ Person having Significant Influence | 1.50          | 1.50          |
| <b>Other receivable</b>   |   |               |               |
| Starteck Housing Finance Pvt Ltd  | Entity/ Person having Significant Influence | -             | 12.73         |

25 The Following additional information is disclosed in terms of RBI Circulars:

| Particulars   | (Rs. in Lakhs)     |                |
|---|--------------------|----------------|
|   | Amount outstanding | Amount overdue |
| <b>Liabilities side :</b>   |                    |                |
| (1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid: |                    |                |
| (a) Debentures : Secured  | -                  | -              |
| : Unsecured   | -                  | -              |
| (Other than falling within the meaning of public deposits)  |                    |                |
| (b) Deferred Credits  |                    |                |
| (c) Term Loans  | 205.00             | -              |
| (d) Inter-corporate loans and borrowing   | 7,796.51           | -              |
| (e) Commercial Paper  | -                  | -              |
| (f) Other Loans (Bank Overdraft)  | 4,297.14           | -              |
| <b>Total</b>  | <b>12,298.65</b>   | <b>-</b>       |
| <b>Assets side :</b>  |                    |                |
| <b>(2) Break-up of Loans and Advances including bills receivables (Other than those included in (4) below) :</b>        |                    |                |
| (a) Secured   | 7,553.96           | -              |
| (b) Unsecured   | 14,443.98          | -              |
| <b>Total</b>  | <b>21,997.95</b>   | <b>-</b>       |
| <b>(3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>                 |                    |                |
| (i) Leased assets including lease rentals under Sundry debtors :  |                    |                |
| (a) Financial lease   | -                  | -              |
| (b) Operating lease   | -                  | -              |
| (ii) Stock on hire including hire charges under sundry debtors:   |                    |                |
| (a) Assets on hire  | -                  | -              |
| (b) Repossessed Assets  | -                  | -              |
| (iii) Other loans counting towards AFC activities   |                    |                |
| (a) Loans where assets have been repossessed  | -                  | -              |
| (b) Loans other than (a) above  | -                  | -              |
| <b>Total</b>  | <b>-</b>           | <b>-</b>       |

|                                      |          |   |
|--------------------------------------|----------|---|
| <b>(4) Break-up of Investments :</b> |          |   |
| <b><u>Current Investments:</u></b>   |          |   |
| <b>1. Quoted</b>                     |          |   |
| (i) Shares : (a) Equity              | -        | - |
| (b) Preference                       | -        | - |
| (ii) Debentures and Bonds            | 4,851.80 | - |
| (iii) Units of mutual funds          | -        | - |
| (iv) Government Securities           | -        | - |
| (v) Others (Please specify)          | -        | - |
| <b>2. Unquoted</b>                   |          |   |
| (i) Shares : (a) Equity              | -        | - |
| (b) Preference                       | -        | - |
| (ii) Debentures and Bonds            | -        | - |
| (iii) Units of mutual funds          | -        | - |
| (iv) Government Securities           | -        | - |
| (v) Others (Please specify)          | -        | - |

(Rs in Lakhs)

| <b><u>Assets side :</u></b>   | <b>Amount outstanding</b>                         | <b>Amount overdue</b>                 |
|---|---|---------------------------------------|
| <b><u>Long Term Investments :</u></b>   |   |                                       |
| <b>1. Quoted</b>  |   |                                       |
| (i) Shares : (a) Equity   | 446.75  | -                                     |
| (b) Preference  | -   | -                                     |
| (ii) Debentures and Bonds   | -   | -                                     |
| (iii) Units of mutual funds   | -   | -                                     |
| (iv) Government Securities  | -   | -                                     |
| (v) Others (Please specify)   | -   | -                                     |
| <b>2. Unquoted</b>  |   |                                       |
| (i) Shares : (a) Equity   | 1,949.90  | -                                     |
| (b) Preference  | -   | -                                     |
| (ii) Debentures and Bonds   | -   | -                                     |
| (iii) Units of mutual funds   | -   | -                                     |
| (iv) Government Securities  | -   | -                                     |
| (v) Others (Please specify)   | -   | -                                     |
| <b>Total</b>  | <b>7,248.46</b>                                   | <b>-</b>                              |
| <b>Category</b>   | <b>Secured / Unsecured</b>                        | <b>Total</b>                          |
| <b>(5) Borrower group-wise classification of assets financed as in (2) and (3) above :</b>  |   |                                       |
| <b><u>1. Related parties</u></b>  |   |                                       |
| (a) Subsidiaries  | 3,505.94  | 3,505.94                              |
| (b) Companies in the same group   | 3,518.27  | 3,518.27                              |
| (c) Other related parties   | -   | -                                     |
| <b><u>2. Other than related parties</u></b>   |   |                                       |
|   | 14,973.73   | 14,973.73                             |
| <b>Total</b>  | <b>21,997.95</b>                                  | <b>21,997.95</b>                      |
| <b>Category</b>   | <b>Market Value/Break up or fair value or NAV</b> | <b>Book Value (Net of Provisions)</b> |
| <b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b> |   |                                       |
| <b><u>1. Related parties</u></b>  |   |                                       |
| (a) Subsidiaries  | 25.91   | 25.91                                 |
| (b) Companies in the same group   | -   | -                                     |
| (c) Other related parties   | -   | -                                     |
| <b><u>2. Other than related parties</u></b>   |   |                                       |
|   | 7,222.55  | 7,222.55                              |
| <b>Total</b>  | <b>7,248.46</b>                                   | <b>7,248.46</b>                       |

**STARTECK FINANCE LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

**26 Fair value measurements**

**(i) Fair value hierarchy**

**Level 1** : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges are valued using the closing price as at the reporting period.

**Level 2**: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

**(ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the use of discounted cash flow for fair value at amortised cost

| Financial Assets and Liabilities<br>as at 31st March, 2023 | Routed through Profit and loss |         |                  | Routed through OCI |          |         | Carried at amortised cost |          |          | Total |           |                  |           |
|--|--------------------------------|---------|------------------|--------------------|----------|---------|---------------------------|----------|----------|-------|-----------|------------------|-----------|
|  | Level 1                        | Level 3 | Carrying amounts | Total              | Level 1  | Level 3 | Carrying amounts          | Total    | Level 1  |       | Level 3   | Carrying amounts | Total     |
|  |                                |         |                  |                    |          |         |                           |          |          |       |           |                  |           |
| <b>Financial assets</b>                                    |                                |         |                  |                    |          |         |                           |          |          |       |           |                  |           |
| Investments  |                                |         |                  |                    |          |         |                           |          |          |       |           |                  |           |
| - Equity instruments                                       |                                |         |                  |                    |          |         |                           |          |          |       |           |                  |           |
| Quoted   | -                              | -       | -                | 446.75             | -        | -       | -                         | 446.75   | -        | -     | -         | -                | 446.75    |
| Unquoted   | -                              | -       | -                | 720.11             | 1,229.79 | -       | 1,949.90                  | -        | -        | -     | -         | -                | 1,949.90  |
| - Bonds Debentures   |                                |         |                  |                    |          |         |                           |          |          |       |           |                  |           |
| Quoted   | -                              | -       | -                | -                  | -        | -       | -                         | -        | 4,851.80 | -     | -         | -                | 4,851.80  |
| Receivables  | -                              | -       | -                | -                  | -        | -       | -                         | -        | -        | -     | 551.33    | 551.33           | -         |
| Loans  | -                              | -       | -                | -                  | -        | -       | -                         | -        | -        | -     | 21,810.42 | 21,810.42        | -         |
| Other advances and receivables ' - to others               | -                              | -       | -                | -                  | -        | -       | -                         | -        | -        | -     | 4.12      | 4.12             | -         |
| Cash and cash equivalents                                  | -                              | -       | -                | -                  | -        | -       | -                         | -        | -        | -     | 12.16     | 12.16            | -         |
| Other bank balances  | -                              | -       | -                | -                  | -        | -       | -                         | -        | -        | -     | 425.79    | 425.79           | -         |
| <b>Total financial assets</b>                              | -                              | -       | -                | #####              | 1,229.79 | -       | 2,396.66                  | 4,851.80 | -        | -     | 22,803.83 | 27,655.63        | 30,052.29 |
| <b>Financial liabilities</b>                               |                                |         |                  |                    |          |         |                           |          |          |       |           |                  |           |
| Loans from Financial Institutions                          | -                              | -       | -                | -                  | -        | -       | -                         | -        | -        | -     | 205.00    | 205.00           | -         |
| Bank Overdraft   | -                              | -       | -                | -                  | -        | -       | -                         | -        | -        | -     | 4,297.14  | 4,297.14         | -         |
| Loans from related parties and others                      | -                              | -       | -                | -                  | -        | -       | -                         | -        | -        | -     | 7,796.51  | 7,796.51         | -         |
| Trade payables   | -                              | -       | -                | -                  | -        | -       | -                         | -        | -        | -     | 64.99     | 64.99            | -         |
| Unpaid dividends   | -                              | -       | -                | -                  | -        | -       | -                         | -        | -        | -     | 5.62      | 5.62             | -         |
| Interest accrued   | -                              | -       | -                | -                  | -        | -       | -                         | -        | -        | -     | 575.98    | 575.98           | -         |
| <b>Total financial liabilities</b>                         | -                              | -       | -                | -                  | -        | -       | -                         | -        | -        | -     | 12,945.25 | 12,945.25        | 12,945.25 |

\*Listed on BSE (However, not traded actively)

| Financial Assets and Liabilities<br>as at 31st March, 2022   | Routed through Profit and loss |         |                  | Routed through OCI |          |                  | Carried at amortised cost |         |                  | Total                             |
|--|--------------------------------|---------|------------------|--------------------|----------|------------------|---------------------------|---------|------------------|-----------------------------------|
|  | Level 1                        | Level 3 | Carrying amounts | Level 1            | Level 3  | Carrying amounts | Level 1                   | Level 3 | Carrying amounts |                                   |
|  | Total                          | Total   | Total            | Total              | Total    | Total            | Total                     | Total   | Total            |                                   |
| <b>Financial assets</b>  |                                |         |                  |                    |          |                  |                           |         |                  |                                   |
| Investments  |                                |         |                  |                    |          |                  |                           |         |                  |                                   |
| - Equity instruments   |                                |         |                  |                    |          |                  |                           |         |                  |                                   |
| Quoted   | -                              | -       | -                | 671.91             | -        | -                | -                         | -       | -                | 671.91                            |
| Unquoted   | -                              | -       | -                | -                  | 1,531.34 | -                | -                         | -       | -                | 1,531.34                          |
| - Bonds/Debtentures  |                                |         |                  |                    |          |                  |                           |         |                  |                                   |
| Quoted   | -                              | -       | -                | -                  | -        | -                | -                         | -       | -                | 5,200.94                          |
| Receivables  | -                              | -       | -                | -                  | -        | -                | -                         | -       | -                | 158.82                            |
| Loans  | -                              | -       | -                | -                  | -        | -                | -                         | -       | -                | 17,493.18                         |
| Other advances and receivables ' - to others   | -                              | -       | -                | -                  | -        | -                | -                         | -       | -                | 19.45                             |
| Cash and cash equivalents  | -                              | -       | -                | -                  | -        | -                | -                         | -       | -                | 6.97                              |
| Other bank balances  | -                              | -       | -                | -                  | -        | -                | -                         | -       | -                | 382.77                            |
| <b>Total financial assets</b>  | -                              | -       | -                | 671.91             | 1,531.34 | -                | -                         | -       | 23,262.12        | 25,465.37                         |
| <b>Financial liabilities</b>   |                                |         |                  |                    |          |                  |                           |         |                  |                                   |
| Bank Overdraft   | -                              | -       | -                | -                  | -        | -                | -                         | -       | -                | 4,875.45                          |
| Loans from related parties and others  | -                              | -       | -                | -                  | -        | -                | -                         | -       | -                | 4,352.75                          |
| Trade payables   | -                              | -       | -                | -                  | -        | -                | -                         | -       | -                | 29.79                             |
| Unpaid dividends   | -                              | -       | -                | -                  | -        | -                | -                         | -       | -                | 5.27                              |
| <b>Total financial liabilities</b>   | -                              | -       | -                | -                  | -        | -                | -                         | -       | 9,263.27         | 9,263.27                          |
| <b>*Listed on BSE (However, not traded actively)</b>   |                                |         |                  |                    |          |                  |                           |         |                  |                                   |
| <b>Note: There are no financial assets/liabilities categorized under Level 2</b>   |                                |         |                  |                    |          |                  |                           |         |                  |                                   |
| <b>(iii) Fair value measurements using significant unobservable inputs (level 3)</b>   |                                |         |                  |                    |          |                  |                           |         |                  |                                   |
|  |                                |         |                  |                    |          |                  |                           |         |                  | (Rs. in lakhs)                    |
|  |                                |         |                  |                    |          |                  |                           |         |                  | <b>Unlisted equity securities</b> |
|  |                                |         |                  |                    |          |                  |                           |         |                  | 1,531.34                          |
|  |                                |         |                  |                    |          |                  |                           |         |                  | (301.54)                          |
|  |                                |         |                  |                    |          |                  |                           |         |                  | <b>1,229.79</b>                   |
| <b>(iv) Fair value of financial assets and liabilities measured at amortised cost</b>  |                                |         |                  |                    |          |                  |                           |         |                  |                                   |
|  |                                |         |                  |                    |          |                  |                           |         |                  | (Rs. in lakhs)                    |
|  |                                |         |                  |                    |          |                  |                           |         |                  | <b>As at</b>                      |
|  |                                |         |                  |                    |          |                  |                           |         |                  | <b>31st March, 2021</b>           |
|  |                                |         |                  |                    |          |                  |                           |         |                  | <b>Carrying amount</b>            |
|  |                                |         |                  |                    |          |                  |                           |         |                  | <b>Fair value</b>                 |
|  |                                |         |                  |                    |          |                  |                           |         |                  | <b>As at</b>                      |
|  |                                |         |                  |                    |          |                  |                           |         |                  | <b>31st March, 2022</b>           |
|  |                                |         |                  |                    |          |                  |                           |         |                  | <b>Carrying amount</b>            |
|  |                                |         |                  |                    |          |                  |                           |         |                  | <b>Fair value</b>                 |
| <b>Financial assets</b>  |                                |         |                  |                    |          |                  |                           |         |                  |                                   |
| Loans  |                                |         |                  |                    |          |                  |                           |         |                  |                                   |
| <b>Total financial assets</b>  |                                |         |                  |                    |          |                  |                           |         |                  |                                   |
| <b>Financial liabilities</b>   |                                |         |                  |                    |          |                  |                           |         |                  |                                   |
| Borrowings   |                                |         |                  |                    |          |                  |                           |         |                  |                                   |
| <b>Total financial liabilities</b>   |                                |         |                  |                    |          |                  |                           |         |                  |                                   |
| The carrying amounts of trade receivables, trade payables, other payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature. . This is classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values. |                                |         |                  |                    |          |                  |                           |         |                  |                                   |

**STARTECK FINANCE LIMITED**

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

**27 Financial risk management**

The Company's activities expose it to business risk, interest rate risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance, the Company's risk management is carried out by a corporate treasury and corporate finance department under policies approved by the board of directors and top management. Company's treasury identifies, evaluates and mitigates financial risks in close cooperation with the Company's operating units. The board provides guidance for overall risk management, as well as policies covering specific areas.

**(A) Credit Risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

**Ageing of Account receivables :**

Rs in Lakhs

| Particulars           | As at<br>31st March 2023 | As at<br>31st March 2022 |
|-----------------------|--------------------------|--------------------------|
| 0-3 months            | 85.53                    | 85.53                    |
| 3-6 months            | 392.51                   | -                        |
| 6 months to 12 months | 73.29                    | 73.29                    |
| beyond 12 months      | -                        | -                        |
| <b>Total</b>          | <b>551.33</b>            | <b>158.82</b>            |

**(B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining sufficient cash and bank balances available to meet the working capital requirements. Management monitors rolling forecasts of the group's liquidity position (comprising the unused cash and bank balances along with liquid investments) on the basis of expected cash flows. This is generally carried out at Company level in accordance with practice and limits set by the group. These limits vary to take into account the liquidity of the market in which the Company operates.

**(i) Maturities of financial liabilities**

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

all non-derivative financial liabilities, and the amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Rs in Lakhs

| Contractual maturities of financial liabilities<br>31st March, 2023 | Less than<br>3 months | 3 months<br>to 6 months | 6 months<br>to 1 year | Between<br>1 and 2 years | Above<br>2 year | Total            |
|---|-----------------------|-------------------------|-----------------------|--------------------------|-----------------|------------------|
| <b>Borrowings</b>   |                       |                         |                       |                          |                 |                  |
| Bank overdraft  |                       | 4,297.14                |                       |                          |                 | 4,297.14         |
| Term Loan from Financial Institutions                               |                       |                         | 205.00                |                          |                 | 205.00           |
| From related parties and Others                                     |                       |                         | 7,796.51              |                          |                 | 7,796.51         |
| Trade payables  | 64.99                 |                         |                       |                          |                 | 64.99            |
| Unpaid Dividend   | 5.62                  |                         |                       |                          |                 | 5.62             |
| Interest accrued but not due on borrowings                          | 575.98                |                         |                       |                          |                 | 575.98           |
| <b>Total non-derivative liabilities</b>                             | <b>646.60</b>         | <b>4,297.14</b>         | <b>8,001.51</b>       | -                        | -               | <b>12,945.25</b> |

Rs in Lakhs

| Contractual maturities of financial liabilities<br>31st March, 2022 | Less than<br>3 months | 3 months<br>to 6 months | 6 months<br>to 1 year | Between<br>1 and 2 years | Above<br>2 year | Total           |
|---|-----------------------|-------------------------|-----------------------|--------------------------|-----------------|-----------------|
| <b>Borrowings:</b>  |                       |                         |                       |                          |                 |                 |
| Bank overdraft  | 905.91                | 3,969.54                |                       |                          |                 | 4,875.45        |
| From related parties and Others                                     |                       |                         | 4,352.75              |                          |                 | 4,352.75        |
| Trade payables  | 29.79                 |                         |                       |                          |                 | 29.79           |
| Unpaid Dividend   | 5.27                  |                         |                       |                          |                 | 5.27            |
| <b>Total non-derivative liabilities</b>                             | <b>940.98</b>         | <b>3,969.54</b>         | <b>4,352.75</b>       | <b>-</b>                 | <b>-</b>        | <b>9,263.27</b> |

**(C) Market risk****(i) Price Risk****- Exposure**

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through OCI .

**- Sensitivity**

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

**Impact of Profit before tax**

Rs in Lakhs

| Particulars              | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--------------------------|---------------------------|---------------------------|
| BSE Sensex - Increase 5% | 22.34                     | 33.60                     |
| BSE Sensex - Decrease 5% | (22.34)                   | (33.60)                   |

**(ii) Cash flow and fair value interest rate risk****- Interest rate risk management:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings.

**- Interest rate risk exposure:**

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

Rs in Lakhs

| Particulars              | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--------------------------|---------------------------|---------------------------|
| Variable rate borrowings | 4,502.15                  | 4,875.45                  |
| Fixed rate borrowings    | 7,796.51                  | 4,352.75                  |
| <b>Total borrowings</b>  | <b>12,298.65</b>          | <b>9,228.20</b>           |

**- Interest rate sensitivity**

A change of 50 bps in interest rates would have following Impact on profit before tax :

Rs in Lakhs

| Particulars   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|---|---------------------------|---------------------------|
| 50 bp increase would decrease the profit before tax by* | 61.49                     | 46.14                     |
| 50 bp decrease would Increase the profit before tax by* | (61.49)                   | (46.14)                   |

\* Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised for the whole financial year.

**28 Capital management****(a) Risk management**

The Company's objectives when managing capital are to :

1. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, reduce debt or sell assets.

The gearing ratios were as follows:

Rs in Lakhs

| Particulars                                    | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------------------------|---------------------------|
| Net debt (Total Debt - Cash & cash equivalent) | 12,286.49                 | 9,221.23                  |
| Total equity                                   | 16,767.23                 | 16,109.71                 |
| <b>Net debt to equity ratio</b>                | <b>73%</b>                | <b>57%</b>                |

Loan covenants : The company intends to manage optimal gearing ratios.

**(b) Dividends**

Rs in Lakhs

| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------------------------|---------------------------|
| <b>Dividends not recognised at the end of the reporting period</b>   |                           |                           |
| In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 0.25 per fully paid equity share for other than promoters (31st March, 2022 – Rs. 0.25). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | 7.06                      | 7.35                      |

\*Calculation is based on the no. of shares outstanding as at year end.

**STARTECK FINANCE LIMITED**

**29 Earnings per share**

**NOTES TO STANDALONE FINANCIAL STATEMENTS**

| Particulars  | Year ended<br>31st March, 2023 | Year ended<br>31st March, 2022 |
|--|--------------------------------|--------------------------------|
| Earning Per Share has been computed as under :                                     |                                |                                |
| Profit for the year (Rs.in lakhs) (A)  | <b>984.15</b>                  | 936.07                         |
| Weighted average number of equity shares (B)                                       | <b>99,10,330.00</b>            | 99,10,330.00                   |
| Weighted average number of Equity shares adjusted for the effect of dilution ('C') | <b>99,10,330.00</b>            | 99,10,330.00                   |
| Basic EPS (Amount in Rs. ) (A/B) (Face value of Rs. 10 per share)                  | 9.93                           | 9.45                           |
| Diluted EPS (Amount in Rs. ) (A/C) (Face value of Rs. 10 per share)                | 9.93                           | 9.45                           |

**30 Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision**

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one business segment viz. "financing activities". Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

**31** The accounts of certain trade receivables, trade payables, loans and advances and banks are, however, subject to formal confirmations or reconciliations and consequent adjustments, if any. However, there is no indication of dispute on these accounts, other than those mentioned in the financial statements. The management does not expect any material difference affecting the current year's financial statements on such reconciliation/adjustments. There are no pending litigation having impact on financial position of the company.

**32 Contingent Liabilities not provided for** (Rs in lakhs)

| Particulars  | Year ended   | Year ended |
|--|--------------|------------|
| Claims against the company not acknowledged as debts - CIT (A) | <b>49.53</b> | 49.53      |

**33 Details of payments to auditors** (Rs in lakhs)

| Particulars                       | Year ended  | Year ended |
|-----------------------------------|-------------|------------|
| <b>Payment to auditors</b>        |             |            |
| <b>As auditor:</b>                |             |            |
| Audit fee                         | <b>2.25</b> | 2.25       |
| <b>Total payments to auditors</b> | <b>2.25</b> | 2.25       |

**34 Additional disclosure requirement as applicable to company as on 31st March 2023 as specified in revised Schedule III of the companies act while preparation and presentation of financial statement is as follows :**

- i) The company has during the current financial year not undertaken revaluation its property and plant and machinery
- ii) There is no benami property held by the company
- iii) There is no working capital loan taken by the company
- iv) There is no wilful default by company in case of borrowings
- v) There is no investment by company in crypto currency or virtual currency
- vi). During the financial year 2022-2023, company has not done any transaction with companies struck off under section 248 of the Companies Act 2013
- vii) The Company has not entered into any scheme of arrangement during the financial year 2022-2023

**35 Disclosure of Ratios**

| Particulars                      | Numerator                        | Denominator                       | As at<br>31st March, 2023 | As at<br>31st March, 2022 | %<br>Variance  |
|----------------------------------|----------------------------------|-----------------------------------|---------------------------|---------------------------|----------------|
| Current Ratio,                   | Current Asset                    | Current Liabilities               | 1.73                      | 1.91                      | -9.34%         |
| Debt-Equity Ratio,               | Total Debt                       | Total Equity                      | 0.73                      | 0.57                      | 28.05%         |
| Debt Service Coverage Ratio      | Earning for debt services        | Debt Services                     | 2.05                      | 4.06                      | -49.43%        |
| Return on Equity Ratio           | Net profit after tax             | Average Shareholder               | 5.99%                     | 6.08%                     | -1.46%         |
| Inventory turnover ratio         | Not Applicable                   | Not Applicable                    | Not Applicable            | Not Applicable            | Not Applicable |
| Trade Receivables turnover ratio | Not Applicable                   | Not Applicable                    | Not Applicable            | Not Applicable            | Not Applicable |
| Trade payables turnover ratio    | Not Applicable                   | Not Applicable                    | Not Applicable            | Not Applicable            | Not Applicable |
| Net capital turnover ratio       | Not Applicable                   | Not Applicable                    | Not Applicable            | Not Applicable            | Not Applicable |
| Net profit ratio                 | Applicable Net profit after tax  | Applicable Revenue from Operation | 37.61%                    | 58.92%                    | -36.17%        |
| Return on capital employed       | Profit before interest and taxes | Capital employed                  | 5.09%                     | 3.99%                     | 27.49%         |
| Return on Investment             | Income from Investment           | Average Investment                | 7.65%                     | 6.65%                     | 15.01%         |

**36** Figures pertaining to Previous Year have been regrouped / reclassified wherever found necessary to conform to Current year presentation.

**Signature to Notes No 1 to 36**

**As per our attached report of even date**

**For MKPS & Associates**

Chartered Accountants

Firm Registration No. 302014E

**Sanjay Jain**

Partner

Membership No. 089840

**For and on behalf of the Board of Directors**

**of Stardeck Finance Ltd**

**Anand Shroff**

Director

(DIN: 08480489)

**Pankaj Jain**

Director

(DIN: 00048283)

**Nilesh Parikh**

Director (DIN: 02710146)

**Sandhya Malhotra**

Director (DIN: 06450511)

Place : Mumbai

Dated: 30th May, 2023

**Mayuri Jain**

Company Secretary



## **Independent Auditor's Report**

**To,  
The Members of  
Stardeck Finance Limited**

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

#### **Opinion**

We have audited the accompanying consolidated financial statements of Stardeck Finance Limited (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company & its subsidiaries together referred to as “the Group”) comprising of consolidated Balance Sheet as at March 31st, 2023, the Consolidated Statement of Profit & Loss including other comprehensive income, Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March, 2023, the consolidated profits including total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made 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 consolidated financial statements.

#### **Key Audit Matters**

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

| Sr. No | Key Audit Matter   | Auditor's Response   |
|--------|--|--|
| 1.     | <p><b>Income Recognition, Asset Classification and Provisioning Pertaining to Advances:</b></p> <p>Accuracy in identification and categorisation of receivables from financing activities as performing and non-performing assets and in ensuring appropriate asset classification, existence of security, income recognition, provisioning/ write off thereof and completeness of disclosure including compliance in accordance with the applicable extant guidelines issued by Reserve Bank of India (RBI).</p> <p>Measurement of individual borrowers' provisions of multiple economic scenarios.</p> | <p><b>Principal Audit Procedures performed:</b></p> <p>We have assessed the systems and processes laid down by the Company to appropriately identify and classify the receivables from financing activities including those in place to ensure correct classification, income recognition and provisioning/write off including of Non-performing assets as per applicable RBI guidelines. The audit approach included testing the existence and effectiveness of the control environment laid down by the management and conducting of detailed substantive verification on selected samples of continuing and new transactions in accordance with the principles laid down in the Standards on Auditing and other guidance issued by Institute of Chartered Accountants of India. Agreements entered into regarding significant transactions including related to corporate loans have been examined to ensure compliance. We have also reviewed the reports generated from management information systems; reports issued by the internal/secretarial auditors. The impact of all significant external and internal events including those if any, subsequent to balance sheet date have been taken into consideration for the above purposes. Compliance with material disclosure requirements prescribed by RBI guidelines and other statutory requirements have been verified.</p> <p>We performed an overall assessment of the ECL provision levels at each stage to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment.</p> <p>The Procedures performed gave us a sufficient evidence to conclude that the Income recognition, Asset classification and provisioning are being done in accordance with RBI guidelines.</p> |

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Sustainability & Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, Consolidated financial performance including Other Comprehensive Income, Consolidated changes in equity of the Group and Consolidated Cash flows in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial control systems with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

## **Other Matters**

We did not audit the financial statements of the subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 2,378.71 lakhs as at 31st March, 2023, total revenue of Rs. 205.39 lakhs and total comprehensive income / (loss) of Rs. 3,967.86 lakhs for the year ended 31st March, 2023, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

## **Report on Other Legal and Regulatory Requirements**

As required by Sub-section (3) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of subsidiaries, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, 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 and aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of subsidiary companies, none of the directors of the Group companies and its subsidiary companies is disqualified as on 31st March, 2023 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no managerial remuneration has been paid by the Holding Company and its Subsidiaries during the year and hence the provisions of Section 197 of the Act is not applicable.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of subsidiaries, as noted in the 'Other Matter' paragraph:

(i) The Group do not have any pending litigations which would impact the consolidated financial position of the Group.

(ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts; and

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

(iv) (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to consolidated financial statements, 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 or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Notes 8(B)(iii) and 9(B)(iv) to the consolidated financial statements];

(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Notes 8(B)(iv) and 9(B)(v) to the consolidated financial statements];

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year ended March 31, 2023 and hence reporting compliance of Section 123 of the Act is not applicable.

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

**For MKPS and Associates**  
**Chartered Accountants**  
**Firm Registration No. – 302014E**

**Place: Mumbai**  
**Date: May 30, 2023**

**Sanjay Jain**  
**Partner**  
**Membership No. 089840**  
**UDIN: 23089840BGYZAR3078**

## **Annexure “A” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Starteck Finance Limited of even date:**

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the the Act

We have audited the internal financial controls with reference to consolidated financial statements of **Starteck Finance Limited** (hereinafter referred to as “the Holding Company”) and its subsidiary companies as of and for the year ended 31st March, 2023 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its subsidiary companies are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements of the Holding Company and its subsidiary companies.



## **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of Other Matters paragraph below, the Holding Company and its subsidiary companies, have broadly, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls system with reference to consolidated financial statements were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to three subsidiary companies, is based solely on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matters.

**For MKPS and Associates**  
**Chartered Accountants**  
**Firm Registration No. – 302014E**

**Sanjay Jain**  
**Partner**  
**Membership No. 089840**  
**UDIN: 23089840BGYZAR3078**

**Place: Mumbai**  
**Date: May 30, 2023**

**STARTECK FINANCE LIMITED**  
**CIN : L51900MH1985PLC037039**  
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2023**

(Rs in Lakhs)

| Particulars  | Notes | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|-------|---------------------------|---------------------------|
| <b>ASSETS</b>  |       |                           |                           |
| <b>Financial assets</b>  |       |                           |                           |
| (a) Cash and cash equivalents  | 2     | 33.42                     | 9.97                      |
| (b) Bank balances other than (a) above   | 3     | 548.12                    | 382.77                    |
| (c) Receivable   | 4     | 587.35                    | 158.82                    |
| (d) Loans  | 5     | 18,304.48                 | 17,064.15                 |
| (e) Investments  | 6     |                           |                           |
| - Investment in Bonds and Debentures   |       | 4,851.81                  | 5,200.93                  |
| - Other investments  |       | 2,396.65                  | 2,203.25                  |
| (f) Other Financial Asset  | 7     | 4.12                      | 19.45                     |
| <b>Non Financial assets</b>  |       |                           |                           |
| (a) Current Tax Assets (net)   |       | 80.26                     | 273.65                    |
| (b) Property, Plant and Equipment  | 8     | 758.52                    | -                         |
| (c) Investment Property  | 9     | 1,430.26                  | 1,454.84                  |
| (d) Other Non Financial Assets   | 10    | 18.26                     | 6.15                      |
| (e) Goodwill   |       | 9,400.00                  | -                         |
| <b>Total Assets</b>  |       | <b>38,413.25</b>          | <b>26,773.98</b>          |
| <b>EQUITY AND LIABILITIES</b>  |       |                           |                           |
| <b>Financial Liabilities</b>   |       |                           |                           |
| (a) Payable  |       |                           |                           |
| - Other Payable  | 11    |                           |                           |
| - total outstanding dues of micro enterprises and small enterprises                      |       | -                         | -                         |
| - total outstanding dues of creditors other than micro enterprises and small enterprises |       | 83.50                     | 34.21                     |
| (b) Borrowings   | 12    | 18,064.13                 | 9,228.20                  |
| (c) Other Financial Liabilities  | 13    | 1,823.78                  | 1,247.45                  |
| <b>Non Financial Liabilities</b>   |       |                           |                           |
| (a) Provisions   | 14    | 314.48                    | 156.48                    |
| (b) Other Non Financial Liabilities  | 15    | 108.46                    | 12.39                     |
| (c) Current Tax Liability  |       | 68.27                     | -                         |
| <b>EQUITY</b>  |       |                           |                           |
| Equity Share Capital   | 16    | 991.03                    | 991.03                    |
| Other Equity   | 17    | 16,959.60                 | 15,104.22                 |
| <b>Total Equity and Liabilities</b>  |       | <b>38,413.25</b>          | <b>26,773.98</b>          |
| <b>Significant accounting policies</b>   |       |                           |                           |

The accompanying notes are an integral part of these consolidated financial statements

**As per our attached report of even date**

**For MKPS & Associates**  
Chartered Accountants  
Firm Registration No. 302014E

**For and on behalf of the Board of Directors  
of Starteck Finance Limited**

**Anand Shroff**  
Director  
(DIN: 08480489)

**Pankaj Jain**  
Director  
(DIN: 00048283)

**Sanjay Jain**  
Partner  
Membership No. 089840

**Nilesh Parikh**  
Director (DIN: 02710146)

**Sandhya Malhotra**  
Director (DIN: 06450511)

Place : Mumbai  
Dated: 30th May 2023

**Mayuri Jain**  
Company Secretary

| <b>STARTECK FINANCE LIMITED</b>   |  |   |                                |
|---|--|---|--------------------------------|
| <b>CIN : L51900MH1985PLC037039</b>  |  |   |                                |
| <b>CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023</b>           |  |   |                                |
| (Rs in Lakhs)   |  |   |                                |
| Particulars   | Notes  | Year ended<br>31st March, 2023                      | Year ended<br>31st March, 2022 |
| <b>INCOME</b>   |  |   |                                |
| <b>Revenue from operations</b>  |  |   |                                |
| Interest Income   | 18   | 2,598.80  | 2,801.89                       |
| Dividend Income   | 19   | 14.65   | 12.40                          |
| Fees and Commission Income  | 20   | 22.09   | 23.98                          |
| <b>Total Revenue from operation (I)</b>   |  | <b>2,635.54</b>                                     | <b>2,838.27</b>                |
| <b>Other Income (II)</b>  | 21   | <b>186.31</b>                                       | <b>56.50</b>                   |
| <b>Total Income (I+II)</b>  |  | <b>2,821.85</b>                                     | <b>2,894.77</b>                |
| <b>EXPENSES</b>   |  |   |                                |
| Finance Cost  | 22   | 936.19  | 1,404.92                       |
| Depreciation  | 8  | 55.42   | -                              |
| Employee Benefits Expense   | 23   | 65.59   | 87.62                          |
| Other Expenses  | 24   | 515.01  | 198.43                         |
| <b>Total Expenses</b>   |  | <b>1,572.21</b>                                     | <b>1,690.97</b>                |
| <b>Profit before exceptional items, share of net</b>  |  | <b>1,249.64</b>                                     | <b>1,203.80</b>                |
| <b>Profit / (Loss) before exceptional items and tax</b>                                       |  | <b>1,249.64</b>                                     | <b>1,203.80</b>                |
| Exceptional Items   |  | <b>(1,174.27)</b>                                   | <b>-</b>                       |
| <b>Profit before tax</b>  |  | <b>2,423.91</b>                                     | <b>1,203.80</b>                |
| <b>Tax expense :</b>  |  | <b>241.89</b>                                       | <b>184.82</b>                  |
| Current tax   |  | 229.63  | 184.82                         |
| Short / (excess) taxation of earlier years  |  | 12.26   | -                              |
| <b>Profit for the year</b>  |  | <b>2,182.02</b>                                     | <b>1,018.98</b>                |
| <b>Other Comprehensive Income</b>   |  |   |                                |
| <b>Items that will not be reclassified to profit or loss</b>                                  |  |   |                                |
| - Equity Instruments through other comprehensive income                                       |  | <b>(319.58)</b>                                     | <b>476.59</b>                  |
| <b>Total Comprehensive Income for the year</b>  |  | <b>1,862.44</b>                                     | <b>1,495.57</b>                |
| <b>Earnings per equity share of face value Rs. 10/- each</b>                                  |  |   |                                |
| Basic   |  | <b>22.02</b>  | <b>10.28</b>                   |
| Diluted   |  | <b>22.02</b>  | <b>10.28</b>                   |
| <b>The accompanying notes are an integral part of these consolidated financial statements</b> |  |   |                                |
| <b>As per our attached report of even date</b>  |  |   |                                |
| <b>For MKPS &amp; Associates</b>  | <b>For and on behalf of the Board of Directors</b> |   |                                |
| Chartered Accountants   | <b>of Starteck Finance Limited</b>                 |   |                                |
|   | <b>Anand Shroff</b><br>Director<br>(DIN: 08480489) | <b>Pankaj Jain</b><br>Director<br>(DIN: 00048283)   |                                |
| <b>Sanjay Jain</b><br>Partner<br>Membership No. 089840  | <b>Nilesh Parikh</b><br>Director (DIN: 02710146)   | <b>Sandhya Malhotra</b><br>Director (DIN: 06450511) |                                |
| Place : Mumbai  | <b>Mayuri Jain</b>                                 |   |                                |
| Dated: 30th May 2023  | Company Secretary                                  |   |                                |

**STARTECK FINANCE LIMITED**

**STATEMENT OF CONSOLIDATED CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023**

(Rs in Lakhs)

| <b>A. Equity Share Capital</b>                 | <b>No of Shares</b> | <b>Amount</b> |
|--|---------------------|---------------|
| As at 31st March, 2022                         | 99,10,330           | 991.03        |
| Changes in equity share capital during 2022-23 |                     | -             |
| <b>As at 31st March, 2023</b>                  | <b>99,10,330</b>    | <b>991.03</b> |

**B. Other Equity**

| <b>Particulars</b>                             | <b>Reserves and surplus</b>       |                        |   |                          | <b>Other Comprehensive Income</b>                           | <b>Total</b>     |
|--|-----------------------------------|------------------------|---|--------------------------|---|------------------|
|  | <b>Securities premium account</b> | <b>Capital Reserve</b> | <b>Reserve u/s 45-IC of Reserve Bank of India Act, 1934</b> | <b>Retained earnings</b> | <b>Equity instrument through other comprehensive income</b> |                  |
| Balance as at 31st March, 2022                 | 8,048.66                          | 9.99                   | 1,403.94  | 4,821.12                 | 820.51  | 15,104.22        |
| Profit for the year                            | -                                 | -                      | -   | 2,182.02                 | -   | 2,182.02         |
| Dividend Paid                                  |                                   |                        |   | (7.06)                   |   | (7.06)           |
| Other comprehensive income for the year        | -                                 | -                      | -   | -                        | (319.58)  | (319.58)         |
| <b>Total comprehensive income for the year</b> | <b>8,048.66</b>                   | <b>9.99</b>            | <b>1,403.94</b>   | <b>6,996.08</b>          | <b>500.93</b>   | <b>16,959.60</b> |
| Transfer to Statutory Reserve                  | -                                 | -                      | (197.00)  | 197.00                   | -   | -                |
| <b>Balance as at 31st March, 2023</b>          | <b>8,048.66</b>                   | <b>9.99</b>            | <b>1,206.94</b>   | <b>7,193.08</b>          | <b>500.93</b>   | <b>16,959.60</b> |

The accompanying notes are an integral part of these consolidated financial statements

**As per our attached report of even date**

**For MKPS & Associates**

Chartered Accountants

Firm Registration No. 302014E

**Sanjay Jain**

Partner

Membership No. 089840

Place : Mumbai

Dated: 30th May 2023

**For an on behalf of the Board of Directors  
of Starteck Finance Limited**

**Anand Shroff**

Director

(DIN: 08480489)

**Pankaj Jain**

Director

(DIN: 00048283)

**Nilesh Parikh**

Director (DIN: 02710146)

**Sandhya Malhotra**

Director (DIN: 06450511)

**Mayuri Jain**

Company Secretary

| STARTECK FINANCE LIMITED   |                                |  |                                |            |
|--|--------------------------------|--|--------------------------------|------------|
| CIN : L51900MH1985PLC037039  |                                |  |                                |            |
| CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023  |                                |  |                                |            |
| (Rs in Lakhs)  |                                |  |                                |            |
| Particulars  | Year ended<br>31st March, 2023 |  | Year ended<br>31st March, 2022 |            |
|  | Rs.                            | Rs.  | Rs.                            | Rs.        |
| <b>Cash Flow from Operating Activities</b>   |                                |  |                                |            |
| Profit before tax as per Statement of Profit and Loss  |                                | 2,423.91   |                                | 1,203.80   |
| <b>Adjusted for:</b>   |                                |  |                                |            |
| Gain/ Loss on amortisation   | 49.16                          |  | 46.93                          |            |
| Gain/ Loss on sale of Investment   | -                              |  | (56.50)                        |            |
| Depreciation   | 55.42                          |  |                                |            |
| Provisions, Contingencies and Bad Debt write offs  | 123.87                         |  | 27.39                          |            |
| Amortisation of Leasehold Land   | (1,174.27)                     |  |                                |            |
| Provision for standard & sub- standard assets - reversed   | 34.12                          |  |                                |            |
| Dividend Income  | (14.65)                        | (926.35)   | (12.40)                        | 5.42       |
| <b>Operating Profit before Working Capital Changes</b>   |                                | 1,497.56   |                                | 1,209.22   |
| <b>Adjusted for:</b>   |                                |  |                                |            |
| (Increase)/Decrease in Financial Asset   | (1,718.17)                     |  | 54,607.06                      |            |
| (Increase)/Decrease in Non Financial Asset   | (552.70)                       |  | 23.17                          |            |
| Increase/(Decrease) in Financial Liabilities   | 9,461.54                       |  | (55,875.96)                    |            |
| Increase/(Decrease) in Others Liabilities & Provisions   | 92.70                          | 7,283.38   | (228.13)                       | (1,473.86) |
| Cash Generated From Operations   |                                | 8,780.93   |                                | (264.64)   |
| Less: Income Tax Paid  |                                | 223.29   |                                | 229.00     |
| Cash Inflow Before Prior Period Adjustments  |                                | 8,557.65   |                                | (493.64)   |
| Less : Prior Period Adjustment   |                                | -  |                                | -          |
| <b>Net Cash from / (used in) Operating Activities (A)</b>  |                                | 8,557.65   |                                | (493.64)   |
| <b>Cash Flow from Investing Activities</b>   |                                |  |                                |            |
| Business Disposal  | -                              |  | 15.33                          |            |
| Dividend Income  | 14.65                          |  | 12.40                          |            |
| Sale of Investments & Assets   | 707.15                         |  | 106.60                         |            |
| Business (Acquisition) / Dilution  | (5,006.95)                     |  | -                              |            |
| Purchase of Investments  | (720.11)                       | (5,005.27)   | (595.10)                       | (460.77)   |
| <b>Net Cash from / (used in) Investing Activities (B)</b>  |                                | (5,005.27)   |                                | (460.77)   |
| <b>Cash Flow from Financing Activities</b>   |                                |  |                                |            |
| Dividend Paid  | (7.06)                         |  | (7.35)                         |            |
| CSR Payment  | (27.38)                        |  | -                              |            |
| Loan Repaid  | (3,494.49)                     |  | -                              |            |
| Fixed (Deposit)/Maturity   |                                | (3,528.92)   | 571.50                         | 564.15     |
| <b>Net Cash from / (used in) Financing Activities (C)</b>  |                                | (3,528.92)   |                                | 564.15     |
| <b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>   |                                | 23.45  |                                | (390.28)   |
| <b>Cash and Cash Equivalents - Opening Balance</b>   |                                | 9.97   |                                | 400.25     |
| <b>Cash and Cash Equivalents - Closing Balance</b>   |                                | 33.42  |                                | 9.97       |
| <b>Note:</b>   |                                |  |                                |            |
| Cash flows arising on account of taxes on income are not specifically bifurcated with respect to investing & financing activities. |                                |  |                                |            |
| Figures in brackets represent outflows   |                                |  |                                |            |
| <b>As per our attached report of even date</b>   |                                | <b>For and on behalf of the Board of Directors</b> |                                |            |
| <b>For MKPS &amp; Associates</b>   |                                | <b>of Starteck Finance Limited</b>                 |                                |            |
| Chartered Accountants  |                                |  |                                |            |
| Firm Registration No. 302014E  |                                |  |                                |            |
|  |                                | <b>Anand Shroff</b>                                | <b>Pankaj Jain</b>             |            |
|  |                                | Director   | Director                       |            |
|  |                                | (DIN: 08480489)                                    | (DIN: 00048283)                |            |
| <b>Sanjay Jain</b>   |                                | <b>Nilesh Parikh</b>                               | <b>Sandhya Malhotra</b>        |            |
| Partner  |                                | Director (DIN: 02710146)                           | Director (DIN: 06450511)       |            |
| Membership No. 089840  |                                |  |                                |            |
| Place : Mumbai   |                                | <b>Mavuri Jain</b>                                 |                                |            |
| Dated: 30th May 2023   |                                | Company Secretary                                  |                                |            |

# STARTECK FINANCE LIMITED

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT

### 1.1 CORPORATE INFORMATION AND BASIS OF PREPARATION OF FINANCIAL STATEMENT

#### Corporate Information

**Starteck Finance Limited ('the Parent Company') and its subsidiaries collectively referred to as "Group".**

#### Basis of Preparation of Financial Statement

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act, as amended from time to time and other accounting principles generally accepted in India along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Non Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI.

The Group's financial statements up to and for the year ended March 31, 2023 were prepared in accordance with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP), notified under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, to the extent applicable including the NBFC Master Directions.

The financial statements have been prepared and presented on accrual basis and under a historical cost basis, except for the following:

- Certain financial assets and liabilities – measured at fair value;
- Share-based payments – measured at fair value;
- Defined benefit plans – plan assets measured at fair value.

Based on the nature of products / activities of the Group normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities. The Consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency. Functional Currency is the currency of a primary economic environment in which the Group operates. All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III of the Companies Act, 2013 unless otherwise stated.

### 1.2 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATE

In preparing these financial statements management requires to make judgment's, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, contingent liabilities as at the date of the financial statement and reported amount of income and expenses for the reporting period. Actual results may differ from these estimates. The recognition, measurement, classification or disclosure of an item or information in the financial statement is made relying on these estimates. Revisions to estimates are recognized prospectively.

## **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for every period ended is included below:

1. Measurement of defined benefit obligations: key actuarial assumptions;
2. Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
3. Impairment test: key assumptions underlying recoverable amounts.
4. Useful life and residual value of property, plant and equipment, other intangible assets and Right of Use assets;
5. Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
6. Impairment of financial assets: key assumptions used in estimating recoverable cash flows
7. Measurement of expected credit losses. - Uncertainty relating to the global health pandemic.

## **Principles of consolidation and equity accounting**

### **Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the profit/(loss) for the year and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet.

### **Goodwill on consolidation**

The excess of cost of investment in the subsidiaries, over Group's share in the net assets at the date of acquisition of shares / stake in the subsidiaries is recognised as Goodwill in the consolidated financial statements. When the cost of investment is less than the Group's share of net assets, the difference is recognised in the consolidated financial statements as Capital Reserve.

### **Judgments**

Information about the judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements have been given below:

1. assessing the lease term (including anticipated renewals) and the applicable discount rate.
2. Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

## **1.3 REVENUE RECOGNITION**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured.

## **Interest and allied Income**

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument. The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs). Late payment charges, prepayment charges etc. are recognised on a point-in-time basis, and are recorded when realised since the probability of collecting and reported under "Fees and commission income".

## **Dividend Income**

Dividend income is accounted for when the right to receive the income is established, which generally when the shareholders approves the dividend.

## **Net Gain/ Loss on Fair Value Changes**

Any differences between the fair values of the investment in debt oriented mutual funds classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss

## **1.4 FINANCIAL INSTRUMENTS:**

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

### **(i) Initial recognition and measurement**

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability which is not recognised at Fair Value Through Profit and Loss, is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue



## **(ii) Subsequent recognition**

### **(A) Financial Assets**

On initial recognition, a financial asset is classified and measured at

- Amortised Cost;
- Fair Value Through Other Comprehensive Income (FVOCI); or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not recognised as at FVTPL

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the Investments fair value in Other Comprehensive Income (OCI) (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified and measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### **(B) Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised as profit or loss respectively.

## **(iii) Derecognition**

### **(A) Financial Assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

### **(B) Financial Assets**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

#### **(iv) Offsetting Financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

### **1.5 INCOME TAX**

#### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income.

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax**

(i) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

(ii) The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(iii) Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### **Minimum alternate tax**

Minimum alternate tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the 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. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

## **1.6 EARNINGS PER SHARE**

Basic earnings per share is computed by dividing the profit/ (loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, and bonus element in a rights issue to existing shareholders, share split and reverse share split.

Diluted earnings per share is computed by dividing the profit/ (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) 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. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

## **1.7 INVESTMENT PROPERTY**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

## **1.8 PROVISIONS, CONTINGENCIES AND COMMITMENTS**

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made where there is:

- (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (ii) a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

## **1.9 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## **1.10 EMPLOYEE BENEFITS**

### **(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

### **(ii) Compensated absences**

#### **1. Short term**

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of the benefit expected to be availed by the employees.

#### **2. Long term**

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to statement of profit and loss in the year in which such gains or losses are determined.

### **(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) defined benefit plan such as gratuity; and
- (b) defined contribution plan such as provident fund.

### **Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

### **Defined contribution plan**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### **(iv) Termination benefits**

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates:

- (a) When the Company can no longer withdraw the offer of those benefits; and
- (b) When the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

### **(v) Share-based payments**

The fair value of options granted under the Employee Stock Option Plan to the employees of the Company is recognised as an employee benefits expense with a corresponding increase in equity share capital and the fair value options granted under the Employee Stock Option Plan to the employees of subsidiaries is recognised as an investment in respective subsidiaries with a corresponding increase in equity share capital. The total amount to be expensed is determined by reference to the fair value of the options granted. In the case where eligible employees left before or in between the vesting period the share based payment reserve gets reduced by the amount of reserve already created for the employees left with the increase in retained earnings and decrease in investment in subsidiaries accordingly.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the share options at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

## **(vi) Contributed equity**

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

### **1.11 DIVIDEND**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**STARTECK FINANCE LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Rs in Lakhs)

| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------------------------|---------------------------|
| <b>2 Cash and cash equivalents</b>   |                           |                           |
| <b>Balances with Banks</b>   |                           |                           |
| In current accounts  | 30.35                     | 7.39                      |
| Cash on hand   | 3.07                      | 2.58                      |
| <b>Total cash and cash equivalents</b>   | <b>33.42</b>              | <b>9.97</b>               |
| <b>3 Bank balances other than (note no. 2 ) above</b>  |                           |                           |
| Deposits with original maturity of more than 3 months but less than 12 months  | 515.12                    | 377.50                    |
| <b>Earmarked bank balances#</b>  |                           |                           |
| Unpaid dividend account  | 5.62                      | 5.27                      |
| Unspent corporate social responsibility account  | 27.38                     | -                         |
| <b>Total Bank balances other than (note no. 2 ) above</b>  | <b>548.12</b>             | <b>382.77</b>             |
| <p>#There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at each reporting date.</p> |                           |                           |
| <b>4 Receivable</b>  |                           |                           |
| <b>Unsecured considered goods</b>  |                           |                           |
| Interest accrued   | 556.09                    | 158.82                    |
| Others   | 31.26                     | -                         |
| <b>Total receivable</b>  | <b>587.35</b>             | <b>158.82</b>             |
| <b>5 Loans</b>   |                           |                           |
| <b>Secured, considered good</b>  |                           |                           |
| Loan to Body corporates and others   | 7,553.96                  | 4,260.40                  |
| <b>Unsecured, considered good</b>  |                           |                           |
| Loan to Body corporates and others   | 10,938.04                 | 12,953.16                 |
| <b>Gross loans</b>   | <b>18,492.00</b>          | <b>17,213.56</b>          |
| Less: Unamortization of processing fees  | (187.52)                  | (149.41)                  |
| <b>Total loans</b>   | <b>18,304.48</b>          | <b>17,064.15</b>          |
| <b>5.1 Break up of Loans</b>   |                           |                           |
| Secured by tangible assets   | 7,276.64                  | 3,779.09                  |
| Secured by book debts  | 277.32                    | 481.31                    |
| Unsecured  | 10,938.04                 | 12,953.16                 |
| <b>Gross loans</b>   | <b>18,492.00</b>          | <b>17,213.56</b>          |
| Less: Unamortization of processing fees  | (187.52)                  | (149.41)                  |
| <b>Total loans</b>   | <b>18,304.48</b>          | <b>17,064.15</b>          |
| <b>5.2 Loans in India</b>  |                           |                           |
| Public Sector  | -                         | -                         |
| Others   | 18,492.00                 | 17,213.56                 |
| <b>Gross loans</b>   | <b>18,492.00</b>          | <b>17,213.56</b>          |
| Less: Unamortization of processing fees  | (187.52)                  | (149.41)                  |
| <b>Total loans</b>   | <b>18,304.48</b>          | <b>17,064.15</b>          |

## 6 Investments

### Investment in Bonds and Debenture

#### Investments in Tax Free Bonds (Quoted)

|   |        |        |
|---|--------|--------|
| Housing & Urban Development Corporation 8.14% 25th October 2023<br>25,000 (31st March 2022 25,000) bonds of Rs. 1,000 each      | 250.11 | 250.24 |
| Housing & Urban Development Corporation,8.39%,25th October 2023<br>5,000 (31st March 2022 5,000 ) bonds of Rs. 1,000 each       | 50.02  | 49.97  |
| Housing & Urban Development Corporation,8.58% 13th January 2029<br>21,000 (31st March 2022 21,000 ) bonds of Rs. 1,000 each     | 216.28 | 217.12 |
| India Infrastructure Finance Company Ltd,8.38%,12th November 2028<br>30,000 (31st March 2022 30,000) bonds of Rs. 1,000 each    | 300.83 | 300.94 |
| India Infrastructure Finance Company Ltd,8.48% 22nd January 2029<br>20,000 (31st March 2022 20,000) bonds of Rs. 1,000 each     | 206.37 | 207.22 |
| India Infrastructure Finance Company Ltd 8.55% 27th March 2029<br>20,000 (31st March 2022 20,000) bonds of Rs. 1,000 each       | 215.01 | 217.05 |
| India Renewable Energy Development Agency Ltd,8.55%,13th March 2029<br>20,000 (31st March 2022 20,000 ) bonds of Rs. 1,000 each | 200.00 | 200.00 |
| Indian Railway Finance Corporation 8.40%,18th February 2029<br>20,000 (31st March 2022 20,000) bonds of Rs. 1,000 each          | 200.00 | 200.00 |
| Indian Railway Finance Corporation 8.63%,26th March 2029<br>20,000 (31st March 2022 20,000) bonds of Rs. 1,000 each             | 200.00 | 200.00 |
| National Highway Authority of India 8.50%,05th February 2029<br>20,000 (31st March 2022 20,000) bonds of Rs. 1,000 each         | 200.00 | 200.00 |
| National Housing Bank 8.63% 13th January 2029<br>1,444 (31st March 2022 1,444) bonds of Rs. 5,000 each                          | 72.20  | 72.20  |
| NHPC Ltd 8.54%,02nd November 2028<br>16,105 (31st March 2022 16,105) bonds of Rs. 1,000 each                                    | 161.05 | 161.05 |
| NHPC Ltd 8.79%,02nd November 2028<br>5,000 (31st March 2022 5,000) bonds of Rs. 1,000 each                                      | 51.39  | 51.58  |
| Power Finance Corporation 8.54%,16th November 2028<br>29,150 (31st March 2022 29,150) bonds of Rs. 1,000 each                   | 291.50 | 291.50 |
| Power Finance Corporation 8.79%16th November 2028<br>4,310 (31st March 2022 4,310) bonds of Rs. 1,000 each                      | 43.62  | 43.68  |
| Rural Electrification Corporation Ltd 8.26% 24th September 2023<br>5,000 (31st March 2022 5,000) bonds of Rs. 1,000 each        | 50.03  | 50.02  |
| Rural Electrification Corporation Ltd 8.63% 24th March 2029<br>20,000 (31st March 2022 20,000) bonds of Rs. 1,000 each          | 200.00 | 200.00 |
| Rural Electrification Corporation Ltd 7.22 %,19th December 2022<br>NIL (31st March 2022 30,002) bonds of Rs. 1,000 each         |        | 300.59 |
| Indian Railway Finance Corporation 8.65%,18th February 2029<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each            | 48.24  | 49.43  |
| National Highway Authority of India 8.75%,05th February 2029<br>5,000 (31st March 2022 5,000) bonds of Rs. 1,000 each           | 60.45  | 61.99  |
| Housing & Urban Development Corporation ,8.83%,13th January 2029<br>9,000 (31st March 2022 9,000) bonds of Rs. 1,000 each       | 111.09 | 112.62 |
| Indian Railway Finance Corporation 8.88%,26th March 2029<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each               | 48.32  | 49.59  |
| National Housing Bank 8.88% 13th January 2029<br>600 (31st March 2022 600) bonds of Rs. 5,000 each                              | 36.53  | 37.50  |
| Rural Electrification Corporation Ltd 8.63 %,29th March 2029<br>1,000 (31st March 2022 1,000) bonds of Rs. 1,000 each           | 12.11  | 12.41  |
| India Infrastructure Finance Company Ltd 8.55% 27th March 2029<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each         | 48.07  | 49.21  |
| India Renewable Energy Development Agency Ltd,8.80%,13th March 2029<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each    | 48.83  | 50.10  |
| National Housing Bank 8.93% 24th March 2029<br>767 (31st March 2022 767) bonds of Rs. 5,000 each                                | 46.65  | 47.80  |
| Housing & Urban Development Corporation ,8.98%,28th March 2029<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each         | 48.52  | 49.73  |
| Kamarajar Port Limited 9% 25th March 2029<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each                              | 49.05  | 50.34  |
| Housing & Urban Development Corporation ,7.64%,8th February 2031<br>1,499 (31st March 2022 1,499) bonds of Rs. 1,000 each       | 17.75  | 18.02  |
| Housing & Urban Development Corporation ,7.69%,15th March 2031<br>1,563 (31st March 2022 1,563) bonds of Rs. 1,000 each         | 18.56  | 18.87  |
| Housing & Urban Development Corporation,8.39%,25th October 2023<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each        | 40.33  | 40.77  |



|   |                 |                 |
|---|-----------------|-----------------|
| India Infrastructure Finance Company Ltd,8.38%,12th November 2028<br>5,000 (31st March 2022 5,000) bonds of Rs. 1,000 each  | 59.42           | 60.84           |
| India Infrastructure Finance Company Ltd 8.63% 12th November 2028<br>5,000 (31st March 2022 5,000) bonds of Rs. 1,000 each  | 59.69           | 61.15           |
| India Infrastructure Finance Company Ltd 8.73% 22nd January 2029<br>10,000 (31st March 2022 10,000) bonds of Rs. 1,000 each   | 119.16          | 121.94          |
| India Renewable Energy Development Agency Ltd,7.74%,21st January 2031<br>2,232 (31st March 2022 2,232) bonds of Rs. 1,000 each  | 26.57           | 27.00           |
| Indian Railway Finance Corporation 7.53%,21st December 2030<br>1,582 (31st March 2022 1,582) bonds of Rs. 1,000 each  | 17.74           | 17.93           |
| Indian Railway Finance Corporation 7.64%,22nd March 2031<br>3,000 (31st March 2022 3,000) bonds of Rs. 1,000 each   | 33.88           | 34.26           |
| Indian Railway Finance Corporation 8.40%,18th February 2029<br>15,000 (31st March 2022 15,000) bonds of Rs. 1,000 each  | 179.48          | 183.77          |
| National Bank for Agriculture and Rural Development 7.64% 23rd March 2031<br>3,000 (31st March 2022 3,000) bonds of Rs. 1,000 each  | 35.66           | 36.25           |
| National Highway Authority of India 7.60%,11th January 2031<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each  | 47.61           | 48.42           |
| National Highway Authority of India 7.69%,06th March 2031<br>2,655 (31st March 2022 2,655) bonds of Rs. 1,000 each  | 32.51           | 32.75           |
| National Highway Authority of India 8.50%,05th February 2029<br>20,000 (31st March 2022 20,000) bonds of Rs. 1,000 each   | 240.08          | 245.93          |
| National Housing Bank 8.63% 13th January 2029<br>2,696 (31st March 2022 2,696) bonds of Rs. 5,000 each  | 162.77          | 166.90          |
| NHPC Ltd 8.54%,02nd November 2028<br>1,611 (31st March 2022 1,611) bonds of Rs. 1,000 each  | 19.25           | 19.73           |
| NHPC Ltd 8.79%,02nd November 2028<br>5,000 (31st March 2022 5,000) bonds of Rs. 1,000 each  | 60.39           | 62.00           |
| Power Finance Corporation 8.54%,16th November 2028<br>6,478 (31st March 2022 6,478) bonds of Rs. 1,000 each   | 77.49           | 79.42           |
| Power Finance Corporation 8.79%16th November 2028<br>5,000 (31st March 2022 5,000) bonds of Rs. 1,000 each  | 60.12           | 61.67           |
| Rural Electrification Corporation Ltd 8.26% 24th September 2023<br>4,000 (31st March 2022 4,000) bonds of Rs. 1,000 each  | 40.77           | 42.22           |
| Rural Electrification Corporation Ltd 8.63 %,29th March 2029<br>3,000 (31st March 2022 3,000) bonds of Rs. 1,000 each   | 36.31           | 37.21           |
|   | <b>4,851.81</b> | <b>5,200.93</b> |
| <b>Other investments</b>  |                 |                 |
| <b>Investment in equity instruments (At fair value through other comprehensive income unless otherwise stated)</b>  |                 |                 |
| <b>Quoted, fully paid up (At fair value through other comprehensive income unless otherwise stated)</b>   |                 |                 |
| Cox & Kings Financial Services Ltd<br>4,667 (31st March 2022 4,667) share of Rs. 5 each   | 0.01            | 0.01            |
| Powergrid Infrastructure Investment Trust<br>350,000 (31st March 2022 5,00,000) share of Rs. 100 each   | 446.74          | 671.90          |
| <b>Unquoted, fully paid up</b>  |                 |                 |
| Eskay Infrastructure Development Pvt Ltd<br>78,732 (31st March 2022 78,732) shares of Rs 10 each  | 1,229.79        | 1,531.34        |
| NSE Limited<br>25,000 (31st March 2022 NIL) shares of Re 1 each   | 720.11          | -               |
| <b>Total Other investments</b>  | <b>2,396.65</b> | <b>2,203.25</b> |
| <b>6.1 Break up of Investments</b>  |                 |                 |
| In India  | 7,248.46        | 7,404.18        |
| Outside India   | -               | -               |
|   | <b>7,248.46</b> | <b>7,404.18</b> |
| Tax Free Bonds of Books Value Rs 4,851.81/- lakhs (Previous Year Rs 5,200.93/- lakhs) are pledged to Barclays Bank Plc for securing credit limits   |                 |                 |
| Powergrid Infrastructure Investment Trust of Books Value Rs 446.74/- lakhs (Previous Year Not Applicable) are pledged to Tata Capital Financial Services Limited for securing credit limits |                 |                 |
| <b>7 Other Financial Assets</b>   |                 |                 |
| Other advances and receivables  | 2.62            | 17.95           |
| Security deposits   | 1.50            | 1.50            |
| <b>Total other financial assets</b>   | <b>4.12</b>     | <b>19.45</b>    |

| <b>STARTECK FINANCE LIMITED</b>                   |                                    |                 |                            |                         |                                |                 |               |
|---|------------------------------------|-----------------|----------------------------|-------------------------|--------------------------------|-----------------|---------------|
| <b>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS</b> |                                    |                 |                            |                         |                                |                 |               |
| <b>Note No 8 : Plant, Property and Equipment</b>  |                                    |                 |                            |                         |                                |                 | (Rs in Lakhs) |
| <b>Particulars</b>                                | <b>Land Freehold and Leasehold</b> | <b>Building</b> | <b>Plant and Machinery</b> | <b>Office Equipment</b> | <b>Furniture &amp; Fixture</b> | <b>Vehicles</b> | <b>Total</b>  |
| <b>Gross Block</b>                                |                                    |                 |                            |                         |                                |                 |               |
| Balance as on 31st March 2022                     | -                                  | -               | -                          | -                       | -                              | -               | -             |
| <b>Addition</b>                                   | 134.62                             | 1,692.93        | 9,094.18                   | 68.54                   | 36.20                          | 51.82           | 11,078.29     |
| <b>Disposals</b>                                  | -                                  | -               | (9,094.18)                 | (68.54)                 | (36.20)                        | (51.82)         | (9,250.74)    |
| <b>Balance as on 31st March 2023</b>              | 134.62                             | 1,692.93        | -                          | -                       | -                              | -               | 1,827.55      |
| <b>Depreciation</b>                               |                                    |                 |                            |                         |                                |                 |               |
| Balance as on 31st March 2022                     | -                                  | -               | -                          | -                       | -                              | -               | -             |
| <b>Addition</b>                                   | -                                  | 1,069.03        | 7,544.95                   | 67.62                   | 36.20                          | 51.82           | 8,769.62      |
| <b>Disposals</b>                                  | -                                  | -               | (7,544.95)                 | (67.62)                 | (36.20)                        | (51.82)         | (7,700.58)    |
| <b>Balance as on 31st March 2023</b>              | -                                  | 1,069.03        | -                          | -                       | -                              | -               | 1,069.03      |
| <b>Net Carrying Value</b>                         |                                    |                 |                            |                         |                                |                 |               |
| Net Carrying Value as on 31st March 2022          | -                                  | -               | -                          | -                       | -                              | -               | -             |
| <b>Net Carrying Value as on 31st March 2023</b>   | 134.62                             | 623.90          | -                          | -                       | -                              | -               | 758.52        |

Plant, Property and Equipment are included on consolidation of M/s Bhuwalka Steel Industries Ltd acquired through NCLT order dated 24th June 2022

**Note No 9 : Investment Property**

| (Rs in Lakhs)                      |                 |
|------------------------------------|-----------------|
| Particulars                        | Amount          |
| <b>Land Freehold and Leasehold</b> |                 |
| <b>Gross Block</b>                 |                 |
| Balance as on 31st March 2022      | 1,743.64        |
| Addition                           | -               |
| Deletion                           | -               |
| Balance as on 31st March 2023      | <b>1,743.64</b> |
| <b>Accumulated Amortisation</b>    |                 |
| Balance as on 31st March 2022      | 288.80          |
| Addition                           | 24.58           |
| Deletion                           | -               |
| Balance as on 31st March 2023      | <b>313.38</b>   |
| <b>Net Block</b>                   |                 |
| Balance as on 31st March 2022      | 1,454.84        |
| Balance as on 31st March 2023      | <b>1,430.26</b> |

**Note No 10 : Other Non Financial assets**

| (Rs in Lakhs)                               |                           |                           |
|---|---------------------------|---------------------------|
| Particulars                                 | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
| <b>Other Non Financial assets</b>           |                           |                           |
| Balance with statutory/government authority | <b>18.26</b>              | 6.15                      |
| <b>Total other non financial assets</b>     | <b>18.26</b>              | 6.15                      |

**STARTECK FINANCE LIMITED**

**NOTES TO CONSOLIDATION FINANCIAL STATEMENTS**

(Rs in Lakhs)

| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------------------------|---------------------------|
| <b>11 Trade payables</b>                               |                           |                           |
| Trade payable - Micro and small enterprises*           | -                         |                           |
| Trade payable - Other than micro and small enterprises | 83.50                     | 34.21                     |
| <b>Total trade payables</b>                            | <b>83.50</b>              | <b>34.21</b>              |

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of Information available with the Company. The amount of principal and interest outstanding during the year is given below

| Particulars   | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|---|---------------------------|---------------------------|
| 1) Principal amount due and remaining unpaid                                | -                         | -                         |
| 2) Interest due on (1) above and the unpaid interest                        | -                         | -                         |
| 3) Interest paid on all delayed payment under the MSMED Act                 | -                         | -                         |
| 4) Payment made beyond the appointed day during the year                    | -                         | -                         |
| 5) Interest due and payable for the period of delay other than (3) above    | -                         | -                         |
| 6) Interest accrued and remaining unpaid                                    | -                         | -                         |
| 7) Amount of further interest remaining due and payable in succeeding years | -                         | -                         |

**Ageing schedule**

**Current year**

|                             | Less than 1<br>year | 1-3 years | More than 3 years | Total |
|-----------------------------|---------------------|-----------|-------------------|-------|
| (i) MSME                    | -                   | -         | -                 | -     |
| (ii) Others                 | 83.50               | -         | -                 | 83.50 |
| (iii) Disputed dues - MSME  | -                   | -         | -                 | -     |
| (iv) Disputed dues - Others | -                   | -         | -                 | -     |

**Previous Years**

|                             | Less than 1<br>year | 1-3 years | More than 3 years | Total |
|-----------------------------|---------------------|-----------|-------------------|-------|
| (i) MSME                    | -                   | -         | -                 | -     |
| (ii) Others                 | 34.21               | -         | -                 | 34.21 |
| (iii) Disputed dues - MSME  | -                   | -         | -                 | -     |
| (iv) Disputed dues - Others | -                   | -         | -                 | -     |

|  |                  |                 |
|--|------------------|-----------------|
| <b>12 Borrowings</b>   |                  |                 |
| <b>Secured</b>   |                  |                 |
| Term Loan From Financial institutions  | 448.08           | -               |
| Term Loan From Banks   | 5,477.02         | -               |
| <b>Loan repayable on demand</b>  |                  |                 |
| From Bank (Overdraft)  | 4,297.14         | 4,875.45        |
| <b>Unsecured</b>   |                  |                 |
| From Financial institutions  | 44.54            | -               |
| From Bank  | 0.84             | -               |
| From Body Corporates   | 7,796.51         | 4,352.75        |
| <b>Total borrowings</b>  | <b>18,064.13</b> | <b>9,228.20</b> |
| <b>12.1 Out of Above</b>   |                  |                 |
| Borrowings in India  | 18,064.13        | 9,228.20        |
| Borrowings outside India   | -                | -               |
|  | <b>18,064.13</b> | <b>9,228.20</b> |
| <b>Terms and Conditions for Secured Loan taken from Banks</b>  |                  |                 |
| <b>ICICI Bank Limited</b>  |                  |                 |
| - The Bank overdraft of NIL (Previous Year Rs 905.91 lakhs) is secured by way of pledge of tax free bonds and other securities.                                      |                  |                 |
| - The interest rate on Bank Overdraft of NIL (Previous Year Rs 905.91 Lakhs) @ NIL (Previous Year 7.95%)   |                  |                 |
| <b>Barclays Bank Plc</b>   |                  |                 |
| - The Bank overdraft of Rs.4,297.14 Lakhs (Previous Year 3,969.54 Lakh) is secured by way of pledge of tax free bonds and other securities.                          |                  |                 |
| - The interest rate on Bank Overdraft of Rs.4,297.14 Lakhs (Previous Year 3,969.54 Lakh) @ 8.15% (Previous Year @ 7.20%)   |                  |                 |
| <b>Canara Bank Ltd and IDBI Bank Ltd</b>   |                  |                 |
| - The Term Loan of Rs.5,477.02 Lakhs (Previous Year NIL) is secured by way of pledge of property at Bangalore, Wada and Kanchipuram                                  |                  |                 |
| - The Term Loan of Canara Bank and IDBI Bank Ltd are included on consolidation of M/s Bhuwalka Steel Industries Ltd acquired through NCLT order dated 24th June 2022 |                  |                 |
| <b>Terms and Conditions for Secured Loan taken from Financial institutions</b>   |                  |                 |
| <b>Tata Capital Financial Services Limited</b>   |                  |                 |
| - The Term Loan of Rs.205.00 Lakhs (Previous Year NIL) is secured by way of pledge of shares held in demat form  |                  |                 |
| - The interest rate on Term Loan of Rs.205.00 Lakhs (Previous Year NIL) @ 9.50% (Previous Year Not Applicable)   |                  |                 |
| <b>SBI Global Factor</b>   |                  |                 |
| - The Term Loan of Rs.243.08 Lakhs (Previous Year NIL) is secured by way of pledge of property at Bangalore, Wada and Kanchipuram                                    |                  |                 |
| - The Term Loan of SBI Global Factor are included on consolidation of M/s Bhuwalka Steel Industries Ltd acquired through NCLT order dated 24th June 2022             |                  |                 |
| <b>13 Other Financial Liabilities</b>  |                  |                 |
| Interest accrued but not due on borrowings   | 575.98           | -               |
| Unpaid dividends   | 5.62             | 5.27            |
| Others   | 1,242.18         | 1,242.18        |
| <b>Total other financial liabilities</b>   | <b>1,823.78</b>  | <b>1,247.45</b> |
| <b>14 Provisions</b>   |                  |                 |
| Unspent CSR Liability  | 61.50            | 27.38           |
| Impairment Loss allowance on loans   | 252.98           | 129.10          |
| <b>Total provisions</b>  | <b>314.48</b>    | <b>156.48</b>   |
| <b>15 Other Non financial liabilities</b>  |                  |                 |
| Statutory dues   | 108.46           | 12.39           |
| <b>Total other non financial liabilities</b>   | <b>108.46</b>    | <b>12.39</b>    |

**STARTECK FINANCE LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Rs in Lakhs)

| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |                           |              |
|--|---------------------------|---------------------------|---------------------------|--------------|
| <b>16 Equity share capital</b>   |                           |                           |                           |              |
| <b>Authorised share capital</b>  |                           |                           |                           |              |
| 15,00,00,000 equity shares of Rs. 10 each<br>(31st March 2022 15,00,00,000 ) | <b>15,000.00</b>          | 15,000.00                 |                           |              |
| <b>Total authorised share capital</b>  | <b>15,000.00</b>          | 15,000.00                 |                           |              |
| <b>Issued, subscribed and fully paid up</b>                                  |                           |                           |                           |              |
| 99,10,330 equity shares of Rs. 10 each (31st March 2022 99,10,330)           | <b>991.03</b>             | 991.03                    |                           |              |
| <b>Total issued, subscribed and fully paid up share capital</b>              | <b>991.03</b>             | 991.03                    |                           |              |
| <b>(i) Reconciliation of equity share capital</b>                            |                           |                           |                           |              |
| Particulars  | As at<br>31st March, 2023 |                           | As at<br>31st March, 2022 |              |
|  | Number<br>of shares       | Rs. in lakhs              | Number<br>of shares       | Rs. in lakhs |
| At the beginning of the period   | 99,10,330                 | 991.03                    | 99,10,330                 | 991.03       |
| Issued during the year   |                           |                           |                           |              |
| <b>Outstanding at the end of the period</b>                                  | <b>99,10,330</b>          | <b>991.03</b>             | 99,10,330                 | 991.03       |

**(ii) Terms and rights attached to equity shares**

The Company has only one class of equity share having value of Rs 10 each with an entitlement of one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the annual general meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(iii) Details of shareholders holding more than 5% shares in the Company**

| Particulars                                      | As at<br>31st March, 2023 |              | As at<br>31st March, 2022 |              |
|--|---------------------------|--------------|---------------------------|--------------|
|  | Number<br>of shares       | %<br>holding | Number<br>of shares       | %<br>holding |
| SW Capital Private Limited                       | 10.02%                    | 9,92,739     | 10.02%                    | 9,92,739     |
| Eskay Infrastructure Development Private Limited | 10.55%                    | 10,45,700    | 10.55%                    | 10,45,700    |
| Akrur Kamal Khetan                               | 5.50%                     | 5,45,400     | 5.50%                     | 5,45,400     |
| Anupma Kamal Khetan                              | 5.50%                     | 5,45,400     | 5.50%                     | 5,45,400     |

**(iv) Details of shareholders held by Promoter**

| Particulars                                      | As at<br>31st March, 2023 |              | As at<br>31st March, 2022 |              |
|--|---------------------------|--------------|---------------------------|--------------|
|  | Number<br>of shares       | %<br>holding | Number<br>of shares       | %<br>holding |
| SW Capital Private Limited                       | 10.02%                    | 9,92,739     | 10.02%                    | 9,92,739     |
| Eskay Infrastructure Development Private Limited | 10.55%                    | 10,45,700    | 10.55%                    | 10,45,700    |
| Akrur Kamal Khetan                               | 5.50%                     | 5,45,400     | 5.50%                     | 5,45,400     |
| Anupma Kamal Khetan                              | 5.50%                     | 5,45,400     | 5.50%                     | 5,45,400     |

**STARTECK FINANCE LIMITED**

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(Rs in Lakhs)

| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------------------------|---------------------------|
| <b>17 Other equity</b>                                 |                           |                           |
| Share application money pending allotment              |                           |                           |
| Reserves & surplus                                     |                           |                           |
| - Securities premium account                           | 8,048.66                  | 8,048.66                  |
| - Statutory Reserve Fund                               | 1,600.94                  | 1,403.94                  |
| - Capital Reserve                                      | 9.99                      | 9.99                      |
| - Retained earnings                                    | 6,799.08                  | 4,821.12                  |
| Other comprehensive income                             |                           |                           |
| - Equity instrument through other comprehensive income | 500.93                    | 820.51                    |
| <b>Total other equity</b>                              | <b>16,959.60</b>          | <b>15,104.22</b>          |

| Particulars  | As at<br>31st March, 2023 | As at<br>31st March, 2022 |
|--|---------------------------|---------------------------|
| <b>(i) Securities premium reserve</b>                  |                           |                           |
| Opening balance  | 8,048.66                  | 8,048.66                  |
| <b>Closing balance</b>                                 | <b>8,048.66</b>           | <b>8,048.66</b>           |
| <b>(ii) Statutory Reserve</b>                          |                           |                           |
| Opening balance  | 1,403.94                  | 1,200.14                  |
| Transferred from Retained Earning                      | 197.00                    | 203.80                    |
| <b>Closing balance</b>                                 | <b>1,600.94</b>           | <b>1,403.94</b>           |
| <b>(iii) Capital reserve</b>                           |                           |                           |
| Opening balance  | 9.99                      | 9.99                      |
| <b>Closing balance</b>                                 | <b>9.99</b>               | <b>9.99</b>               |
| <b>(iv) Retained earnings</b>                          |                           |                           |
| Opening balance  | 4,821.12                  | 4,063.56                  |
| Net profit for the year                                | 2,182.02                  | 1,018.98                  |
| Transferred to statutory reserve                       | (197.00)                  | (203.80)                  |
| Transfer on account of sale of Subsidiary              | -                         | (50.27)                   |
| Dividend Paid  | (7.06)                    | (7.35)                    |
| <b>Closing balance</b>                                 | <b>6,799.08</b>           | <b>4,821.12</b>           |
| <b>(v) Other comprehensive income</b>                  |                           |                           |
| - Equity instrument through other comprehensive income |                           |                           |
| Opening balance  | 820.51                    | 343.92                    |
| Income/(loss) for the year                             | (319.58)                  | 476.59                    |
| <b>Closing balance</b>                                 | <b>500.93</b>             | <b>820.51</b>             |

**Nature & purpose of other equity and reserves :**

**(a) Capital reserve :**

Capital reserve is created out of capital profits and are usually not distributed as dividends to shareholders.

**(b) Securities premium account :**

Securities premium reserve is used to record the premium on issue of financial securities such as equity shares, preference shares, compulsory convertible debentures. The reserve is utilised in accordance with the

**(c) Reserve u/s 45 IC of the Reserve Bank of India Act, 1934:**

The Company created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent

**STARTECK FINANCE LIMITED**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Rs in Lakhs)

| Particulars                                   | Year ended<br>31st March, 2023 | Year ended<br>31st March, 2022 |
|---|--------------------------------|--------------------------------|
| <b>18 Revenue from operations</b>             |                                |                                |
| <b>Interest Income</b>                        |                                |                                |
| Interest on Loan                              | 2,208.50                       | 2,455.89                       |
| Interest income on Investment                 | 390.30                         | 346.00                         |
| <b>Total interest income</b>                  | <b>2,598.80</b>                | <b>2,801.89</b>                |
| <b>19 Dividend Income</b>                     |                                |                                |
| Dividend received                             | 14.65                          | 12.40                          |
| <b>Total dividend income</b>                  | <b>14.65</b>                   | <b>12.40</b>                   |
| <b>20 Fees and Commission Income</b>          |                                |                                |
| Processing Fees                               | 22.09                          | 23.98                          |
| <b>Total fees and commission income</b>       | <b>22.09</b>                   | <b>23.98</b>                   |
| <b>21 Other Income</b>                        |                                |                                |
| Profit on sales of Investment                 | -                              | 56.50                          |
| Referral Income                               | 186.31                         | -                              |
| <b>Total other income</b>                     | <b>186.31</b>                  | <b>56.50</b>                   |
| <b>22 Finance Cost</b>                        |                                |                                |
| Interest on Borrowing                         | 662.40                         | 1,129.06                       |
| Interest on Bank OD                           | 270.90                         | 274.26                         |
| Other Borrowing Cost                          | 2.89                           | 1.60                           |
| <b>Total finance cost</b>                     | <b>936.19</b>                  | <b>1,404.92</b>                |
| <b>23 Employee benefits expense</b>           |                                |                                |
| Salaries and wages                            | 62.15                          | 87.56                          |
| Staff welfare expenses                        | 3.44                           | 0.06                           |
| <b>Total employee benefits expense</b>        | <b>65.59</b>                   | <b>87.62</b>                   |
| <b>24 Other expenses</b>                      |                                |                                |
| Annual, listing fees and other fees           | 15.15                          | 3.89                           |
| Amortisation of Leasehold Land                | 24.58                          | 24.58                          |
| Business promotion                            | 2.65                           | 29.48                          |
| CIRP Expenses                                 | 38.97                          | -                              |
| Demat charges                                 | 0.04                           | 0.47                           |
| Director sitting fees                         | 1.05                           | 1.00                           |
| Legal and professional                        | 214.05                         | 67.43                          |
| Miscellaneous expenses                        | 13.79                          | 4.33                           |
| Payments to auditors                          | 3.25                           | 3.51                           |
| Repair & Maintenance                          | 15.29                          | -                              |
| Provision for standard & sub- standard assets | 123.87                         | 27.39                          |
| Rent, rates and taxes                         | 22.84                          | 5.48                           |
| Travelling and conveyance                     | 5.19                           | 3.49                           |
| CSR Activity                                  | 34.12                          | 27.38                          |
| Foreign Travelling Expenses                   | 0.17                           | -                              |
| <b>Total other expenses</b>                   | <b>515.01</b>                  | <b>198.43</b>                  |



**STARTECK FINANCE LIMITED**

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**25 Income tax expense**

This note provides an analysis of the Company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

**(a) Tax expense recognised in the Statement of Profit and Loss**

(Rs in Lakhs)

| Particulars   | Year ended<br>31st March, 2023 | Year ended<br>31st March, 2022 |
|---|--------------------------------|--------------------------------|
| Current tax on profits for the year                                   | 229.63                         | 184.82                         |
| Adjustments for current tax of prior periods                          | 12.26                          | -                              |
| <b>Total current tax expense</b>                                      | <b>241.89</b>                  | 184.82                         |
| Deferred tax charge/(credit)-P&L                                      | -                              | -                              |
| Other Comprehensive Income-Remeasurments of net defined benefit plans | -                              | -                              |
| <b>Total deferred tax expense/(benefit)</b>                           | <b>-</b>                       | <b>-</b>                       |
| <b>Income tax expense/(benefit)</b>                                   | <b>241.89</b>                  | 184.82                         |

(Rs in Lakhs)

| Particulars  | Year ended<br>31st March, 2023 | Year ended<br>31st March, 2022 |
|--|--------------------------------|--------------------------------|
| <b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b> |                                |                                |
| Enacted income tax rate in India applicable to the Company   | 25.168%                        | 25.168%                        |
| Profit/(loss) before income tax expense  | 1,249.64                       | 1,203.80                       |
| Current Tax Expense on Profit/(Loss) before tax expenses at enacted income tax rate in India       | 314.51                         | 302.97                         |
| Tax effects of:  |                                |                                |
| Disallowabale expenses   | 13.28                          | -                              |
| Exempt income  | (111.69)                       | (118.15)                       |
| Income Tax at special rate   | (13.64)                        | -                              |
| Tax in respect of earlier years  | 12.24                          | -                              |
| Other items  | 27.19                          | -                              |
| <b>Income tax expense</b>  | <b>241.89</b>                  | 184.82                         |

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income Tax for the year ended March 31, 2021 and remeasured its deferred tax assets and liabilities, basis the rate prescribed in the said section. The full impact of this change has been recognised during the year

**STARTECK FINANCE LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**26 Related Party Disclosures**

**Name of the Related Parties :**

**Disclosure of related party transaction and balances for the year ended 31st March 2023**

**Relationship**

**List of related parties with whom transactions has been entered in the ordinary course of business**

**(A) Key Management Personal**

Anand Shroff

Mayuri Jain

**(B) Entity/ Person having Significant Influence**

Akshunya Energy Private Limited

Eskay Infrastructure Development Private Limited

Glint Infraprojects Private Limited

Luton Finance and Investment Private Limited

Samagra Wealthmax Private Limited

Starteck Infraprojects Private Limited

Sunteck Realty Limited

SW1 Advisory Private Limited

SW Capital Private Limited

Niyamit Mercantile and Trading LLP

SW Investments Limited

SW Capital Private Limited

Starteck Housing Finance Private Limited

**Related Party Transactions**

(Rs in Lakhs)

| Particulars                                      | Relationship                                | F Y 2022 2023 | F Y 2021<br>2022 |
|--|---|---------------|------------------|
| <b>(i) Transaction during the year</b>           |   |               |                  |
| <b>Rent Paid</b>                                 |   |               |                  |
| Sunteck Realty Limited                           | Entity/ Person having Significant Influence | 4.20          | 4.08             |
| <b>Salary Paid(including reimbursements)</b>     |   |               |                  |
| Anand Shroff                                     | KMP   | 50.56         | 64.79            |
| Mayuri Jain                                      | KMP   | 7.42          | 5.24             |
| <b>Interest Received</b>                         |   |               |                  |
| Niyamit Mercantile and Trading LLP               | Entity/ Person having Significant Influence | -             | 120.09           |
| Eskay Infrastructure Development Private Limited | Entity/ Person having Significant Influence | 210.32        | 83.92            |
| Starteck Infraprojects Private Limited           | Entity/ Person having Significant Influence | 21.11         | 4.58             |

(Rs.in lakhs)

| Particulars                                      | Relationship                                | F Y 2022 2023 | F Y 2021 2022 |
|--|---|---------------|---------------|
| SW Capital Private Limited                       | Entity/ Person having Significant Influence | 103.65        | 50.44         |
| Glint Infraprojects Private Limited              | Entity/ Person having Significant Influence | 5.68          | -             |
| <b>Interest Paid</b>                             |   |               |               |
| Akshunya Energy Private Limited                  | Entity/ Person having Significant Influence | 3.44          | 24.61         |
| Niyamit Mercantile and Trading LLP               | Entity/ Person having Significant Influence | 24.97         | -             |
| Glint Infraprojects Private Limited              | Entity/ Person having Significant Influence | -             | 2.67          |
| Kamal Khetan                                     | Entity/ Person having Significant Influence | 268.36        | 0.73          |
| Samagra Wealthmax Private Limited                | Entity/ Person having Significant Influence | 58.04         | -             |
| Sunteck Realty Limited                           | Entity/ Person having Significant Influence | 267.79        | -             |
| SW Investments Limited                           | Entity/ Person having Significant Influence | 5.83          | 2.38          |
| <b>Profit from Sell of Invstment</b>             |   |               |               |
| Mintec Holding Private Limited                   | Entity/ Person having Significant Influence | -             | 45.00         |
| <b>Loan and Advances given</b>                   |   |               |               |
| Eskay Infrastructure Development Private Limited | Entity/ Person having Significant Influence | -             | 951.02        |
| SW Capital Private Limited                       | Entity/ Person having Significant Influence | 834.61        | -             |
| Kamal Khetan                                     | Entity/ Person having Significant Influence | 1,110.50      | -             |
| Niyamit Mercantile and Trading LLP               | Entity/ Person having Significant Influence | 618.24        | -             |
| Starteck Infraprojects Private Limited           | Entity/ Person having Significant Influence | -             | 164.77        |
| <b>Loan Taken</b>                                |   |               |               |
| Glint Infraprojects Private Limited              | Entity/ Person having Significant Influence | -             | 609.28        |
| Eskay Infrastructure Development Private Limited | Entity/ Person having Significant Influence | 154.67        | -             |
| SW Investments Limited                           | Entity/ Person having Significant Influence | -             | 68.95         |
| Niyamit Mercantile and Trading LLP               | Entity/ Person having Significant Influence | -             | 692.26        |
| Sunteck Realty Limited                           | Entity/ Person having Significant Influence | 2,731.50      | -             |
| Samagra Wealthmax Private Limited                | Entity/ Person having Significant Influence | 1,299.50      | -             |
| Kamal Khetan                                     | Entity/ Person having Significant Influence | -             | 2,975.66      |
| Akshunya Energy Private Limited                  | Entity/ Person having Significant Influence | 153.50        | -             |
| Starteck Infraprojects Private Limited           | Entity/ Person having Significant Influence | 2.75          | -             |
| <b>(ii) Outstanding balance as at year end</b>   |   |               |               |
| <b>Loans and Advances given</b>                  |   |               |               |
| Eskay Infrastructure Development Private Limited | Entity/ Person having Significant Influence | 2,423.95      | 2,578.62      |

(Rs.in lakhs)

| Particulars                              | Relationship                                | F Y 2022 2023 | F Y 2021<br>2022 |
|--|---|---------------|------------------|
| Starteck Infraprojects Private Limited   | Entity/ Person having Significant Influence | 214.33        | 217.08           |
| SW Capital Private Limited               | Entity/ Person having Significant Influence | 880.00        | 45.39            |
| <b>Loan Taken</b>                        |   |               |                  |
| Akshunya Energy Private Limited          | Entity/ Person having Significant Influence | 160.10        | 6.60             |
| SW Investments Limited                   | Entity/ Person having Significant Influence | 61.95         | 68.95            |
| Glint Infraprojects Private Limited      | Entity/ Person having Significant Influence | 629.51        | 609.28           |
| Niyamit Mercantile and Trading LLP       | Entity/ Person having Significant Influence | 74.02         | 692.26           |
| Samagra Wealthmax Private Limited        | Entity/ Person having Significant Influence | 1,299.50      | -                |
| Sunteck Realty Limited                   | Entity/ Person having Significant Influence | 2,731.50      | -                |
| Kamal Khetan                             | Entity/ Person having Significant Influence | 1,865.16      | 2,975.66         |
| <b>Deposit</b>                           |   |               |                  |
| Sunteck Realty Limited                   | Entity/ Person having Significant Influence | 1.50          | 1.50             |
| <b>Other receivable</b>                  |   |               |                  |
| Starteck Housing Finance Private Limited | Entity/ Person having Significant Influence | -             | 12.73            |

**STARTECK FINANCE LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**27 Fair value measurements**

**(i) Fair value hierarchy**

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges are valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

**(ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments

- the use of discounted cash flow for fair value at amortised cost

| Financial Assets and Liabilities<br>as at 31st March, 2023 | Routed through Profit and loss |                  |                  | Routed through OCI |                  |                  | Carried at amortised cost |                  |                  | Total     |
|--|--------------------------------|------------------|------------------|--------------------|------------------|------------------|---------------------------|------------------|------------------|-----------|
|  | Level 1                        | Level 3          | Total            | Level 1            | Level 3          | Total            | Level 1                   | Level 3          | Total            |           |
|  | Carrying amounts               | Carrying amounts | Carrying amounts | Carrying amounts   | Carrying amounts | Carrying amounts | Carrying amounts          | Carrying amounts | Carrying amounts |           |
| <b>Financial assets</b>                                    |                                |                  |                  |                    |                  |                  |                           |                  |                  |           |
| Investments  |                                |                  |                  |                    |                  |                  |                           |                  |                  |           |
| - Equity instruments                                       |                                |                  |                  |                    |                  |                  |                           |                  |                  |           |
| Quoted   | -                              | -                | -                | 446.75             | -                | 446.75           | -                         | -                | -                | 446.75    |
| Unquoted   | -                              | -                | -                | 720.11             | 1,229.79         | 1,949.90         | -                         | -                | -                | 1,949.90  |
| - Bonds/Debt securities                                    |                                |                  |                  |                    |                  |                  |                           |                  |                  |           |
| Quoted   | -                              | -                | -                | -                  | -                | -                | 4,851.81                  | -                | 4,851.81         | 4,851.81  |
| Unquoted   | -                              | -                | -                | -                  | -                | -                | -                         | -                | -                | -         |
| Receivables  | -                              | -                | -                | -                  | -                | -                | -                         | -                | 587.35           | 587.35    |
| Loans  | -                              | -                | -                | -                  | -                | -                | -                         | -                | 18,304.48        | 18,304.48 |
| Other advances and receivables - to others                 | -                              | -                | -                | -                  | -                | -                | -                         | -                | 4.12             | 4.12      |
| Cash and cash equivalents                                  | -                              | -                | -                | -                  | -                | -                | -                         | -                | 33.42            | 33.42     |
| Other bank balances  | -                              | -                | -                | -                  | -                | -                | -                         | -                | 548.12           | 548.12    |
| <b>Total financial assets</b>                              | -                              | -                | -                | 1,166.86           | 1,229.79         | 2,396.64         | 4,851.81                  | -                | 19,477.49        | 24,329.30 |
| <b>Financial liabilities</b>                               |                                |                  |                  |                    |                  |                  |                           |                  |                  |           |
| Loans from Financial Institutions                          | -                              | -                | -                | -                  | -                | -                | -                         | -                | 493.46           | 493.46    |
| Bank Overdraft   | -                              | -                | -                | -                  | -                | -                | -                         | -                | 9,774.16         | 9,774.16  |
| Loans from body corporate and others                       | -                              | -                | -                | -                  | -                | -                | -                         | -                | 7,796.51         | 7,796.51  |
| Trade payables   | -                              | -                | -                | -                  | -                | -                | -                         | -                | 83.50            | 83.50     |
| Other Liabilities  | -                              | -                | -                | -                  | -                | -                | -                         | -                | 1,823.78         | 1,823.78  |
| Unpaid dividends   | -                              | -                | -                | -                  | -                | -                | -                         | -                | 5.62             | 5.62      |
| Other non financial liabilities                            | -                              | -                | -                | -                  | -                | -                | -                         | -                | 108.46           | 108.46    |
| <b>Total financial liabilities</b>                         | -                              | -                | -                | -                  | -                | -                | -                         | -                | 20,085.49        | 20,085.49 |

\* Listed on BSE (However, not traded actively)

| Financial Assets and Liabilities<br>as at 31st March, 2022   | Routed through Profit and loss |         |                  |          | Routed through OCI     |          |                  | Carried at amortised cost |                        |           |                  | Total      |       |
|--|--------------------------------|---------|------------------|----------|------------------------|----------|------------------|---------------------------|------------------------|-----------|------------------|------------|-------|
|  | Level 1                        | Level 3 | Carrying amounts | Total    | Level 1                | Level 3  | Carrying amounts | Total                     | Level 1                | Level 3   | Carrying amounts |            | Total |
|  |                                |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
| <b>Financial assets</b>  |                                |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
| Investments  |                                |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
| - Equity instruments   |                                |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
| Quoted   | -                              | -       | -                | 671.91   | -                      | -        | -                | 671.91                    | -                      | -         | -                | 671.91     |       |
| Unquoted   | -                              | -       | -                | -        | -                      | 1,531.34 | 1,531.34         | -                         | -                      | -         | -                | 1,531.34   |       |
| - Bonds Debitures  |                                |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
| Quoted   | -                              | -       | -                | -        | 5,200.94               | -        | 5,200.94         | -                         | -                      | -         | 5,200.94         | 5,200.94   |       |
| Unquoted   | -                              | -       | -                | -        | -                      | -        | -                | -                         | -                      | 158.82    | 158.82           | 158.82     |       |
| Receivables  | -                              | -       | -                | -        | -                      | -        | -                | -                         | -                      | 17,064.15 | 17,064.15        | 17,064.15  |       |
| Loans  | -                              | -       | -                | -        | -                      | -        | -                | -                         | -                      | 19.45     | 19.45            | 19.45      |       |
| Other advances and receivables ' - to others   | -                              | -       | -                | -        | -                      | -        | -                | -                         | -                      | 9.97      | 9.97             | 9.97       |       |
| Cash and cash equivalents  | -                              | -       | -                | -        | -                      | -        | -                | -                         | -                      | 382.78    | 382.78           | 382.78     |       |
| Other bank balances  | -                              | -       | -                | -        | -                      | -        | -                | -                         | -                      | -         | -                | -          |       |
| <b>Total financial assets</b>  | -                              | -       | -                | 2,203.25 | 5,200.94               | 1,531.34 | 2,203.25         | 2,203.25                  | -                      | 17,635.17 | 22,836.11        | 25,039.36  |       |
| <b>Financial liabilities</b>   |                                |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
| Loans from Financial Institutions  | -                              | -       | -                | -        | -                      | -        | -                | -                         | -                      | -         | -                | -          |       |
| Bank Overdraft   | -                              | -       | -                | -        | -                      | -        | -                | -                         | -                      | 4,875.45  | 4,875.45         | 4,875.45   |       |
| Loans from related parties and others  | -                              | -       | -                | -        | -                      | -        | -                | -                         | -                      | 4,352.75  | 4,352.75         | 4,352.75   |       |
| Trade payables   | -                              | -       | -                | -        | -                      | -        | -                | -                         | -                      | 34.21     | 34.21            | 34.21      |       |
| Other Liabilities  | -                              | -       | -                | -        | -                      | -        | -                | -                         | -                      | 1,254.57  | 1,254.57         | 1,254.57   |       |
| Unpaid dividends   | -                              | -       | -                | -        | -                      | -        | -                | -                         | -                      | 5.27      | 5.27             | 5.27       |       |
| Interest accrued   | -                              | -       | -                | -        | -                      | -        | -                | -                         | -                      | -         | -                | -          |       |
| <b>Total financial liabilities</b>   | -                              | -       | -                | -        | -                      | -        | -                | -                         | -                      | 10,522.25 | 10,522.25        | 10,522.25  |       |
| <b>*Listed on BSE (However, not traded actively)</b>   |                                |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
| Note: There are no financial assets/liabilities categorized under Level 2  |                                |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
| <b>(iii) Fair value measurements using significant unobservable inputs (level 3)</b>   |                                |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
|  | Particulars                    |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
|  | Unlisted equity securities     |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
| As at 31st March, 2022   |                                |         |                  |          |                        |          |                  |                           |                        |           |                  | 1,531.34   |       |
| Gains/(losses) recognised in other comprehensive income  |                                |         |                  |          |                        |          |                  |                           |                        |           |                  | (301.55)   |       |
| As at 31st March, 2023   |                                |         |                  |          |                        |          |                  |                           |                        |           |                  | 1,229.79   |       |
| <b>(iv) Fair value of financial assets and liabilities measured at amortised cost</b>  |                                |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
|  | Particulars                    |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
|  | As at 31st March, 2023         |         |                  |          | As at 31st March, 2022 |          |                  |                           | As at 31st March, 2022 |           |                  |            |       |
|  | Level 1                        | Level 3 | Carrying amounts | Total    | Level 1                | Level 3  | Carrying amounts | Total                     | Level 1                | Level 3   | Carrying amount  | Fair value |       |
| <b>Financial assets</b>  |                                |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
| Loans  |                                |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
| <b>Total financial assets</b>  |                                |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
| <b>Financial liabilities</b>   |                                |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
| Borrowings   |                                |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
| <b>Total financial liabilities</b>   |                                |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |
| The carrying amounts of trade receivables, trade payables, other payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature. This is classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values. |                                |         |                  |          |                        |          |                  |                           |                        |           |                  |            |       |

**STARTECK FINANCE LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**28 Financial risk management**

The Company's activities expose it to business risk, interest rate risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance, the Company's risk management is carried out by a corporate treasury and corporate finance department under policies approved by the board of directors and top management. Company's treasury identifies, evaluates and mitigates financial risks in close cooperation with the Company's operating units. The board provides guidance for overall risk management, as well as policies covering specific areas.

**(A) Credit Risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
  - ii) Actual or expected significant changes in the operating results of the counterparty,
  - iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
  - iv) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.
- Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

**Ageing of Account receivables :**

| Particulars           | As at<br>31st March 2023 | As at<br>31st March 2022 |
|-----------------------|--------------------------|--------------------------|
| 0-3 months            | 134.90                   | 85.53                    |
| 3-6 months            | 392.51                   | 13.35                    |
| 6 months to 12 months | 59.94                    | 59.94                    |
| beyond 12 months      | -                        | -                        |
| <b>Total</b>          | <b>587.35</b>            | <b>158.82</b>            |

(Rs in Lakh)

**(B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining sufficient cash and bank balances available to meet the working capital requirements. Management monitors rolling forecasts of the group's liquidity position (comprising the unused cash and bank balances along with liquid investments) on the basis of expected cash flows. This is generally carried out at Company level in accordance with practice and limits set by the group. These limits vary to take into account the liquidity of the market in which the Company operates.

**(i) Maturities of financial liabilities**

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for: all non-derivative financial liabilities, and the amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| (Rs in Lakh)  |                       |                         |                       |                                   |                 |                                   |
|---|-----------------------|-------------------------|-----------------------|-----------------------------------|-----------------|-----------------------------------|
| Contractual maturities of financial liabilities<br>31st March, 2023   | Less than<br>3 months | 3 months<br>to 6 months | 6 months<br>to 1 year | Between<br>1 and 2 years          | Above<br>2 year | Total                             |
| <b>Borrowings</b>   |                       |                         |                       |                                   |                 |                                   |
| Bank overdraft and Loan from Financial Institutions   |                       | 2,500.00                | 4,502.14              | 2,500.00                          | 765.49          | 10,267.63                         |
| From related parties and Others   |                       |                         | 7,796.50              |                                   |                 | 7,796.50                          |
| Trade payables  | 83.50                 |                         |                       |                                   |                 | 83.50                             |
| Unpaid Dividend   | 5.62                  |                         |                       |                                   |                 | 5.62                              |
| Other Financial Liabilities   | 1,242.18              |                         |                       |                                   |                 | 1,242.18                          |
| Interest accrued but not due on borrowings  | 575.98                |                         |                       |                                   |                 | 575.98                            |
| <b>Total non-derivative liabilities</b>   | <b>1,907.28</b>       | <b>2,500.00</b>         | <b>12,298.64</b>      | <b>2,500.00</b>                   | <b>765.49</b>   | <b>19,971.41</b>                  |
| (Rs in Lakh)  |                       |                         |                       |                                   |                 |                                   |
| Contractual maturities of financial liabilities<br>31st March, 2022   | Less than<br>3 months | 3 months<br>to 6 months | 6 months<br>to 1 year | Between<br>1 and 2 years          | Above<br>2 year | Total                             |
| <b>Borrowings:</b>  |                       |                         |                       |                                   |                 |                                   |
| Bank overdraft  | 905.91                | 3,969.54                |                       |                                   |                 | 4,875.45                          |
| From related parties and Others   |                       |                         | 4,352.75              |                                   |                 | 4,352.75                          |
| Trade payables  | 34.21                 |                         |                       |                                   |                 | 34.21                             |
| Unpaid Dividend   | 5.27                  |                         |                       |                                   |                 | 5.27                              |
| Other Financial Liabilities   | 1,242.18              |                         |                       |                                   |                 | 1,242.18                          |
| Total non-derivative liabilities  | 2,187.57              | 3,969.54                | 4,352.75              | -                                 | -               | 10,509.86                         |
| <b>(C) Market risk</b>  |                       |                         |                       |                                   |                 |                                   |
| <b>(i) Price Risk</b>   |                       |                         |                       |                                   |                 |                                   |
| <b>- Exposure</b>   |                       |                         |                       |                                   |                 |                                   |
| The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through OCI.   |                       |                         |                       |                                   |                 |                                   |
| <b>- Sensitivity</b>  |                       |                         |                       |                                   |                 |                                   |
| The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5% or decreased by 5% with all other variables held constant, and that all the Company's equity instruments moved in line with the index. |                       |                         |                       |                                   |                 |                                   |
| <b>Impact of Profit before tax</b>  |                       |                         |                       |                                   |                 |                                   |
| (Rs in Lakhs)   |                       |                         |                       |                                   |                 |                                   |
|   |                       |                         |                       | <b>Particulars</b>                |                 |                                   |
|   |                       |                         |                       | <b>As at<br/>31st March, 2023</b> |                 | <b>As at<br/>31st March, 2022</b> |
| BSE Sensex - Increase 5%  |                       |                         |                       | 22.34                             |                 | 33.60                             |
| BSE Sensex - Decrease 5%  |                       |                         |                       | (22.34)                           |                 | (33.60)                           |



**(ii) Cash flow and fair value interest rate risk****- Interest rate risk management:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates. The risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings.

**- Interest rate risk exposure:**

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

| <b>Particulars</b>       | <b>As at<br/>31st March, 2023</b> | <b>As at<br/>31st March, 2022</b> |
|--------------------------|-----------------------------------|-----------------------------------|
| Variable rate borrowings | 4,299.19                          | 4,875.45                          |
| Fixed rate borrowings    | 7,796.51                          | 4,352.75                          |
| <b>Total borrowings</b>  | <b>12,095.70</b>                  | <b>9,228.20</b>                   |

(Rs in Lakhs)

**- Interest rate sensitivity**

A change of 50 bps in interest rates would have following Impact on profit before tax :

| <b>Particulars</b>                                      | <b>As at<br/>31st March, 2023</b> | <b>As at<br/>31st March, 2022</b> |
|---|-----------------------------------|-----------------------------------|
| 50 bp increase would decrease the profit before tax by* | 6.05                              | 4.61                              |
| 50 bp decrease would Increase the profit before tax by* | (6.05)                            | (4.61)                            |

(Rs in Lakhs)

\* Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised for the whole financial year.

**29 Capital management****(a) Risk management**

The Company's objectives when managing capital are to :

1. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, reduce debt or sell assets.

The gearing ratios were as follows:

| <b>Particulars</b>                              | <b>As at<br/>31st March, 2023</b> | <b>As at<br/>31st March, 2022</b> |
|---|-----------------------------------|-----------------------------------|
| Net debt (Total Debt - Cash & cash equivalent ) | 18,064.13                         | 9,228.20                          |
| Total equity                                    | 17,950.63                         | 16,095.26                         |
| <b>Net debt to equity ratio</b>                 | <b>100.63%</b>                    | <b>57.33%</b>                     |

(Rs in Lakhs)

Loan covenants : The company intends to manage optimal gearing ratios.

**(b) Dividends**

| <b>Particulars</b>   | <b>As at<br/>31st March, 2023</b> | <b>As at<br/>31st March, 2022</b> |
|--|-----------------------------------|-----------------------------------|
| <b>Dividends not recognised at the end of the reporting period</b> | <b>7.06</b>                       | <b>7.35</b>                       |

(Rs in Lakhs)

**Dividends not recognised at the end of the reporting period**

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 0.25 per fully paid equity share for other than promoters (31st March, 2022 – Rs. 0.25). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

\*Calculation is based on the no. of shares outstanding as at year end.

**STARTECK FINANCE LIMITED**

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**30 Earnings per share**

| Particulars  | Year ended<br>31st March, 2023 | Year ended<br>31st March, 2022 |
|--|--------------------------------|--------------------------------|
| Earning Per Share has been computed as under :                                   |                                |                                |
| Profit for the year (Rs.in lakhs) (A)  | 2,182.02                       | 1,018.98                       |
| Weighted average number of equity shares (B)                                     | 99,10,330.00                   | 99,10,330.00                   |
| Weighted average number of Equity shares adjusted for the effect of dilution (C) | 99,10,330.00                   | 99,10,330.00                   |
| Basic EPS (Amount in Rs. ) (A/B) (Face value of Rs. 10 per share)                | 22.02                          | 10.28                          |
| Diluted EPS (Amount in Rs. ) (A/C) (Face value of Rs. 10 per share)              | 22.02                          | 10.28                          |

**31** Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one business segment viz. "financing activities". Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable

**32** The accounts of certain trade receivables, trade payables, loans and advances and banks are, however, subject to formal confirmations or reconciliations and consequent adjustments, if any. However, there is no indication of dispute on these accounts, other than those mentioned in the financial statements. The management does not expect any material difference affecting the current year's financial statements on such reconciliation/adjustments. There are no pending litigation having impact on financial position of the company.

**33** Contingent Liabilities not provided for

| Particulars  | Year ended<br>31st March, 2023 | Year ended<br>31st March, 2022 |
|--|--------------------------------|--------------------------------|
| Claims against the company not acknowledged as debts - CIT (A) | 49.53                          | 49.53                          |

**34** Details of payments to auditors

(Rs in Lakhs)

| Particulars                       | Year ended<br>31st March, 2023 | Year ended<br>31st March, 2022 |
|-----------------------------------|--------------------------------|--------------------------------|
| <b>Payment to auditors</b>        |                                |                                |
| <b>As auditor:</b>                |                                |                                |
| Audit fee                         | 2.25                           | 2.25                           |
| <b>Total payments to auditors</b> | 2.25                           | 2.25                           |

**35** On 9th November 2022 , company has acquired 100% of equity stake in Bhuwalka Steel Industries Limited vide NCLT order dated 24th June 2022 , leading to good will on consolidation . Further Goodwill has been assessed for impairment at CGU level which represents the lowest level at which the goodwill is monitored for internal management purposes. Management has determined the value in use based on past experience and external sources.

**36** Figures pertaining to Previous Year have been regrouped / reclassified wherever found necessary to conform to Current Year presentation.

**Signature to Notes No 1 to 36**

**As per our attached report of even date**

**For MKPS & Associates**

Chartered Accountants

Firm Registration No. 302014E

**For an on behalf of the Board of Directors  
of Starteck Finance Limited**

**Anand Shroff**

Director

(DIN: 08480489)

**Pankaj Jain**

Director

(DIN: 00048283)

**Sanjay Jain**

Partner

Membership No. 089840

**Nilesh Parikh**

Director (DIN: 02710146)

**Sandhya Malhotra**

Director (DIN: 06450511)

Place : Mumbai

Dated: 30th May, 2023

**Mayuri Jain**

Company Secretary

## Annexure A

### Form AOC-1

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

#### Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Lakhs)

| Sl. No. | Particulars   | Details                         |                                 |                                   |
|---------|---|---------------------------------|---------------------------------|-----------------------------------|
| 1.      | Name of the subsidiary  | Chitta Finlease Private Limited | V Can Export Private Limited    | Bhuwarka Steel Industries Limited |
| 2.      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | April 1, 2022 to March 31, 2023 | April 1, 2022 to March 31, 2023 | April 1, 2022 to March 31, 2023   |
| 3.      | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR                             | INR                             | INR                               |
| 4.      | Date since when subsidiary was acquired   | 14.01.2016                      | 25.03.2015                      | 09.11.2022                        |
| 5.      | Share capital   | 1.00                            | 1.00                            | 1.00                              |
| 6.      | Reserves & surplus  | (10.36)                         | (1.00)                          | (8,182.27)                        |
| 7.      | Total Assets  | 1,430.62                        | 0.00                            | 948.09                            |
| 8.      | Total Liabilities   | 1,430.62                        | 0.00                            | 948.09                            |
| 9.      | Investments   | 1,430.28                        | -                               | -                                 |
| 10.     | Turnover  | -                               | -                               | -                                 |
| 11.     | Profit before taxation after exceptional items  | (17.23)                         | (0.76)                          | 3,987.69                          |
| 12.     | Provision for taxation  | (1.85)                          | -                               | -                                 |
| 13.     | Profit after taxation   | (19.07)                         | (0.76)                          | 3,987.69                          |
| 14.     | Proposed Dividend   | -                               | -                               | -                                 |
| 15.     | % of shareholding   | 100                             | 100                             | 100                               |

1. Names of subsidiaries which are yet to commence operations – Nil

2. Names of subsidiaries which have been liquidated or sold during the year- Nil

## Part “B”: Associates and Joint Ventures

| Name of Associates/Joint Ventures  |                   |
|--|-------------------|
| 1. Latest audited Balance Sheet Date   | Not<br>Applicable |
| 2. Shares of Associate/Joint Ventures held by the<br>company on the year end<br><br>No.<br><br>Amount of Investment in Associates/Joint Venture<br><br>Extend of Holding % |                   |
| 3. Description of how there is significant influence   |                   |
| 4. Reason why the associate/joint venture is not<br>consolidated   |                   |
| 5. Networth attributable to Shareholding as per latest<br>audited Balance Sheet  |                   |
| 6. Profit / Loss for the year<br><br>i. Considered in Consolidation<br><br>ii. Not Considered in Consolidation   |                   |

1. Names of associates or joint ventures which are yet to commence operations- Not Applicable
2. Names of associates or joint ventures which have been liquidated or sold during the year- Not Applicable

### For and on Behalf of the Board of Directors of Starteck Finance Limited

**Anand Shroff**

Director (DIN: 08480489)

**Pankaj Jain**

Director (DIN: 00048283)

**Nilesh Parikh**

Director (DIN: 02710146)

**Sandhya Malhotra**

Director (DIN: 06450511)

**Mayuri Jain**

Company Secretary

**Place: Mumbai**

**Date: 30th May, 2023**

