



## SG Finserve Limited

September 2, 2023

The General Manager  
Department of Corporate Services  
BSE Limited  
25<sup>th</sup> Floor, P.J Towers,  
Dalal Street, Mumbai – 400001

**Scrip Code: 539199**

Dear Sir/Madam,

**Re: Annual Report for the Financial Year 2022-23**

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the Financial Year 2022-23, being sent to those members by email whose email addresses are registered with the Company/Depository participant(s), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The Annual Report is also uploaded on the website of the Company at [www.sgfinserve.com](http://www.sgfinserve.com)

This is for your kind reference and records.

Thanking you

Yours faithfully

**For SG Finserve Limited**

RITU  
NAGPAL

Digitally signed by  
RITU NAGPAL  
Date: 2023.09.02  
20:16:01 +05'30'

**Ritu Nagpal**

Company Secretary

M. No.:- A38318

Encl: a/a

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**SG Finserve Limited (Formerly known as Moongipa Securities Limited)**

(CIN: L64990DL1994PLC057941)

Regd. Office: 37, Hargobind Enclave, Vikas Marg, East Delhi, Delhi-110092, Ph.: 011-41450121

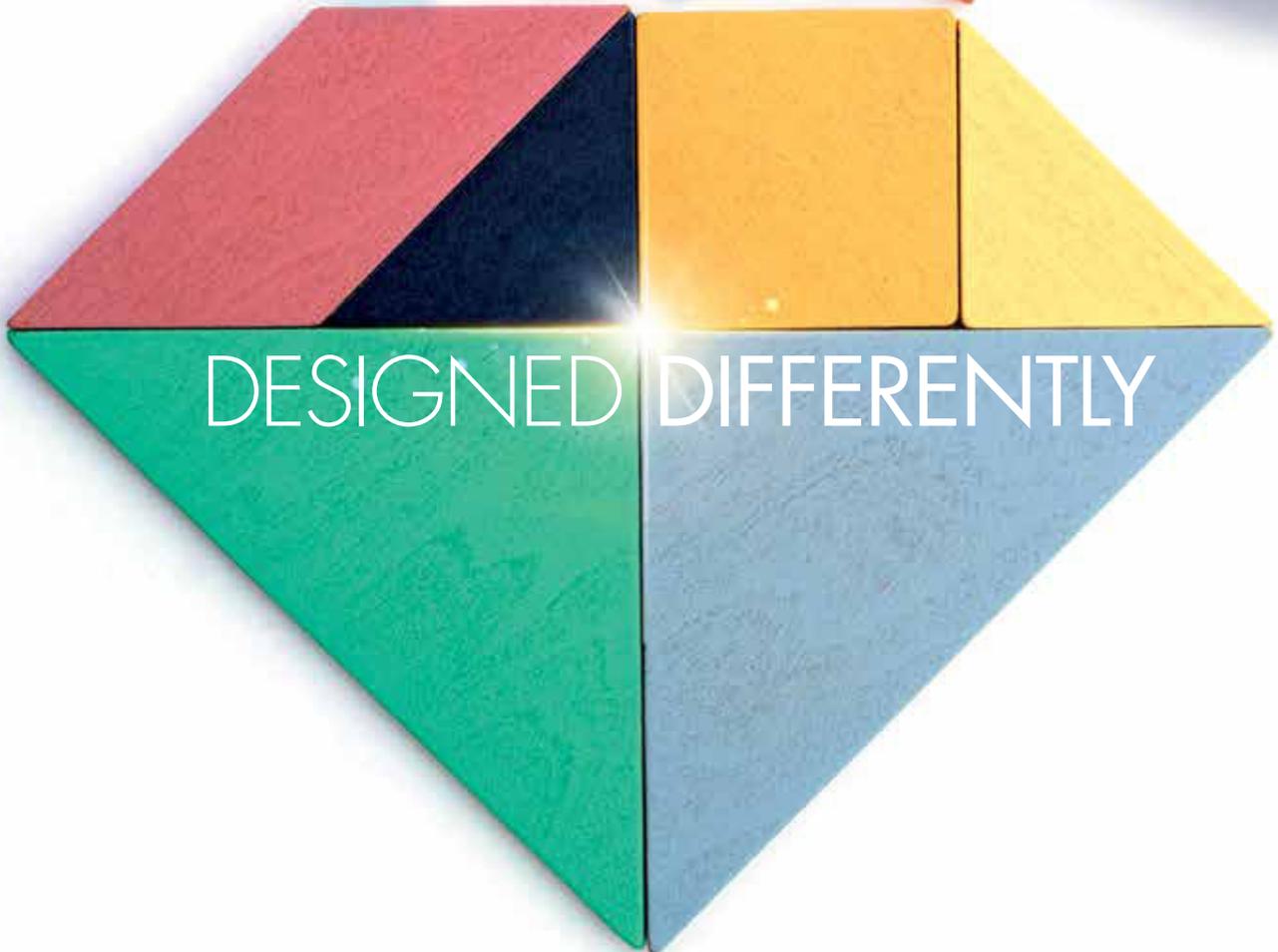
Corporate Office: - 35, Second Floor, Kaushambi, Near Anand Vihar Terminal, Ghaziabad, Uttar Pradesh - 201010

E-mail: [info@sgfinserve.com](mailto:info@sgfinserve.com), Website: [www.sgfinserve.com](http://www.sgfinserve.com)



**SG FINSERVE**

*Converting constraints into opportunities*



DESIGNED DIFFERENTLY



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HOW ARE WE  
DESIGNED DIFFERENTLY?

AT SG FINSERVE, WE ARE NOT ANY ORDINARY NBFC JOSTLING FOR SPACE.

WE ARE THE OUTCOME OF A LATERAL THOUGHT THAT ENVISIONED AN EXISTING LACUNA AS A MARKET OPPORTUNITY.

OUR BUSINESS CATERS TO THE UNDER-ADDRESSED NICHE IN A SUPPOSEDLY SATURATED SPACE.

WE HAVE ENTERED A CHALLENGING MARKET NOT FOR WHAT IT WILL DO FOR US BUT FOR HOW WE CAN EVOLVE THE SPACE.

# WHAT DO WE DO?



- ▶ We are into supply chain financing for our MSMEs
- ▶ We partner with large corporates who have an extensive vendor / distribution network - we call them Anchors
- ▶ We provide non-collateral financial assistance to their vendors/ distribution partners

# HOW OUR BUSINESS HAS A POSITIVE IMPACT ON ALL OUR KEY STAKEHOLDERS?

			
<p>THE VENDOR BASE /DISTRIBUTION NETWORK CAN DELIVER / TAKE DELIVERY OF MATERIALS WITH EASE</p>	<p>CORPORATES NEED NOT CARRY EXCESS INVENTORY AT BOTH ENDS (RAW MATERIAL OR FINISHED GOOD); OPTIMISING THEIR WORKING CAPITAL CYCLE AND COST</p>	<p>SINCE OUR RECEIVABLES ARE COVERED THROUGH OUR ANCHOR PARTNERS, BANKERS ARE CONFIDENT OF THEIR ASSETS</p>	<p>WE ARE FUELLING THE GROWTH FOR INDIA'S MSME SECTOR AND INDIA INC.</p>

- ▶ Anchors need not extend extensive Credit Periods. They can operate on a Cash & Carry model optimizing cash cycle and pushing sales
- ▶ MSMEs get access to Products to catalyze their Business/ Sales
- ▶ Our receivables are comforted by our anchor partners with Stop Supply Confirmations, boosting confidence of our Bankers

AA (Positive)

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**Rating for long-term debt  
by CRISIL**

A1<sup>+</sup>

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**Rating for short-term  
debt & commercial paper  
by CRISIL**





WE HAVE CREATED SG FINSERVE TO SIMPLIFY THE TRADITIONAL SUPPLY CHAIN TO EMPOWER THE MSME ECOSYSTEM BY PROVIDING PLETHORA OF END-TO-END FINANCING SOLUTIONS.

HAVING SUCCESSFULLY WET OUR FEET IN THIS CHALLENGING AND EXCITING MARKET, **NOW WE ARE ALL SET TO DESIGN IT DIFFERENTLY**

DEAR  
SHAREHOLDERS,

IT IS A PLEASURE TO SHARE OUR PROGRESS DURING THE RECENTLY CONCLUDED FISCAL THAT BROUGHT CONSIDERABLE VOLATILITY OWING TO GLOBAL EXIGENCIES.



It fills me with pride to state that we covered good ground and reported an excellent set of financial numbers that speaks volumes of the team's dedicated efforts toward achieving the Company's operational and financial goals and going beyond.

Our performance showcases the relevance of our idea and the accuracy of our operating model and its execution. In initial seven months of operations, I am happy that we have created a robust platform that will allow us to take a giant leap over the coming years.

#### A NICHE SPACE

Although we are a NBFC unknown in the enormous financial universe, we are unique in our business space because we are in a niche segment of MSME supply chain financing.

MSMEs are exceptionally essential if India is to drive past the US\$ 5 trillion GDP mark.

They contribute nearly a third of the country's GVA and close to half of its exports. Hence, their role in positioning India as an economic powerhouse is significant.

While the Government has implemented praise-worthy initiatives to provide the necessary impetus to the MSME sector, they continue to face roadblocks from a supply chain perspective.

MSMEs require timely and adequate capital infusion to meet their supply chain financing needs particularly during early and growth stages. Historically they have relied on retained earnings, ancestral capital, loans from unregulated markets and funding through sale of assets etc. Formal financing through traditional bank finance and other financial Institutions is still a dream yet to percolate through the nook and corner of the country. Our aspiration is to be one of the catalysts of India's growth story.



We have created SG Finserve to plug the gap between risk averse mindset and exorbitant rates from unregulated markets to provide the much-needed oxygen to the MSME sector - to thrive and succeed.

The entire "Corporate > Distributor > Retailer" supply chain ecosystem in India is worth \$450 bn and is growing exponentially with millions of SMEs becoming a part of this ecosystem.

#### OUR WAY FORWARD

Having successfully wet our feet in this challenging and exciting market, now we are all set to design it differently."

On the one hand, we will work aggressively on adding anchors & partners and widening our business presence, while on the other, we will

add more financing partners to build our liquidity pool to service our clients. Simultaneously, we will focus on building our IT system to enhance the customer experience from a good to a Wow. Combining these initiatives will make our journey more exhilarating over the coming months and years.

At this opportune time, I thank the SG Finserve team, whose dedication and excitement inspire me. I thank our customers and financial institutions for believing in and supporting us as we dig our feet into the ground. I also sincerely thank all other stakeholders for their continued support. I am confident that we will script a riveting journey ahead.



"We shall continue to believe in - Smart Finance, Smart Growth" for all our partners.

Warm regards,  
**SORABH DHAWAN**  
Chief Executive Officer



### OUR VISION

To be a partner of first choice for Supply Chain Financing Solutions for Indian Conglomerates



### OUR VALUES

Our culture manifests through core values of Faith "**ASTHA**"

**ARJAVA** means sincerity, straightness and non-hypocrisy

**SATYA** is honest at all times & under all circumstances

**TAPAS'S** spectrum of practices ranges from asceticism and inner cleansing to self-discipline

**HRIDAYA** that which receives, that which gives, and that which moves

**ASTEYA** means non-stealing by nature



### OUR MISSION

To deliver innovative, tailored products and services to cater to the growing needs of transforming India



**B**ASED in Delhi NCR, SG Finserve Limited (SGFL) offers various banking solutions to Dealers, Distributors, Vendors, and Retailers. With a vision to cover the "end to end" of the Supply Chain, the Company has initiated the Logistics Finance vertical under which it finances freight and transporter invoice. In doing so, the Company has emerged as a one-stop solution to facilitate growing business for leading corporate and fueling the wheels of the economy.

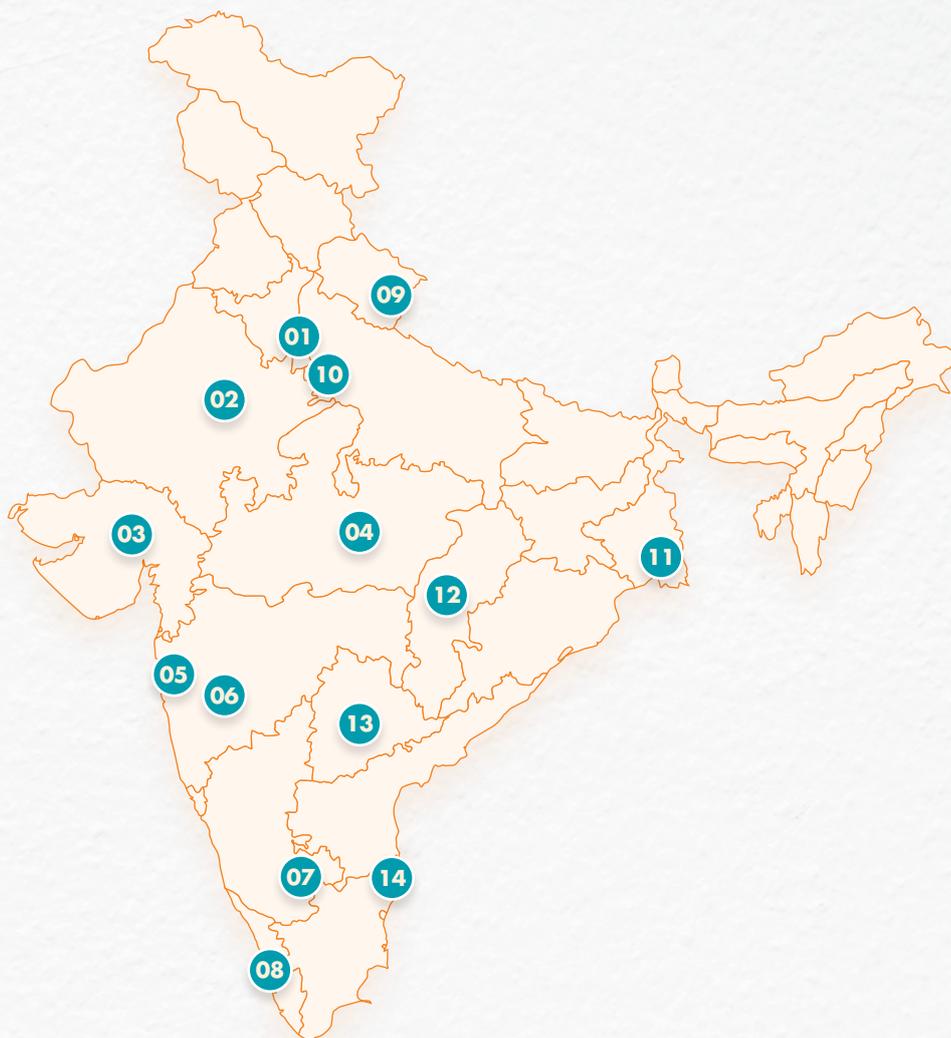
SGFL is accredited with a CRISIL AA rating for its long-term debt and an A1+ for its short-term debt & commercial paper, making it a strong and reliable financial institution.

The Company enjoys strong relations with bankers and financial institutions to secure its financial capital.

Over the last seven months, the Company has built a solid customer base comprising leading corporates, each with an expansive pan-India distribution channel. They are serviced by our enthusiastic and energetic team of about 50 professionals who work singularly towards meeting the Company's operational and financial ambitions.

## OUR PRESENCE

We cover all the major Indian states and continue to expand further.



- 01 Delhi/NCR
- 02 Jaipur
- 03 Ahmedabad
- 04 Indore
- 05 Mumbai
- 06 Pune
- 07 Bangalore
- 08 Cochin
- 09 Dehradun
- 10 Ghaziabad
- 11 Kolkata
- 12 Raipur
- 13 Hyderabad
- 14 Chennai

## OUR NUMBERS

19	500+	1.75	6,444	975
Anchors	Borrowers	Average ticket size (₹ crore)	Gross Disbursements (₹ crore)	Lending Book (₹ crore)
31.83	28.92	5.88	0.70x	
Net Interest Income (₹ crore)	Profit before provision on std assets & tax (₹ crore)	Net Interest Margin (%)	Net Debt-Equity ratio	





WE PLAN TO SIZEABLY INCREASE THE NUMBER OF ANCHORS IN THE CURRENT YEAR VIS. A VIS. LAST YEAR. WITHIN THE FIRST FEW MONTHS, WE WERE ABLE TO TIE UP WITH FEW LARGE NAMES IN THE INDUSTRY. WE FEEL, WE ARE AT THE RIGHT PLACE AT THE RIGHT TIME FOR GOOD REASONS, MARKED BY INCREASED CONSUMPTION, ASPIRATIONS AND THE FINANCING NEED. BEING A YOUNG COMPANY IN A RAPIDLY GROWING SECTOR, I FEEL THAT DIRECTIONALLY WE ARE ON RIGHT TRACK TO SOAR GREATER HEIGHTS...



### HOW WOULD YOU RATE THE COMPANY'S PERFORMANCE IN A YEAR OF CONSIDERABLE UNCERTAINTY?

**I**t has been an exciting start to a new journey and our business showcased healthy growth in FY23. Reflecting on FY23, it becomes evident that this period presented countless obstacles for global and our own economy. Russia Ukraine conflict and following supply chain disruptions, conjoined with escalating commodity prices due to persistent Inflationary pressures, created a challenging environment. Against all the odds, India's GDP grew at 7.2% In FY23 and is expected to grow at 6.5% in FY24 as per Reserve Bank of India's projections. Behind the thriving consumption cycle is India's BFSI sector. For us, it was a challenging yet satisfying year. The uncertainties motivated us to push harder to meet our targets, making it an exciting year. The joy of going past the finish line was highly satisfying. We reported a Net Interest Income of ₹31.83 crore and a Profit before provision on std assets & tax of ₹28.92 crore in our first year (7 months) of operations. These numbers validate the relevance and robustness of our business model and processes.

### ACHIEVING THESE NUMBERS IN THE FIRST YEAR OF OPERATIONS MUST BE VERY SATISFYING. WHAT WERE SOME OF THE INTERESTING HIGHLIGHTS FOR THE YEAR?

**We** have emphasized the implementation of our Digital Platform guided by purpose principles. This approach has enabled us to build enduring bonds with our stakeholders including anchors and borrowers.

Amidst shifting market dynamics, SGFL entered into agreements with some of the large anchors and serviced more than 500 borrowers. We added highly respected names in the financial world as our funding partners. We hired the right intellectual capital to broad-base the organization to manage growing business volumes. These activities happened parallelly. The base setting happened in a record time. Currently, we are active and agile across 14 Indian cities.

The most heartening milestone is that we were accredited with a CRISIL AA rating for our long-term debt and A1+ for our short-term debt & commercial paper, stamping a credibility watermark on SG Finserve as a solid and reliable financial institution.

### YOU HAD A VERY HECTIC YEAR. NOW THAT THINGS ARE IN PLACE, WHAT IS THE PLAN FOR THE CURRENT YEAR?

**I** firmly believe that the runway ahead of us is enormous. Hence, we will sharpen our focus on delivering end-to-end Supply Chain Financing Solutions. As we enhance our intellectual and experience capital in this space, we will introduce innovative products and solutions that increase our relevance to our anchors and borrowers.

While we will add large corporate anchors to grow business volumes, we will focus on deep-tier financing to the last possible member in the supply chain of our anchors however with conscious approach and well informed decision making. Even as we spread wide and deep, we will



deploy contemporary, customer-friendly digital initiatives to enhance customer experience. This will also help us optimise our operating costs, positively impacting our margins as we advance.



**YOUR BUSINESS GROWTH DEPENDS ON INCREASING BORROWERS FROM EXISTING ANCHORS AND ADDING NEW ANCHORS. WHILE THE FORMER, WHICH IS RELATIVELY EASY, WOULD PROVIDE ORGANIC GROWTH, THE LATTER (A MORE DEMANDING PROPOSITION) WOULD PROVIDE EXPONENTIAL GROWTH. SO HOW CONFIDENT ARE YOU IN INCREASING YOUR ANCHORS?**

**Multi** decade reconstruction of supply chains is underway. Global corporations are now willing to look at India as part of China+1 strategy, supported by digitization initiatives of government and vigor of our tech based economy. As India takes centre stage in this awe inspiring narrative, SG Finserve Limited is well positioned with its young and zestful workforce to be part of this story. We are confident of this momentum and will keep adding new anchors across our nation's geography which will keep

the fuel tap on for our growth. Going beyond, our growth mindset will suffuse across our operations however will include stronger governance, analytical mindset and employee empowerment for informed decision making.



**THE ROAD AHEAD DEFINITELY APPEARS TO BE PROMISING. DO YOU HAVE THE FINANCIAL BANDWIDTH TO CAPITALISE ON THE GROWTH OPPORTUNITIES?**

**We** were able to add seven banks and financial institutions in FY23 along with the equity infused by the Promoters, institutional investors and other shareholders. We were at a very comfortable spot considering our net debt to equity at 0.7x in FY23. During the year under review, long term rating assigned to us by CRISIL was AA/ A1+ 'Stable' based on strong parentage, low leverage, focused product approach and strong management. This will certainly help the company raise further debt at competitive pricing which will act as a catalyst for further growth opportunities. I am reasonably confident of securing the necessary liquidity to pave way for further expansion in terms of both increasing our reach and adding new borrowers in existing and new territories.



**JUST ONE LAST QUESTION... WHAT IS YOUR MESSAGE TO SHAREHOLDERS?**

**You** have placed your trust in us. We will work diligently towards creating long-term value for all our stakeholders.

I look forward to connecting with you next time on our progress. I am confident of sharing better performance and guidance with you.



# OUR SERVICES

The supply chain is a complex business that involves multiple stakeholders, each keg having its own complexities and funding needs. Our services cater to the financing needs of every player in the supply chain.

## OUR SERVICES

PRODUCTS & SOLUTIONS
Dealer financing
Retailer financing
Vendor financing
Transporter financing

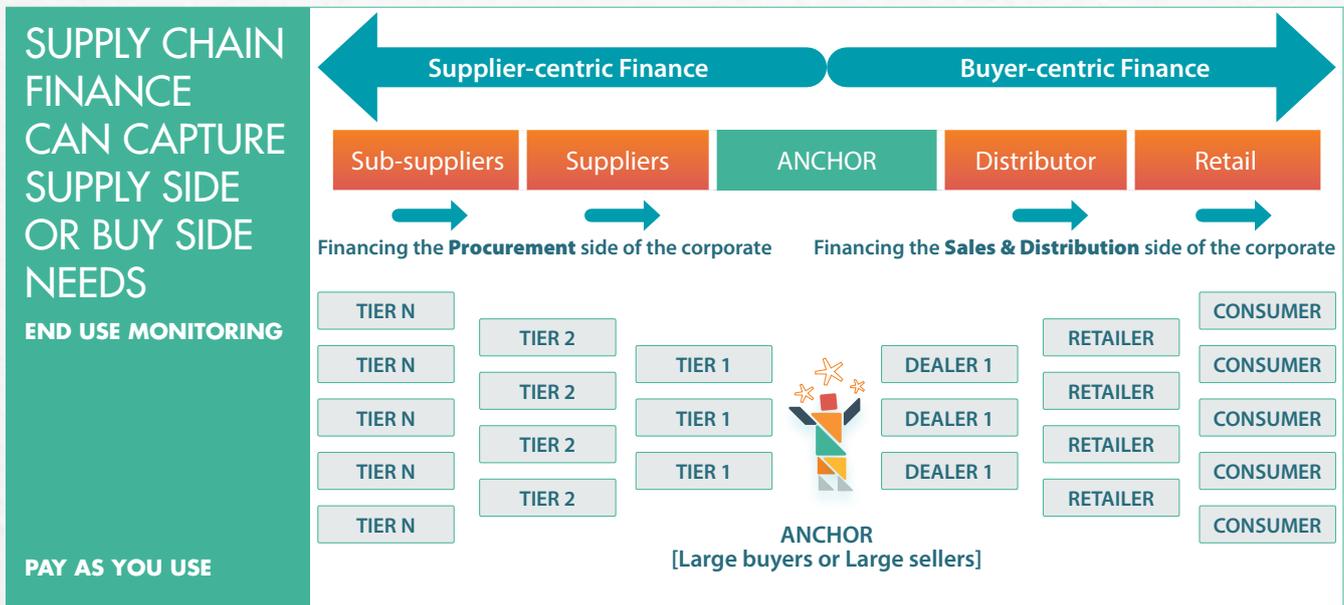


PLATFORM
One-stop solution in the form of SG Finserve Ltd.
We propose to the financing needs of all the parties involved on entire supply chain

**Build a robust platform with the gradual introduction of products, with a strong B2B core**

## OUR COMPREHENSIVE SOLUTION

The supply chain is critical to the smooth functioning of any organization for its dual function. On the one hand, it secures inputs for the organization. On the other, it delivers products to the marketplace. An effective and efficient supply chain can emerge as the critical competitive edge for any organization - in running manufacturing operations better and delivering products more quickly to customers. Realizing this criticality of the function, we have created funding solutions for both ends of the supply chain - emerging as one of the very few in India with this potent combination.



# OUR BUSINESS PARTNERS

Our deep and comprehensive knowledge of supply chains and their funding nuances has enabled us to create a comprehensive bouquet of services that address the buyer's and the seller's funding needs. The potent combination of width and depth in supply chain financing has enabled us to onboard prominent and respected clients with expansive and entrenched distribution channels. Our financing support has enabled all stakeholders to enhance their business operations and has made a meaningful difference to corporates in meeting their operational and financial goals.

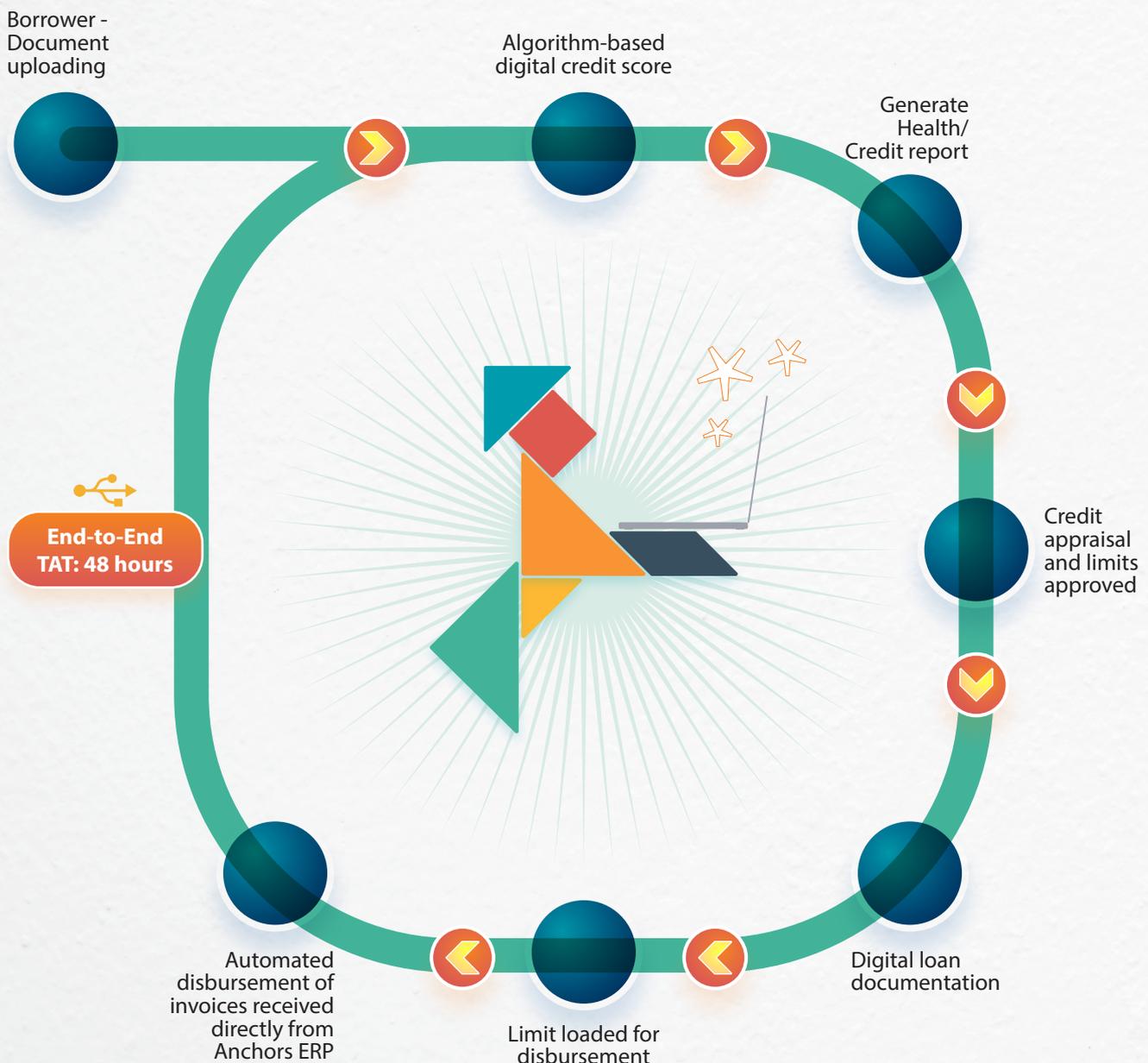


# OUR TECHNOLOGY PROWESS

In today's fast-paced, highly technological world, digital transformation has become integral to every forward-thinking business strategy. Businesses of all sizes must adapt and evolve to the digital tsunami sweeping through the technological landscape. Digital transformation is no longer a luxury but an absolute necessity, especially in a business spread across the Indian landmass but managed centrally from a single location.

At SG Finserve, mindful of the power of today's technology solution in creating a cohesive organization that is spread across the length and breadth of the nation, we have platformed our business operations on cutting-edge technology solutions that differentiate us from other NBFCs in our space and enables us to deliver value to customers in novel ways.

## A 100% DIGITAL PLATFORM





# OUR COMPETITIVE ADVANTAGES



## ONE-STOP SOLUTION

We provide services to both ends of the supply chain. Our solutions include dealer, retailer, vendor, and transporter financing, allowing all stakeholders to fund their operations. We are a one-stop solution that fuels holistic growth - of the supply chain, corporate and the nation.

## PAN-INDIA PRESENCE

We ensure that our services are available to customers in all parts of the country. This, in turn, helps us to tap into the growing demand for financial services mushrooming across the nation. We are present in fourteen locations across India, which will expand rapidly as we advance.



## TIE-UPS WITH TOP COMPANIES

We have tie-ups with extensive dealership spread companies such as APL Apollo Tubes Limited, APL Apollo Building Products Pvt. Ltd. Vedanta Limited, Hindustan Zinc Limited, BALCO other reputed companies like Oppo, Dorset, Prayag, etc. These companies have a vast supply chain that needs to be constantly funded to ensure that products reach in time. Seamlessly catering to these brands showcases our strength in being among the best at what we do.

## RELIABLE PARTNERS FOR FUNDS

We are registered with RBI and have partnered with top Indian banks for fundraising through working capital and term loans. Additionally, we have partnered with other non-banking financial companies to raise money. Our liquidity provides a solid foundation for our growth ambition.



## A HUNDRED PERCENT DIGITAL PLATFORM

We have deployed business-enhancing IT solutions that allow us to provide customer experience. In addition, it allows us to expand our operations and handle increased transactions accurately and efficiently without a commensurate cost increase.

## STRONG MANAGEMENT TEAM

One of the main reasons for our business success is the credibility that comes with our experienced management team. This has brought relevant knowledge and experience to the Company and has helped the organization's principal to gain a broader perspective.



# OUR EXPERIENCE BANDWIDTH



**SORABH DHAWAN**

Chief Executive Officer  
16 years in Corporate  
Banking, Ex Kotak, HDFC &  
Aditya Birla Finance



**ABHISHEK MAHAJAN**

Head Credit & Risk  
18 years in Credit CA- 2000,  
Ex IDBI, ICICI & Kotak



**VIVEKANAND TIWARI**

Head Operations  
12 years in Operations, Ex  
ICICI, Axis & IndusInd



**RENU RAI**

Head of Human Resources  
15 years in HR & Admin,  
Ex APL, Fedders, Lloyds &  
Advaitam Tech



**SAHIL SIKKA**

COO & CFO- Head Business  
13 years in Corporate  
Banking Ex HDFC, Kotak &  
Aditya Birla



**ANKUSH AGGARWAL**

Head- Customer Experience  
& Digital Initiatives  
17 years in Client Servicing,  
Operations & Digital  
Transformation, Automation,  
Ex Kotak, IndusInd



**RITU NAGPAL**

Company Secretary &  
Compliance Officer  
Law Graduate & Post  
Graduate (M.com), 10 years  
in Compliance of NBFC-SI &  
Non-SI



**DHIRAJ KUMAR**

Head-Finance & Accounts  
30 years In Finance &  
Accounts, Ex-Livfin, Incred,  
X10, Perma-Pipe



# BOARD OF DIRECTORS



**MR. RAHUL GUPTA**  
*Director & Promoter*

Mr. Rahul Gupta has completed B.Com. (Hons.) from Delhi University. He has also completed executive courses in the field of Management from reputed B-Schools like London School of Economics and Indian Institute of Management, Ahmedabad (IIMA). He is a promising entrepreneur with an experience of around 6 years in steel tubes manufacturing business and has handled operational management, marketing and institutional sales. He is the recipient of 'Young Achiever Award' for Organisation Building at Global HR Summit 2017. the Company, as recognized/ identified by the Board.



**MR. ROHAN GUPTA**  
*Director & Promoter*

Mr. Rohan Gupta is young and dynamic entrepreneur, aged 24 years with a Bachelor's degree in Business Administration (BBA) and an unwavering commitment to excellence. Mr. Gupta is a dynamic and accomplished young director of the Company having two years of experience in Marketing and Branding. Beyond his professional accomplishments, Rohan's engaging personality and strong interpersonal skills have made him a true asset in fostering collaboration and open communication within our organization. He thrives in team environments, consistently bringing out the best in those around him.



**MR. ANIL KUMAR BANSAL**  
*Non-Executive Independent Director*

A former executive director of the Indian Overseas Bank, Shri Anil Kumar Bansal, brings with him four decades of rich experience in the banking industry. He supports the organisation in undertaking key financial decisions. His impressive knowledge of banking, the Indian economy, corporate affairs, and risk and ratings are strongly backed by his rich professional experience. Currently, he is serving as the Director of GVFL Trustee Co Pvt. Ltd. and APL Apollo Tubes Limited. He is also the former Independent director of Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited, CARE Ratings Limited, NABARD, IFCI Venture Capital Funds Limited and GVFL Trustee Co Pvt. Ltd.



**MS. ASHA ANIL AGARWAL**  
*Non-Executive Independent Director*

Asha Anil Agarwal is a former Principal Chief Commissioner of the Income Tax in the Indian Revenue Service, Ministry of Finance, Central Government India, Ms. Agarwal, brings with her around four decades of rich experience in the Indian Revenue Service. Her impressive knowledge of Taxation, Finance and General Management are strongly backed by her rich professional experience. Currently, she is not serving directorship in any other Company."



**MR. H.S UPENDRA KAMATH**  
*(Non-Executive Independent Director)*

H S Upendra Kamath is a distinguished banking professional with an illustrious career spanning over four decades in the Indian Banking Industry. With a remarkable tenure of 35 years at Union Bank of India (UBI), he began his journey in 1973 as a Probationary Officer and served to various departments and eventually to the position of General Manager in UBI. Thereafter, he served in two other Public Sector Banks namely Canara Bank as ED and in Vijaya Bank as CMD. Throughout his extensive career, he held diverse roles and successfully managed operations at various levels, including Zonal Office, Branch Offices, Regional Office and the Head Office of UBI. His outstanding contributions to the banking sector have earned him numerous accolades and recognitions. Notable among these are the "Best Customer Friendly Banker Award 2012," SIDBI's CGFTMSE award, "National award for excellence in lending to Micro Enterprises," and the "IT Leadership Award 2013" by Amity University. His consistent track record includes surpassing business, financial, and operational targets, all while upholding the highest service standards and operational efficiencies. With a Certified Associate of Indian Institute of Bankers (CAIIB) qualification and a Bachelor of Commerce (B. Com) degree, He possesses a wealth of expertise in critical areas such as MSME, Retail Banking, Priority Sector, Recovery and Legal, Risk Management, International Banking, Treasury, Credit-Monitoring, and Administration. His proficiency in these domains makes him a valuable asset with the skills required to lead and manage a company effectively, as recognized by the Board.



**MR. DUKHABANDHU RATH**  
*Non-Executive Independent Director*

Dukhbandhu Rath is a senior Top Executive Banker and former Chief General Manager of SBI. He headed SBI operations of Gujarat and Union Territories. With nearly four decades of dedicated service in the Indian Banking Industry, including 36 years at SBI, he boasts an extensive skill set encompassing SME and Corporate Credit, Retail Credit, Branch Operations, Customer Service, Risk Management, Audit & Compliance, Digitization & IT, Strategic Planning & Budgeting, Human Resources Management and Resources Mobilization. His career began in 1984 as a Probationary Officer (Scale I) at SBI, following prior roles in two other esteemed Public Sector Banks. He also served as Managing Director of Gujarat Venture Finance. He is a certified Corporate Director from the Institute of Directors, India. He is a certified Associate of the Indian Institute of Banking and Finance. He was recognised for his exceptional leadership and outstanding performance across a diverse range of responsibilities.

## KEY MANAGERIAL PERSONNEL



**MR. SORABH DHAWAN**  
*Chief Executive Officer*

Sorabh Dhawan has worked with leading Banks and Financial Institutions in various leadership roles with total experience of around 17 years spanning across Corporate Lending with extensive insight of various functions including Business, Credit, and Technology & Operational initiatives. He has had stints with Kotak Mahindra Bank, HDFC Bank, and Aditya Birla Finance wherein he was in wholesale lending verticals like SME, Mid Corporate and Structured Finance solutions. In his various stints, he has been an initial member/ key contributor in setting up these departments from scratch. At all times he has ensured to meet the organization's growth expectations however keeping full check on the quality of the portfolio, with overall underwriting >USD 2 Bn and holding record of Nil NPA incurred until date. Sorabh has completed master's degree in business administration from University of Aberdeen, Scotland, UK. He has won various awards and accolades in his illustrious career; he was honored by Aditya Birla Finance Limited with "Best Team" award for FY 2018 and Kotak Mahindra Bank with "Best Manager" in FY2020. In the current role of Chief Executive, Sorabh is spearheading the overall functioning of the Company including Business, Credit, Operations & Technology, Compliance and Hr.



**MR. SAHIL SIKKA**  
*Chief Financial Officer & Chief Operating Officer*

Sahil Sikka has worked with leading Banks and Financial Institutions in various leadership roles with total experience of around 12 years spanning across Business and Credit in Corporate and Investment Banking. He has had stints with HDFC Bank, Kotak Mahindra Bank and Aditya Birla Finance (Structured Finance) wherein he was instrumental in setting up Structured Lending Team and Book for Aditya Birla Finance, North from scratch and was accorded award of Young Achiever at Aditya Birla Capital. Sahil is B.Engg., MBA - Dean's Honor Student and CFA, Level 2. He has won various awards and accolades in his illustrious career with Gold Award in HDFC Bank and Team Excellence award in Aditya Birla Finance. He is winner of National Talent Search Examination and Mathematics Olympiad. In the current role, Sahil is spearheading Business and Finance verticals of the Company.





# MANAGEMENT, DISCUSSION & ANALYSIS



## ECONOMIC OVERVIEW

**T**HE world seems to be recovering from the aftermath of the challenges posed in the last few years. Overall despite the challenges, India has emerged as a bright spot in terms of economic growth amidst an outlook of global slowdown. Recently, The World Bank has reported that India is better positioned to navigate global headwinds and handle global spillovers, as compared to other major emerging economies. The uptick in demand during the festive season is another reason which makes us optimistic.

India's economy expanded by 6.1 percent in the Q4 of the fiscal year 2022-23, leading to an annual growth rate of 7.2 percent. The Government of India's capex continues to be a key growth driver as the GFCF (Gross Fixed Capital Formation) grew by 11.4% in the financial year.

The rise in capital goods imports, which increased by approximately 20% in FY23 compared to FY22, is a notable contributor in India's growth. This shows increased capital formation in the private sector and gives reason to be optimistic about the economy of

the nation. India's total exports were predicted to have increased by 2% in April 2023 to reach USD 65.02 billion.

The RBI had declared a rate of 6.5 percent against the tolerance limit of 6 percent to curb inflation, primarily caused by external factors such as the Russia-Ukraine conflict.

In FY 2023–2024, the Indian economy is projected to increase by roughly 6-6.5 percent in real GDP, which is better than the average for emerging markets during a general global slowdown. The financial industry would be resilient in the face of global crises, and consumer activity would be the main driver of development.



## THE NON-BANKING FINANCIAL SERVICES SPACE

**F**INANCIAL institutions that provide a range of banking services without a banking license are referred to as non-bank financial companies (NBFCs), often known as non-bank financial institutions (NBFIs). Typically, the public's readily accessible monies, including those in checking or savings accounts, cannot be accepted as demand deposits by these organisations.

CRISIL recently reported that riding on macroeconomic tailwinds, NBFCs are expected to see their AUM grow 11-12% - a four-year high - to ₹13 lakh crore by the end of this fiscal. Also, it is heartening to see that the RBI and policymakers recognise the contribution of NBFCs in supporting real economic activity and meeting

the credit demand, especially reaching the unbanked. The recent RBI Scale based norms is another welcome step for the industry that will elevate the status of NBFCs in line with several other public sector NBFCs. Under these revised norms, we expect to attain more operational flexibility to meet the increasing credit demand and aid India's economic growth.

A large number of our population remains largely unfamiliar with technology and face unique challenges in financial literacy. When it comes to serving the underbanked, Indian NBFCs and fintechs are leveraging technology and innovation to drive the financial inclusion agenda.

Over the past few years, Non-Banking Financial Companies (NBFCs) have

played a prominent role in the Indian financial system. They provide financial inclusion to the under-served section of the society that does not have easy access to credit. NBFCs have revolutionized the Indian lending system and have efficiently leveraged digitization to drive efficiency and provide customers with a quick and convenient financing experience. The plethora of services include vehicle financing, MSME financing, home financing, microfinance and other retail segments. The Government has consistently worked on the governance measures to strengthen the systemic importance of the NBFCs. As of February 28, 2023 there were approximately 9,471 NBFCs registered with Reserve Bank of India (RBI), of which 40 deposit accepting NBFCs.



## AN INDUSTRIALISED INDIA

A nation must expand its manufacturing sector in addition to its agriculture sector to be considered industrialised. A nation with a solely agricultural economy cannot progress as quickly as one with an industrialised economy. In actuality, these are the pillars charged with fostering and preserving the nation's stable economic environment.

Industrialisation is crucial in many nations throughout the world for bringing about a shift in the

economy, and India experienced this transformation as a result of its industrialisation.

Growth in the industrial sector is one of the vital figures that affect the Gross Domestic Product (GDP) in India. The expansion of the industrial sector will be crucial to India's goal of a \$5 trillion economy. There are eight industrial sectors that are considered the core in India.

The core sector makes up 40% of the Index of Industrial production (IIP), making it a lead indicator of industrial

activity. The core sector reported 8% growth in June 2022 from the Covid level, with a healthy performance from all the sectors, except steel and crude oil.

The Overall Gross Value Added (GVA) by the Industrial Sector rose 3.7 per cent, based on data available for the first half of the FY23, which is higher than the average growth of 2.8 per cent achieved in H1 of the last decade, stated the Economic Survey 2022-23.

### RECENT GOVERNMENT INITIATIVES FOR GROWTH OF THE INDUSTRIAL SECTOR IN INDIA:

- ▶ **Production-Linked Incentive (PLI)** - To scale up domestic manufacturing capability
- ▶ **PM Gati Shakti**- National Master Plan - Multi-modal connectivity infrastructure project
- ▶ **Bharatmala Project** - To Improve connectivity in North-East India
- ▶ **Start-up India** - To catalyse Start-up culture in India
- ▶ **Make in India 2.0** - To transform India into a global design and manufacturing hub
- ▶ **Atmanirbhar Bharat Campaign** - To cut down import dependence
- ▶ **Disinvestment Plans** - To support India's economic recovery
- ▶ **Special Economic Zones** - To create additional economic activity and boost the export of goods and services
- ▶ **MSME Innovative Scheme** - To promote the complete value chain from developing ideas into innovation through incubation and design interventions





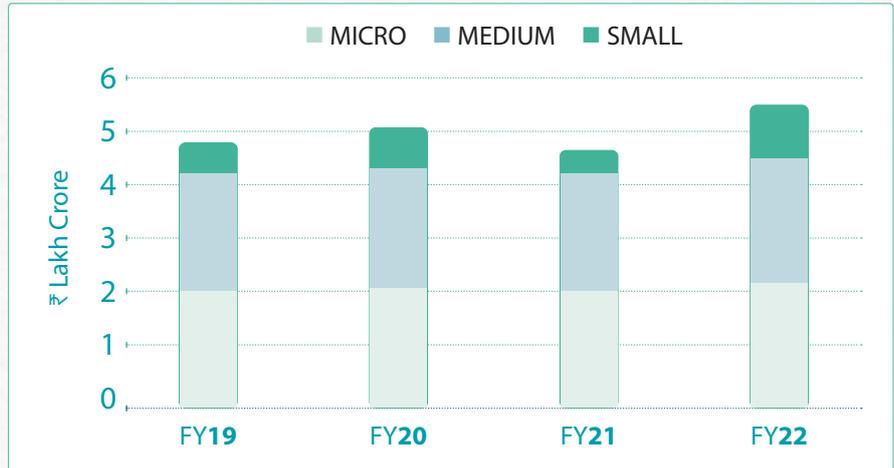
## THE MICRO, SMALL & MEDIUM ENTERPRISES (MSME) SPACE

**M**SME stands for Micro, Small, and Medium Enterprises. It was introduced by the Government of India in agreement with the MSMED (Micro, Small, and Medium Enterprises Development) Act of 2006. As per this act, MSMEs are the enterprises involved in the processing, production, and preservation of goods and commodities.

When forecasting the Indian economy, the MSME sector has proven to be a highly dynamic force. MSMEs have aided in the growth and development of numerous product segments and industries since they produce and manufacture a variety of goods for both domestic and international markets.

MSMEs have been crucial in bringing employment possibilities to underprivileged areas. Compared to the major enterprises in cities, they have contributed to the industrialisation of these areas with a minimal capital cost. MSMEs have also made a significant impact and contributed to the growth of the nation in a variety of ways, including the need for minimal investment, operational flexibility, a low rate of imports, and a significant amount of domestic production.

### GST PAID BY MSMEs IN FY22 ECLGS AIDED MSMEs IN IMPROVING THEIR ASSET QUALITY



### ROLE OF SUPPLY CHAIN IN MAKING INDIA BEYOND USD 5 TRILLION ECONOMIES BY 2025

The IMF's (The International Monetary Fund) world economic outlook at the start of year 2023 said that the size of the Indian economy has increased from \$3.2 trillion in 2021-22 to \$3.5 trillion in 2022-23 and will cross \$5 trillion in 2025.

As we all well know, the precise function of supply chain management is to deliver the right product at the right time, at the right location, at the right cost, in the right number, and of the right quality. The supply chains that are in place today are different from the ones that were operational in the past. They play a significant function.

Supply chain efficiency increasingly depends on every one of these elements, from resource optimisation to seamless and sustainable raw material acquisition, efficient inventory control to demand-supply balance, efficient delivery to customer satisfaction.

In order to serve its consumers in many areas of the world at reduced cost and improved service levels, new supply chain objectives now calls for linking the markets, distribution system, manufacturing, and related activities, as well as procurement.

Despite the fact that the COVID pandemic breakout in 2020 and the Russia-Ukraine conflict in 2022 had an impact on global output, raised inflation in numerous nations, and exacerbated economic uncertainty worldwide, One of the main forces behind economic progress is the existence of reliable supply chains.

From an economic standpoint, supply chains for emerging nations like India promote employment, boost productivity, advance technologies and skill sets, and diversify exports. Long-term commercial relationships guarantee increased and ongoing revenue.



## ABOUT THE COMPANY

A non-banking finance company, SG Finserve Limited (SGFL), formerly known as Moongipa Securities Limited, provides supply chain financing solutions for Indian conglomerates down to the lowest tier. Through a seamless tech platform solution, SGFL focuses in offering finance solutions to dealers, distributors, vendors, retailers, logistics providers, etc. The equity shares of the company are listed on BSE.

SGFL is accredited with CRISIL AA rating for its long-term debt and an A1+ for its short-term debt & commercial paper, making it a strong and reliable financial institution.

At SGFL, we are laser focused on empowering SMEs and helping them break new boundaries. Our Team of experienced corporate professionals help us achieve our goal of leading India into a new dawn of financial maturity.





## HUMAN RESOURCE

**O**UR organisation went through a start-up phase throughout FY 2023 where the focus was on building the business portfolio through higher employee productivity, efficiencies in the systems and processes, and aligning the employee's with the vision and mission of the organisation. Regular communication with the employees through different forms and frequencies of connects and tried to ensure that the employees were able to focus on their core jobs. The HR team also worked on focused learning interventions, launch of people policies, HR technology developments and strengthening of compliance and governance mechanisms.

**New HR portal:** The launch of HROne software in one platform incorporates multiple HR functionalities covering all the aspects of employee life-cycle. The "HROne" across various employee transactions made it simple to use, navigate, transition, and learn. HROne has been updated in the mobile application for employees to manage self and team member activities without having to log into the web portal and get the latest organisation level updates and announcements on the go. Easy to use application, enhanced features for engagement,

user friendly interface and rigorous adoption sponsored with strong support from HR team resulted in 100% of employees using the mobile application.

In line with our endeavour to promote employee centricity, dynamic employee transitions were accompanied by policies which promoted learning, career development, flexibility, and growth opportunities, promotion of employee wellbeing, building an inclusive culture, excellence in delivery and driving high performance standard.

Number of employees employed as on March 31, 2023 stood at 33.



## FINANCIAL PERFORMANCE

**O**N September 01, 2022, we began lending operations in the Company. In the first 7 months of the lending business going live, we delivered a robust performance resulting into orbital shift financial performance of the Company for FY23.

### SYNOPSIS FOR FY2023

- ▶ Loan Book EOP: Achieved closing Loan Book of ₹975 crores
- ▶ Gross Disbursements of ₹6,444 crores happened through our platform
- ▶ No. of Borrowers: No. of unique borrowers added during the year is 558

### ▶ Income Achievement:

- ▶ Operating Income of ₹41.45 crores, vis a vis ₹0.32 Crores in FY22
- ▶ Net Interest Income of ₹31.83 crores, vis a vis Nil in FY22
- ▶ Profit Before Provision (Std. asset) & Tax of ₹28.92 crores, vis a vis ₹1.12 crores achieved in FY22

KEY NUMBERS				
Particulars (₹ crores)	FY23	FY22	Change %	ROA Tree
Interest Income	40.25	0.00	-	12.86%
Fee & Other Income	1.17	0.30	-	0.37%
Dividend Income	0.03	0.02	-	-
<b>Operating Income</b>	<b>41.45</b>	<b>0.32</b>	<b>12781%</b>	<b>13.24%</b>
<b>Other non- operating Income</b>	<b>0.51</b>	<b>1.88</b>		-
<b>Total Income</b>	<b>41.96</b>	<b>2.20</b>	<b>1806%</b>	<b>13.40%</b>
Interest expenses	8.42	0.00	-	2.69%
<b>Net Interest Income</b>	<b>31.83</b>	<b>0.00</b>	<b>1675363%</b>	<b>10.17%</b>
Operating expenses	4.62	1.08	328%	1.48%
<b>Profit before Impairment &amp; Tax</b>	<b>28.92</b>	<b>1.12</b>	<b>2482%</b>	<b>9.24%</b>
Impairment on Financial Assets*	3.90	0.00	-	1.25%
<b>Profit Before Tax</b>	<b>25.02</b>	<b>1.12</b>	<b>2134%</b>	<b>7.99%</b>
Income Tax	6.61	0.33	1903%	-
<b>Profit After Tax</b>	<b>18.41</b>	<b>0.79</b>	<b>2235%</b>	<b>5.88%</b>

\*Provision on Standard Assets

#### Comparison of Q4 FY23 Vis-a-Vis Q3 FY23

- ▶ Achieved Closing Loan Book of ₹975 crores, up from ₹736 Crores as on Q3 FY23 i.e. addition of ₹239 crores
- ▶ Addition of 214 Clients: No. of Borrowers closed at 558, up from 344 Borrowers in Q3 FY23
- ▶ Total Income of ₹27.53 crores, vis a vis ₹12.46 Crores in Q3 FY23
- ▶ Net Interest Income of ₹20.47 crores, vis a vis ₹10.31 crores in Q3 FY23
- ▶ Profit Before Provision (Std. asset) & Tax of ₹19.70 crores, vis-a-vis ₹9.26 crores achieved in Q3 FY23

KEY NUMBERS				
Particulars (₹ crores)	Q4FY23	Q3FY22	Change %	ROA Tree
Interest Income	26.63	12.35	116%	13.27%
Fee & Other Income	0.90	0.10		0.45%
Dividend Income	0.00	0.00	-	-
<b>Operating Income</b>	<b>27.53</b>	<b>12.45</b>	<b>121%</b>	<b>13.72%</b>
<b>Other non- operating Income</b>	<b>0.00</b>	<b>0.01</b>	-	-
<b>Total Income</b>	<b>27.53</b>	<b>12.46</b>	<b>121%</b>	<b>13.72%</b>
Interest expenses	6.16	2.04	202%	3.07%
<b>Net Interest Income</b>	<b>20.47</b>	<b>10.31</b>	<b>99%</b>	<b>10.20%</b>
Operating expenses	1.68	1.16	45%	0.84%
<b>Profit before Impairment &amp; Tax</b>	<b>19.70</b>	<b>9.26</b>	<b>113%</b>	<b>9.81%</b>
Impairment on Financial Assets*	0.96	2.94		0.48%
<b>Profit before Tax</b>	<b>18.74</b>	<b>6.32</b>	<b>196%</b>	<b>9.33%</b>
Income Tax	4.69	1.71		2.34%
<b>Profit after Tax</b>	<b>14.05</b>	<b>4.61</b>	<b>205%</b>	<b>7.00%</b>

\*Provision on Standard Assets

Apotheosis of the overall performance for FY23 was the quality and Nil delinquency maintained all through. As a team, we continuously strive & keep focus on building a robust and long standing quality portfolio keeping delinquencies to minimal levels.

## OTHER HIGHLIGHTS OF THE PORTFOLIO INCLUDE THE FOLLOWING:

- 01** 70% plus Loan Book is Secured with Exclusive charge on funded inventory and receivables generated thereon from its sale.

Particulars	FY2023	
	Dealer Amount	Vendor Amount
Total Unsecured	257.58	31.74
Secured	686.22	
<b>AUM</b>	<b>975.54</b>	

- 02** Short term maturity with regular churning through counters

	Less than 15 days	15 to 30 days	30 days to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	More than a year
Vendors/Dealers	62.71	97.98	715.01	4.39	68.94	-	26.50

- 03** Spread across the Country with low concentration

Our portfolio is well spread across the country and we have representatives in all the states managing the same.

State	AUM	(₹ crores)
		Disbursements For FY23
Andhra Pradesh	35.44	309.30
Assam	0.01	1.36
Bihar	2.28	24.39
Chhattisgarh	25.99	230.80
Delhi	108.29	173.31
Goa	10.71	48.13
Gujarat	64.24	525.37
Haryana	12.92	131.26
Himachal Pradesh	0.63	47.42
Jammu and Kashmir	5.99	22.61
Jharkhand	1.29	7.62
Karnataka	153.95	1,111.46
Kerala	121.33	685.52
Madhya Pradesh	15.15	144.85
Maharashtra	200.29	1,085.27
Nagaland	0.24	0.24
Punjab	29.54	92.72
Rajasthan	48.61	258.63
Tamil Nadu	35.84	281.34
Telangana	0.47	0.46
Uttar Pradesh	2.40	123.50
Uttar Pradesh (East)	35.12	337.52
Uttar Pradesh (West)	58.41	728.31
Uttarakhand	1.03	2.68
West Bengal	4.56	35.37
Orissa	0.79	34.24
<b>Total</b>	<b>975.54</b>	<b>6,443.72</b>



### INTERNAL CONTROL & ITS ADEQUACY

At SG Finserve, the internal control procedures include internal financial controls, ensuring compliance with various policies, practices, and statutes considering the organisation's growth and complexity of operations. The framework constantly monitors and assesses all aspects of risks associated with current activities and corporate profiles, including development risks, and commercial and financial risks.

The Company has put management reporting and internal control systems in place that enables it to monitor performance, strategy, operations, business environment, organisation, procedures, funding, risk, and internal control.

The internal auditors carry out extensive audits throughout the year across all functional areas and submit their reports to the Audit Committee.



### RISK MANAGEMENT

The Company has adopted a comprehensive and integrated risk appraisal, mitigation and management process. The risk mitigation measures of the Company are placed before the Board periodically for review and improvement.



### CAUTIONARY STATEMENT

THIS DOCUMENT CONTAINS STATEMENTS ABOUT EXPECTED EVENTS AND FINANCIAL AND OPERATIONAL RESULTS OF THE COMPANY WHICH ARE FORWARD-LOOKING. BY THEIR NATURE, FORWARD-LOOKING STATEMENTS REQUIRE THE COMPANY TO MAKE ASSUMPTIONS AND ARE SUBJECT TO INHERENT RISKS AND UNCERTAINTIES. THERE IS A SIGNIFICANT CHANCE THAT THE ASSUMPTIONS, PREDICTIONS AND OTHER FORWARD-LOOKING STATEMENTS MAY NOT PROVE TO BE ACCURATE. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON FORWARD-LOOKING STATEMENTS AS A NUMBER OF FACTORS COULD CAUSE ASSUMPTIONS, AND ACTUAL RESULTS AND EVENTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED HERE.

# Corporate Information

## Directors

Mr. Rahul Gupta (DIN: 07151792)

Mr. Rohan Gupta (DIN: 08598622)

Mr. Anil Kumar Bansal (DIN: 06752578)

Ms. Asha Anil Agarwal (DIN: 09722160)

Mr. HSU Kamath (DIN: 02648119)

Mr. Dukhabandhu Rath (DIN: 08965826)

## Chief Executive Officer

Mr. Sorabh Dhawan

## Chief Financial Officer

Mr. Sahil Sikka

## Company Secretary

Ms. Ritu Nagpal

## Registered Office

37, Hargobind Enclave, Vikas Marg,  
East Delhi, Delhi – 110092

## Corporate Office

35, Second Floor, Kaushambi,  
Near Anand Vihar Terminal,  
Ghaziabad, Uttar Pradesh - 201010

## Auditors

### Statutory Auditors

AKGVG & Associates

Chartered Accountants

H.No.: - E-1, 2<sup>nd</sup> Floor, Prashant Vihar,  
Rohini, Outer Ring Road, Delhi-110085

### Secretarial Auditors

Kuldeep Dahiya & Associates,

Company Secretaries

Village-Badhkhalsa, P.O. Rai,

Sonepat, Haryana-131029

### Internal Auditors

Ernst & Young LLP,

Chartered Accountants

14<sup>th</sup> Floor, The Ruby

29 Senapati Bapat Marg,

Dadar (West)

Mumbai-400028, India

## Bankers

Bank of Baroda

HDFC Bank Limited

Axis Bank Limited

Kotak Mahindra Bank Limited

RBL Bank Limited

Yes Bank Limited

Bajaj Finserve

Tata Capital

# BOARD'S REPORT

Dear Members,

Your directors have pleasure in presenting the Twenty Ninth (29<sup>th</sup>) Annual Report, together with the Audited Financial Statement of the Company for the Financial Year ended March 31, 2023 ("FY 2023").

## FINANCIAL PERFORMANCE

A Summary of the Company's Financial Performance for the FY 2023 is as follows:

(Amount in ₹ Lakhs)

Particulars	March 31, 2023	March 31, 2022
Revenue from operation	4,144.88	31.58
Other Income	51.30	187.88
<b>Total Revenue</b>	<b>4,196.18</b>	<b>219.46</b>
<b>Profit before Finance cost, Depreciation and Tax</b>	<b>3,346.73</b>	<b>112.88</b>
Finance Cost	841.97	0.19
Depreciation	3.04	0.94
<b>Profit before tax</b>	<b>2,501.72</b>	<b>111.76</b>
Less: Tax	661.09	33.32
<b>Profit for the year</b>	<b>1,840.63</b>	<b>78.44</b>

## RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

During the year under review, your Company achieved total revenue and Net Profit of ₹4196.18 Lakh and ₹1840.63 Lakh respectively as against total revenue and Net Profit of ₹219.46 Lakh and ₹78.44 Lakh respectively during the previous financial year ended March 31, 2022.

## CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of the business during the year under review. The Company continues to undertake NBFC activities.

## RBI REGULATIONS

Your Company continues to comply with all the Regulations issued by the Reserve Bank of India to the extent as applicable to the Company.

## DIVIDEND

Keeping in view the need to augment the resources of the company for future, your directors do not recommend the payment of dividend for the FY 2022-23.

## LISTING OF SECURITIES

The Equity shares of the Company are presently listed on BSE Limited. The Annual listing fees for the FY 2023-24 have been paid to the BSE Limited.

## ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, the Annual Return, as required under Section 92 of the Act for the financial year 2022-23, is available on the Company's website at [www.sgfinserve.com](http://www.sgfinserve.com)

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Management discussion and analysis report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is presented in a separate section forming part of the Annual Report.

## OVERVIEW OF INDIAN ECONOMY FY 2022-23

### Industry Overview

The world seems to be recovering from the aftermath of the challenges posed in the last few years. Overall despite the challenges, India has emerged as a bright spot in terms of

economic growth amidst an outlook of global slowdown. Recently, The World Bank has reported that India is better positioned to navigate global headwinds and handle global spillovers, as compared to other major emerging economies. The uptick in demand during the festive season is another reason which makes us optimistic.

CRISIL recently reported that riding on macroeconomic tailwinds, NBFCs are expected to see their AUM grow 11-12% — a four-year high — to ₹13 Lakh Crore by the end of this fiscal. Also, it is heartening to see that the RBI and policymakers recognise the contribution of NBFCs in supporting real economic activity and meeting the credit demand, especially reaching the unbanked. The recent RBI Scale based norms is another welcome step for the industry that will elevate the status of NBFCs in line with several other public sector NBFCs. Under these revised norms, we expect to attain more operational flexibility to meet the increasing credit demand and aid India's economic growth.

A large number of our population remains largely unfamiliar with technology and face unique challenges in financial literacy. When it comes to serving the underbanked, Indian NBFCs and fintechs are leveraging technology and innovation to drive the financial inclusion agenda.

Over the past few years, Non-Banking Financial Companies (NBFCs) have played a prominent role in the Indian financial system. They provide financial inclusion to the underserved section of the society that does not have easy access to credit. NBFCs have revolutionized the Indian lending system and have efficiently leveraged digitization to drive efficiency and provide customers with a quick and convenient financing experience. The plethora of services include vehicle financing, MSME financing, home financing, microfinance and other retail segments. The Government has consistently worked on the governance measures to strengthen the systemic importance of the NBFCs. As of February 28, 2023 there were approximately 9,471 NBFCs registered with Reserve Bank of India (RBI), of which 40 deposit accepting NBFCs.

### **PUBLIC DEPOSITS**

The Company has not invited or accepted any public deposit during the year under review.

### **DIVIDEND DISTRIBUTION POLICY**

Pursuant to the provisions of regulation 43A of the SEBI Listing Regulations, the Company had formulated a dividend distribution policy, which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and/or retaining profit earned. The policy is available on the website of the Company at [www.sgfinserve.com](http://www.sgfinserve.com)

## **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)**

Pursuant to amendment in Listing Regulations, top 1,000 listed entities based on market capitalisation are required to submit BRSR with effect from the FY2022-2023. As the Company has come into the top 1000 companies as per the market capitalization data of BSE Limited as on March 31, 2023, the mandatory submission of BRSR shall be applicable to company from the FY 2023-24 onwards. Accordingly, the company shall submit the BRSR along with next year's Annual Report.

### **TRANSFER OF RESERVES**

Under section 45-IC(1) of Reserve Bank of India ('RBI') Act, 1934, non-banking financial companies ('NBFCs') are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, SG Finserve Ltd. (the 'Company', or 'SGFL') has transferred a sum of ₹368.13 Lakhs to its reserve fund.

### **CHANGES IN SHARE CAPITAL**

During the year the authorized capital of the Company stood increased from ₹6,00,00,000 (Six Crore) to ₹60,00,00,000 (Sixty Crore) divided into 6,00,00,000 equity shares of ₹10 each, pursuant to the approval granted by the members.

During the year pursuant to the allotment of 3,62,62,800 equity shares through preferential issue, the issued, subscribed and paid capital increased from ₹5,01,02,000 to ₹41,27,30,000 as on March 31, 2023.

The company has not issued shares with differential voting rights, sweat equity shares & bonus Shares.

### **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

The Company does not have any Subsidiary/Joint Venture/Associate Companies.

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

The Company, being an NBFC registered with the RBI and engaged in the business of giving loans in ordinary course of its business, is exempt from complying with the provisions of section 186 of the Act with respect to loans, guarantees and investments. Accordingly, the Company is exempted from complying with the requirements to disclose in the financial statement the full particulars of the loans given, investment made or guarantee given or security provided.

### **PARTICULARS OF REMUNERATION**

Disclosure of ratio of the remuneration of the Executive Director to the median remuneration of the employees of



the Company and other requisite details pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is annexed to this report as **Annexure 'A'**. Further, particulars of employees pursuant to Rule 5(2) & 5(3) of the above Rules form part of this report. However, in terms of provisions of section 136 of the said Act, the report and accounts are being sent to all the members of the Company and others entitled thereto, excluding the said particulars of employees. Any member interested in obtaining such particulars may write to the Company Secretary/Compliance Officer. The said information is available for inspection at the registered office of the Company during working days of the Company up to the date of the ensuing annual general meeting.

## DIRECTORS AND KEY MANAGERIAL PERSONS

As on March 31, 2023, the Company has six Directors on its Board, all six are Non- Executive Directors. Out of six Non-executive Directors, four are Independent Directors.

### i. Appointment/re-appointment of directors

In the Financial Year 2022-23, Mr. Rahul Gupta (DIN: 07151792) and Mr. Rohan Gupta (DIN: 08598622) were appointed as Additional Non-Executive Directors and Mr. Anil Kumar Bansal (DIN: 06752578) as an Additional Independent Director in the Company w.e.f. July 25, 2022.

Further, on September 2, 2022, Ms. Asha Anil Agarwal (DIN:-09722160) was appointed as an Additional Independent Director in the Company.

The Board, at its meeting held on January 25, 2023 appointed Mr. Dukhabandhu Rath (DIN: 08965826) as an Additional Independent Director for a period of 3 years w.e.f. January 25, 2023.

The Board also appointed Mr. Hosdurg Sundar Kamath Upendra Kamath (DIN: 02648119) as an Additional Independent Director for a period of 3 years w.e.f. February 13, 2023 through resolution by circulation.

All these directors were subsequently appointed/regularized by the members either at the previous AGM or through postal ballot.

### ii. Resignation:

Ms. Preeti Srivastava (DIN: 07035595) resigned as non-executive and independent director w.e.f. close of business hours on October 18, 2022.

Ms. Ruchi Jain (DIN: 07291623) resigned as whole time director w.e.f. close of business hours on July 25, 2022.

Mr. Ajay Prakash Narain (DIN: 0265527) resigned as non-executive and independent director w.e.f. close of business hours on July 25, 2022.

Mr. Sanjay Jain (DIN: 00096938) resigned as non-executive director w.e.f. close of business hours on October 18, 2022 due to change in management of the Company as per share purchase agreement signed by the promoters of the Company and Mr. Rahul Gupta and Mr. Rohan Gupta, (Acquirers).

The Board places on record its sincere appreciation for the valuable contribution made by these directors during their tenure on the Board.

### iii. Director liable to retire by rotation:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder and pursuant to Articles of Association of the Company, Mr. Rahul Gupta (DIN: 07151792) Director of the Company, is liable to retire by rotation at the ensuing AGM and being eligible, offer himself for re-appointment. The Board of Directors recommends his re-appointment for the consideration of the members of the Company at the ensuing AGM.

### iv. Key Managerial Person

Mr. Sahil Sikka was appointed as Manager designated as Chief Operating Officer & Chief Financial Officer of the Company w.e.f. July 25, 2022 and Mr. Sachin Kumar was appointed as a Company Secretary & Compliance Officer of the Company w.e.f. August 10, 2022.

Mr. Sahil Sikka was redesignated from the position of "Manager designated as Chief Operating Officer & Chief Financial Officer" to "Chief Operating Officer & Chief Financial Officer" w.e.f. October 18, 2022

The Board, at its meeting held on October 18, 2022, approved the appointment of Mr. Sorabh Dhawan as Chief Executive Officer based on the recommendations of the NRC.

As on the date of this report the Company has six Non-Executive Directors on its Board, out of which four are Independent Directors. Further, Mr. Sahil Sikka, Chief Operating Officer & Chief Financial Officer is a Key Managerial Personnel ("KMP") within the meaning of Section 203(1) of the Act. Mr. Sorabh Dhawan is the other KMP, being the Chief Executive Officer.

Mr. Sachin Kumar resigned as Company Secretary & Compliance Officer w.e.f. April 2, 2023 for making a career move to another organisation.

Ms. Ritu Nagpal (M. No.:- A38318) was appointed as Compliance Officer on April 2, 2023 and subsequently as Company Secretary in the Board meeting held on May 11, 2023, in his place.

### MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, affecting the financial position of the Company, which occurred between the end of the financial year of the Company and the date of this Report.

### CHANGE IN NAME OF THE COMPANY

The Board of Directors in its meeting held on July 25, 2022, proposed change in name of the Company to "SG Finserve Limited", which was subject to the approval of the Reserve Bank of India, Registrar of Companies, BSE Limited and the shareholders of the Company.

Company had received the approval letter of change in name of the Company from Moongipa Securities Limited to SG Finserve Limited w.e.f. November 16, 2022 and had also received NOC from Reserve Bank of India vide letter no. PR.V.ND.S No. S 771/C.M.S VI/05.08.000/2022-23 dated October 07, 2022. The name change was subsequently also approved by BSE Limited.

### CHANGE IN OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

Subsequent to the change in ownership, management and control of the Company, the Board of Directors had proposed change in Objects of the Company to carry on the business of lending, credit and leasing facility besides the investment activities already being undertaken by the company, which was subject to the approval of the Registrar of Companies, NCT of Delhi and Haryana. Subsequent to the receipt of approval from shareholders of the Company in the last AGM, the objects change was also approved by the Registrar of Companies.

### BOARD AND COMMITTEES MEETINGS

The Board meets at regular intervals to, inter-alia, discuss about the Company's Policies and strategy apart from other Board matters. The tentative annual Calendar of the Board and Committee Meetings is circulated to enable the Directors to plan their schedule and to ensure participation in the meetings. The notice for the Board/Committees Meetings is also given in advance to all the Directors.

### DECLARATION BY INDEPENDENT DIRECTORS

The independent directors have submitted a declaration of independence, stating that they meet the criteria of independence

provided under section 149(6) of the Act read with regulation 16 of the Listing Regulations, as amended. The independent directors have also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

The Board took on record the declaration and confirmation submitted by the independent directors regarding them meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same in terms of the requirements of regulation 25 of the SEBI Listing Regulations.

### CORPORATE GOVERNANCE REPORT

The Corporate Governance philosophy of the Company is driven by the interest of stakeholders and the business needs of the organization. The Company continues to be compliant with the requirements of Corporate Governance as enshrined in Listing Regulations. In terms of Regulation 27 of Listing Regulations, the Corporate Governance Report along with certificate received from Secretarial Auditors of the Company certifying compliance with the conditions of Corporate Governance is annexed as **Annexure "B"** forming integral part of this Report.

### CORPORATE POLICIES

We seek to promote and follow the highest level of ethical standards in our business transactions. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on the website of the Company at [www.sgfinserve.com](http://www.sgfinserve.com).

The Policies are reviewed periodically by the Board and updated on the basis of need and new Compliance.

#### The Key Policies are as follows:

##### I. Nomination and Remuneration Policy

In accordance with the provisions of section 134(3)(e) of the Companies Act, 2013 read with Section 178 (4) and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your company has adopted the policy on appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management, which inter – alia includes the criteria for determining qualifications, positive attributes and independence of directors.

Your company has also adopted policy on remuneration of Directors, Key Managerial Personnel and Employees of the



company in accordance with the provisions of sub section (4) of section 178. The Policy is available on the Company's website [www.sgfinserve.com](http://www.sgfinserve.com).

## II. Risk Management Policy

Your company has a comprehensive Risk Management Policy in place and laid down a well-defined risk management framework to identify, assess and monitor risks and strengthen controls to mitigate risks. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

At present the company has not identified any element of risk which may threaten the business (or) existence of the Company.

## III. Whistle Blower Policy – Vigil Mechanism

The company promotes ethical behavior in all its business activities and has established a vigil mechanism for its directors, employees and stakeholders associated with the company to report their genuine concerns. The Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed there under and the Listing Regulation is implemented through the Whistle Blower Policy, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

As per the Whistle Blower Policy implemented by the Company, the Employees, Directors, or any Stakeholders associated with the Company are free to report illegal or unethical behavior, actual or suspected fraud or violation of the Company's Codes of Conduct or Corporate Governance Policies or any improper activity to the Chairman of the Audit Committee of the Company or Chairman of the Company.

The Whistle Blower Policy provides for protected disclosure and protection to the Whistle Blower. Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. The Whistle Blower Policy has been appropriately communicated within the Company and is available on the Company's website [www.sgfinserve.com](http://www.sgfinserve.com).

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The disclosure as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the Company for the year under report; however the same is applicable from FY 2023-24 onwards as the Company has started meeting the prescribed thresholds under the Companies Act. Accordingly subsequent to year end, the Company has constituted a

CSR Committee with the prescribed constitution. The other compliances in this regard shall be made in due course.

## STATUTORY AUDITORS AND AUDITORS' REPORT

The members of the Company in their last Annual General Meeting held on September 30, 2022 had appointed M/s AKGVG & Associates, Chartered Accountants (Firm Registration Number: 018598N) as the Statutory Auditors of the Company, to hold office from the conclusion of the 28<sup>th</sup> Annual General Meeting until the conclusion of the 33<sup>rd</sup> Annual General Meeting of the Company to be held in year 2027.

The Auditor's Reports on the Financial Statements for the financial year ended March 31, 2023 does not contain any qualification, reservation or adverse remark requiring any explanations / comments by the Board of Directors.

The Notes of Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

## INTERNAL AUDITORS

M/s Ernst & Young LLP, Chartered Accountants were appointed as Internal Auditor of the Company to carry out the Internal Audit of various operational areas of the Company.

## SECRETARIAL AUDITORS & SECRETARIAL AUDIT REPORT

The Board of the Directors of the Company had appointed M/s Kuldeep Dahiya & Associates, Company Secretaries (Membership No.: 34404 and C.P.No.:18930) to conduct the Secretarial Audit of the Company pursuant to the provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. In accordance with the provisions of sub – section (1) of Section 204, the Secretarial Audit Report for the financial year 2022-23 is appended to this report as **Annexure "C"**. The same does not contain any adverse remark or disclaimer.

## COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (SS1 and SS2) respectively relating to Board and its Committees Meetings and General Meetings which have mandatory application.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE INCOME/ OUTFLOW

As the company is not engaged in the manufacturing activity, the prescribed information regarding compliance of rules relating to

the conversation of Energy and Technology absorption pursuant to section 134 (3)(m) of the Companies Act, 2013, read with Rule – 8 (3) of the Companies (Accounts) Rules, 2014 is not provided. The Company does not have any Foreign Exchange Earnings and outgo in the year under review.

#### DETAILS OF PECUNIARY RELATIONSHIPS OR TRANSACTIONS OF THE NON-EXECUTIVE INDEPENDENT DIRECTOR VIS-À-VIS THE COMPANY.

There are no pecuniary relationships or transactions of the non-executive independent director vis-à-vis the Company for the period ending March 31, 2023.

#### ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financials control with reference to financial statements, commensurate with the size, scale, and complexity of its operation to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized recorded and reported correctly.

Reasonable Financial Controls are operative for all the business activities of the company and no material weakness in the design or operation of any control was observed.

#### ORDERS PASSED BY THE REGULATORS OR COURTS, IF ANY

No significant and material orders were passed by the Regulators, Courts or Tribunals impacting the going concern status and Company's Operation in future.

#### DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (3) (c) and 134 (5) of the Companies Act, 2013 with respect to Directors responsibility statement, the Directors of the company hereby confirm that:

- i) In preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures.

Details related to Employees' Stock Option Scheme:

S. No.	Particulars (During the financial year ended march 31, 2023)	Description of Moongipa Securities Limited Employees Stock Option Scheme – 2022
1.	Date of shareholders' approval	November 27, 2022
2.	Total number of oprions approved under ESOS	5,00,000
3.	Vesting Requirements	The Vesting Period shall commence from the Grant Date subject to minimum of 1 (One) year from the Grant Date and a maximum of 5 (Five) years from the Grant Date, at the discretion of and in the manner prescribed by the Committee and set out in the Grant Letter.

- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of financial year and of the profit of the company for that period.
- iii) The directors have taken proper and sufficient care 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.
- iv) Directors have prepared the annual accounts on a going concern basis.
- v) The Directors have laid down internal financial controls the company that are adequate and were operating effectively.
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### EMPLOYEE STOCK OPTION SCHEME

The Company grants share-based benefits (ESOS) to eligible employees with a view to attract and retain talent, encouraging employees to align individual performance with the Company's objectives, and promoting increased participation by them in the growth of the Company.

During FY2022-23, Company launched "Moongipa Securities Limited Employee Stock Option Scheme, 2022" with the approval of the members and the 'in-principle' listing approval for the issue of shares under the scheme from BSE Limited was also obtained. The scheme is in compliance with SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021.

A statement giving complete details as at 31 March 2023, pursuant to regulation 14 of SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 is available on the Company's website and can be accessed at [www.sgfinserve.com](http://www.sgfinserve.com).

S. No.	Particulars (During the financial year ended march 31, 2023)	Description of Moongipa Securities Limited Employees Stock Option Scheme – 2022
		Provided further that in the event of death or Permanent Incapacity of a Grantee, the minimum Vesting Period of one year shall not be applicable and in such instances, the Options shall vest in terms of SEBI (SBEB & SE) Regulations, on the date of the death or Permanent Incapacity.
4.	Exercise price or pricing formula	The exercise price of the shares will be the Market price of the shares one day before the date of grant of options.
5.	Maximum term of options granted	5 years
6.	Sources of Shares	Primary
7.	Variation in terms of options	No variation during FY 2022-23
8.	Method used to account for ESOP	Fair Value
9.	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	N.A.
10.	Options movement during the year	
	• Number of options outstanding at the beginning of the period	5,00,000
	• Number of options granted during the year	2,00,000
	• Number of options lapsed during the year	4,000
	• Number of options vested during the year	NA
	• Number of options exercised during the year	NA
	• Number of shares arising as a result of exercise of options	NA
	• Money realized by exercise of options (INR), if scheme is implemented directly by the company	NA
	• Loan repaid by the Trust during the year from exercise price received	NA
	• Number of options outstanding at the end of the year	3,04,000
	• Number of options exercisable at the end of the year	NIL
11.	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted-average exercise price- ₹361.80 Weighted-average fair values – ₹191.64
12.	Employee wise details of options granted to -	
	Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;	Mr. Sahil Sikka, COO & CFO- 50,000 Mr. Sorabh Dhawan, CEO- 50,000
	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	Mr. Abhishek Mahajan- 25,000 Mr. Vivekanand Tiwari- 20,000 Mr. Ashish Kaul- 10,000 Ms. Renu Rai- 10,000
	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	NIL



S. No.	Particulars (During the financial year ended march 31, 2023)	Description of Moongipa Securities Limited Employees Stock Option Scheme – 2022
13.	<p>A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:</p> <ul style="list-style-type: none"> <li>(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;</li> <li>(b) the method used and the assumptions made to incorporate the effects of expected early exercise;</li> <li>(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and</li> <li>(d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.</li> </ul>	Please refer to Note No. 21 to Standalone Financial Statement for the year end March 31, 2023

The Certificate from the Secretarial Auditors of the Company certifying that the ESOS 2022 is being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the resolution passed by the Members, would be placed at the Annual General Meeting for inspection by Members.

#### **DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has complied with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has in place a Policy on Prevention of Sexual Harassment at the Workplace in line with the provisions of the said Act and an Internal Complaint Committee has also been set up to redress complaints received regarding Sexual Harassment. No complaint of sexual harassment was received during the financial year 2022-23.

#### **INVESTOR EDUCATION AND PROTECTION FUND (IEPF).**

No amount was lying unpaid or unclaimed in respect of dividend for a period of seven years. Therefore, no unclaimed/unpaid dividend was required to be transferred to Investor Education and Protection Fund (IEPF).

#### **DETAILS OF FRAUD, IF ANY REPORTED BY AUDITORS (OTHER THAN REPORTABLE TO CENTRAL GOVERNMENT)**

No fraud / misconduct was detected by the Auditors of the Company for the financial year ended on March 31, 2023.

#### **GREEN INITIATIVE**

Your Company has taken the initiative of going green and minimizing the impact on the environment. The Company has been circulating the copy of the Annual Report in electronic format to all those Members whose email address is available with Company. Your Company would encourage other Members also to register themselves for receiving Annual Report in the electronic Report form.

#### **ACKNOWLEDGEMENT**

The Board of Directors places its gratitude and appreciation for the support and cooperation from its members, the RBI and other regulators, banks, financial institutions, trustees for debenture holders and fixed deposit holders.

The Board of Directors also places on record its sincere appreciation for the commitment and hard work put in by the Management and the employees of the Company and its subsidiaries and thanks them for yet an excellent year of performance.

#### **For & On behalf of the Board of Directors**

Sd/-  
**Rahul Gupta**  
Director  
DIN: 07151792

Sd/-  
**Rohan Gupta**  
Director  
DIN: 08598622

Place: Delhi  
Date: 11/05/2023

## DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;	In the FY 2022-23, the Directors had not received any remuneration from the Company.
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year.	No change in the Remuneration of Directors and KMPs
3.	The percentage increases in the median remuneration of employees in the financial year;	NIL
4.	The number of permanent employees on the rolls of Company;	33 Employees as on March 31, 2023
5.	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	NIL.
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended March 31, 2023 is as per the Remuneration Policy of the Company.

## CORPORATE GOVERNANCE REPORT

ANNEXURE-B

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance at SG Finserve Limited has been a continuous journey and the business goals of the Company are aimed at the overall well-being and welfare of all the constituents of the system. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organisation and putting in place appropriate systems, processes and technologies. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it.

The Company strives to adopt all such corporate practices that are based on transparency and proper disclosures and ensure accountability of the persons in key positions thereby ensuring that the interest of all stakeholders is balanced.

The Company has laid down desirable codes and policies such as Code of Conduct for Board Members and Senior Management Personnel, Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Whistle Blower Policy, Archival Policy, Policy on preservation of documents, Policy for determining the Materiality of Events, Policy on Materiality of Related Party Transactions and dealings with Related Party Transactions etc.

The internal control systems and their adequacy is overseen by the Audit Committee so as to bring transparency in decision making.

## 1.1. BOARD OF DIRECTORS

As on March 31, 2023, the Board of Directors comprised 6 (Six) directors of which 4 (four) are Non-executive- Non-Independent Directors.

Details are as given hereunder:

Director	Category	No. of Board Meetings FY 2022-23		Attendance in last AGM held on September 30, 2022	No. of shares held	No. of other Directorships and Committee Memberships / Chairmanships		
		Held <sup>1</sup>	Attended			Other Directorships <sup>5</sup>	Other Memberships <sup>6</sup>	Other Chairmanships <sup>6</sup>
*Mr. Rahul Gupta (00096938)	NED	4	2	Yes	10500001	4	0	0
*Mr. Rohan Gupta (07291623)	NED	4	4	Yes	10499999	0	0	0
*Mr. Anil Kumar Bansal (06752578)	ID	4	4	Yes	0	1	2	1
**Ms. Asha Anil Agarwal (09722160)	ID	2	2	Yes	0	0	0	0
***Mr. Dukhabandhu Rath (08965826)	ID	NA	NA	NA	0	0	0	0
****Mr. Hosdurg Sundar Kamath Upendra Kamath (02648119)	ID	NA	NA	NA	0	0	0	0

Director	Category	No. of Board Meetings FY 2022-23		Attendance in last AGM held on September 30, 2022	No. of shares held	No. of other Directorships and Committee Memberships / Chairmanships		
		Held <sup>1</sup>	Attended			Other Directorships <sup>5</sup>	Other Memberships <sup>6</sup>	Other Chairmanships <sup>6</sup>
^Mr. Sanjay Jain (DIN:- 07291623)	NED	7	6	Yes	0	1	2	0
@Ms. Ruchi Jain (DIN:- 07291623)	WTD	4	4	NA	0	0	0	0
@Mr. Ajay Prakash Narain (DIN:- 02655527)	ID	4	4	NA	0	1	2	1
^Ms. Preeti Srivastava (DIN:- 07035595)	ID	7	6	No	0	2	2	1

\* Appointed w.e.f. July 25, 2022

\*\* Appointed w.e.f. September 2, 2022

\*\*\* Appointed w.e.f. January 25, 2023

\*\*\*\* Appointed w.e.f. February 13, 2023

@ Resigned w.e.f. July 25, 2022

^ Resigned w.e.f. October 18, 2023

<sup>1</sup> Number of meetings held post appointment as director has been mentioned against each director.

NED= Non-Executive Director, ID= Independent Director and ED= Executive Director, excludes Directorships in Private Limited Companies, Foreign Companies, memberships of Managing Committees of various Chambers/ bodies /Section 8 Companies. Independent Directorships held by the Directors are in accordance with the Listing Regulations.

<sup>5</sup> excludes Directorships in Private Limited Companies, Foreign Companies, memberships of Managing Committees of various Chambers/bodies /Section 8 Companies. Independent Directorships held by the Directors are in accordance with the Listing Regulations.

<sup>6</sup>only covers Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

The appointment of Independent Directors is in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and they fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

Shri Rahul Gupta and Shri Rohan Gupta are Brothers in terms of the definition of 'relative' given under the Companies Act, 2013. Except the above, no other Director of the Company is related to any other Director.

## 2.2. Name of the listed entities where director is a director, other than SG Finserve Limited:

Name of Director	Name of the Listed Entities	Category
Mr. Anil Kumar Bansal Independent Non-Executive Director	APL Apollo Tubes Limited	Independent Director
Mr. Rahul Gupta Non-Executive Director	APL Apollo Tubes Limited	Non-Executive Director

### 2.3. Date and number of Board Meetings held

Eight (8) Board Meetings were held during the financial year 2022-23 i.e., on April 28, 2022, May 26, 2022, July 8, 2022, July 25, 2022, August 10, 2022, September 2, 2022, October 18, 2022, and January 25, 2023. The maximum time gap between any two consecutive meetings was not more than one hundred and twenty days.

### 3. Independent Directors

Independent Directors of the Company are required to comply with the requirements of the "Code of Conduct for the Board members and Senior Management Personnel", "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" and the Code for Independent directors (Schedule IV of Companies Act, 2013).

All the Independent Directors have affirmed that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Further, in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

A formal letter of appointment to Independent Directors as provided in Act has been issued and the draft of the same is available in Investors section on website of the Company viz. [www.sgfinserve.com](http://www.sgfinserve.com).

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on January 25, 2023. Ms. Asha Anil Agarwal was unanimously elected as Chairperson of the meeting and all the Independent Directors of the Company were present at the said Meeting.

At the meeting held on January 25, 2023, the Independent Directors reviewed the performance of Non-Independent Directors, after taking into account the views of Non-Executive Directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

Independent Directors found the results of the above evaluation, assessment etc. to be satisfactory.

During the year under review, 2 (two) meetings of the Independent Director were held i.e., on July 8, 2022 & January 25, 2023.

### 4. Familiarization Programme for Independent Director

In accordance with the provisions of Regulation 25(7) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as amended from time to time ("Listing Regulations"), the Company has been conducting various familiarization programmes for Independent Directors. The details of such familiarization programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is [www.sgfinserve.com](http://www.sgfinserve.com).

### 5. Board Skills, Expertise or Competence

The Board of Directors possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales & marketing, operations, research, corporate governance, education, community service or other disciplines.

Names of directors having the above skills, expertise and competence:

Skill/ expertise / competence	Names(s) of directors having the respective skill/ expertise/ competence
Finance	Sh. Dukhabandhu Rath, Sh. Anil Kumar Bansal, Sh. Upendra Kamath
Law	Ms. Asha Agarwal, Sh. Upendra Kamath
Sales & Marketing	Sh. Rahul Gupta, Sh. Rohan Gupta
Operations	Sh. Rahul Gupta, Sh. Rohan Gupta
Research	Ms. Asha Agarwal, Sh. Anil Kumar Bansal
Corporate Governance	Sh. Dukhabandhu Rath, Sh. Upendra Kamath
Education	Ms. Asha Agarwal, Sh. Anil Kumar Bansal
Community Service	Ms. Asha Agarwal, Sh. Dukhabandhu Rath

## 6. Performance Evaluation

The Board of Directors has made formal annual evaluation of its own performance, and that of its committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed under the Listing Regulations.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of the members of the committee in the meetings, etc. The Board also carried out evaluation of the performance of Individual Directors on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees, exercise of his/her duties with due and reasonable care, skill and diligence, etc. Further the independent directors evaluated the performance of all non-independent directors. After such evaluation, the Board expressed its satisfaction over its own performance and that of its committees and the Directors.

## 7. Audit Committee

The Audit Committee has been formed in pursuance of the Listing Regulations and Section 177 of the Companies Act, 2013. The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 read with Part C to Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013, as applicable, besides other terms as referred to by the Board of Directors.

The Audit Committee, inter-alia, oversees the financial reporting besides reviewing the quarterly, half-yearly, annual financial results of the Company, the Company's financial and risk management policies and the internal control systems, internal audit systems, etc. through discussions with internal/external auditors and management.

During the year under review, 6 (Six) meetings of the Audit Committee of the Board were held i.e., on May 26, 2022, July 25, 2022, August 10, 2022, September 2, 2022, October 18, 2022 & January 25, 2023. The composition of the Audit Committee as on March 31, 2023 and the meetings attended by its members are as under:

S. No.	Members	Categories of Directorship	Meetings	
			Held	Attended
1.	Asha Anil Agarwal <sup>1</sup>	Member- Independent Director	2	2
2.	Anil Kumar Bansal <sup>2</sup>	Chairperson –Independent Director	4	4
3.	Rahul Gupta <sup>3</sup>	Member – Non-Executive Director	4	2
4.	Preeti Srivastava <sup>4</sup>	Chairperson –Independent Director	4	4
5.	Sanjay Jain <sup>5</sup>	Member – Non-Executive Director	2	2
6.	Ajay Prakash Jain <sup>6</sup>	Member- Independent Director	2	2

<sup>1</sup>Appointed w.e.f. September 2, 2022

<sup>2</sup>Appointed w.e.f. July 25, 2022

<sup>3</sup>Appointed w.e.f. July 25, 2022

<sup>4</sup> Resigned w.e.f. October 18, 2022

<sup>5</sup> Resigned w.e.f. October 18, 2022

<sup>6</sup> Resigned w.e.f. July 25, 2022

All the recommendations of the Audit Committee during the year under review were accepted by the Board.

Ms. Ritu Nagpal, Company Secretary acts as the Secretary to the Committee

## 8. Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee is instrumental in identifying persons qualified to become Directors or part of senior management in accordance with the criteria laid down by the Board, to carry out evaluation of every Director's performance, to recommend to the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees and Board Diversity etc. The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 read with Part D to Schedule II of the Listing Regulations, Section 178 of the Companies

Act, 2013, besides other terms as referred by the Board of Directors. Pursuant to the terms of reference, the said Committee deals with matter of the appointment / reappointment of Directors and their remuneration etc. and submits its recommendations to the Board for approval.

During the year, seven meetings of the Nomination and Remuneration Committee were held i.e., on May 26, 2022, July 25, 2022, August 10, 2022, September 2, 2022, October 18, 2022, January 02, 2023 & January 25, 2023 which were duly attended by all the committee members. The composition of the Nomination and Remuneration Committee as on March 31, 2023 and the particulars of attendance of members were as under:

S. No.	Members	Categories of Directorship	Meetings	
			Held	Attended
1.	Asha Anil Agarwal <sup>1</sup>	Chairperson –Independent Director	3	3
2.	Anil Kumar Bansal <sup>2</sup>	Member – Independent Director	5	5
3.	Rohan Gupta <sup>3</sup>	Member – Non-Executive Director	5	4
4.	Ajay Prakash Narain <sup>4</sup>	Chairperson –Independent Director	2	2
5.	Sanjay Jain <sup>5</sup>	Member – Non-Executive Director	2	2
6.	Preeti Srivastava <sup>6</sup>	Member – Independent Director	4	2

<sup>1</sup>Appointed w.e.f. September 2, 2022

<sup>2</sup>Appointed w.e.f. July 25, 2022

<sup>3</sup>Appointed w.e.f. July 25, 2022

<sup>4</sup>Resigned w.e.f. July 25, 2022

<sup>5</sup>Resigned w.e.f. October 18, 2022

<sup>6</sup>Resigned w.e.f. October 18, 2022

Ms. Ritu Nagpal, Company Secretary acts as the Secretary to the Committee.

## 9. Stakeholders Relationship Committee

In compliance with the Regulation 20 of the Listing Regulations and provisions of Section 178 of Act, the Company has a Stakeholders' Relationship Committee.

During the year, one meeting of the Stakeholders Relationship committee was held i.e., on January 25, 2023.

The composition of the Stakeholders Relationship Committee as on March 31, 2023 is as under:

S. No.	Members	Categories of Directorship	Meetings	
			Held	Attended
1.	Anil Kumar Bansal <sup>1</sup>	Chairperson –Independent Director	1	1
2.	Rahul Gupta <sup>2</sup>	Member – Non Executive Director	1	0
3.	Rohan Gupta <sup>3</sup>	Member – Non Executive Director	1	1
4.	Ajay Prakash Narain <sup>4</sup>	Member – Independent Director	-	-
5.	Sanjay Jain <sup>5</sup>	Member – Non-Executive Director	-	-
6.	Preeti Srivastava <sup>6</sup>	Chairperson –Independent Director	-	-

<sup>1</sup>Appointed w.e.f. July 25, 2022

<sup>2</sup>Appointed w.e.f. July 25, 2022

<sup>3</sup>Appointed w.e.f. July 25, 2022

<sup>4</sup>Resigned w.e.f. October 18, 2022

<sup>5</sup>Resigned w.e.f. October 18, 2022

<sup>6</sup>Resigned w.e.f. October 18, 2022

Ms. Ritu Nagpal, Company Secretary acts as the Secretary to the Committee.

Terms of Reference- The Stakeholders Relationship Committee shall interalia, consider and resolve the grievance of various security holders of the Company including complaints/ requests related to transfer of shares. It shall specifically look into the redressal of stakeholders/ investors complaints in a timely and proper manner.



The status of Shareholders' complaints during FY 2022-23: -

	(In Nos.)
No. of Complaints / Correspondence received	NIL
No. of Complaints resolved to the Satisfaction of shareholders	NA
No. of pending at the end	NA

## 10. General Body Meetings

A. Details of AGMs held during last three (3) years is mentioned below:

Financial years	Venue	Date & Time	Items approved by Special Resolution
2021-22	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	September 30, 2022 11:00 A.M.	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Anil Kumar Bansal (DIN: 06752578) as a non-executive, independent director of the</li> <li>2. Appointment of Mr. Rahul Gupta (DIN: 07151792) as a non-executive director of the company</li> <li>3. Appointment of Mr. Rohan Gupta (DIN: 08598622) As A Non-Executive director of the company</li> <li>4. To approve the appointment of Mr. Sahil Sikka as a manager of the company</li> <li>5. Approval for change of name of the company and consequential amendment to memorandum and articles of association of the company</li> <li>6. Alteration in the memorandum of association of the company</li> <li>7. Appointment of Ms. Asha anil Agarwal (DIN: 09722160) as a non-executive, independent director of the company</li> </ol>
2020-21	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	September 30, 2021 4:30 P.M.	<ol style="list-style-type: none"> <li>1. Re-appointment of Mrs. Ruchi Jain (DIN: 07291623) as a Whole time Director of the Company.</li> </ol>
2019-20	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	November 05, 2020 02:00 P.M.	<ol style="list-style-type: none"> <li>1) Re-appointment of Mr. Ajay Prakash Narain (DIN 02655527) as an Independent Director of the Company.</li> <li>2) Re-appointment of Ms. Preeti Srivastava (DIN 07035595) as an Independent Director of the Company.</li> </ol>

B. Special Resolutions passed through Postal Ballot during Financial Year 2022-23

Date of passing resolution	Date of Notice	Items approved by Special Resolution
24/08/2022	25/07/2022	<ol style="list-style-type: none"> <li>1. Increase in authorised share capital and consequent alteration of the Capital clause in the memorandum of Association of the Company.</li> <li>2. Preferential allotment of upto 2,37,38,800 equity shares to the persons belonging to promoter &amp; non-promoters category.</li> <li>3. Preferential Allotment of upto 72,51,000 fully convertible warrants to the persons belonging to promoter &amp; promoter group and non-promoter category.</li> </ol>
27/11/2022	28/10/2022	<ol style="list-style-type: none"> <li>1. Alteration in Memorandum of Association except in case of change in name, registered office or object clause.</li> <li>2. Preferential allotment of upto 1,26,29,000 Equity Shares to the persons belonging to non-promoter category</li> <li>3. Preferential allotment of upto 73,71,000 fully convertible warrants to the persons belonging to non-promoter category</li> <li>4. To exercise the borrowing powers under section 180(1)(c) of the companies act, 2013 upto ₹3000 Crore</li> <li>5. To seek approval under section 180(1)(a) of the companies act, 2013, inter alia, for creation of mortgage or charge on the assets, properties or undertaking(s) of the company.</li> <li>6. Approval of moongipa securities limited employees stock option scheme – 2022</li> </ol>

**11. Disclosures**

**a) Related Party Disclosure:**

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosures Requirements), 2015 during the financial year were in the ordinary course of business, on arm's length pricing basis and not material in nature, accordingly, do not attract the provisions of Section 188 of the Companies Act, 2013.

Besides this, the Company has no material significant transaction with the related parties viz. promoters, directors of the Company, their relatives, subsidiaries of promoter Company, person or entity belonging to the promoter/ promoter group etc. that may have a potential conflict with the interest of the Company at large.

The Company has also formulated a policy on dealing with Materiality of Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is [www.sgfinserve.com](http://www.sgfinserve.com)

Suitable disclosure as required by the Indian Accounting Standard (IND-AS) 24 has been made in the Notes to the Financial Statements.

**b) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations:**

In addition to the compliance with mandatory requirements, the Company has also adopted and complied with the following non-mandatory requirements in terms of the SEBI Listing Regulations:

- (i) The Company's financial statements are with unmodified audit opinion. A declaration to this effect, duly signed by the Chief Financial Officer has also been furnished. There are no audit qualifications on the financial year 2022-23.
- (ii) The internal auditor reports directly to the Audit Committee of the Board.



**c) Detail of non-compliance, penalties, and strictures imposed on the Company by the Stock Exchanges, SEBI or any Statutory Authority on any matters related to Capital Markets:**

The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties or strictures were imposed by SEBI, Stock Exchanges or any statutory authority on matters relating to Capital Markets during the last three years.

**d) Risk Management:**

The company has laid down comprehensive Risk Assessment and Minimization procedure which was presented to the Audit Committee and reviewed by the Board from time to time. These proceedings are reviewed to ensure that executive management controls risk through means of a properly defined from work. As the Company has come under the top 1000 companies as per market capitalization as on March 31, 2023, the provisions of risk management as per Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have become applicable to the Company from the FY 2023-24 onwards. The Company has taken steps to ensure necessary compliance.

The Company had already formulated a policy on Risk management as per the applicable RBI guidelines. The said policy has been revamped in compliance with both the SEBI Regulations and the RBI Guidelines. This Policy is available on the website of the Company and the weblink for the same is [www.sgfinserve.com](http://www.sgfinserve.com)

**e) Code of Conduct**

Company’s board has laid down a Code of Conduct for all Directors and Senior Management Personnel (“Code”) of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board Members and Senior Management during the financial year 2022-23.

The Code of Conduct is available on the Company’s website at [www.sgfinserve.com](http://www.sgfinserve.com)

**f) Disclosure of Accounting Treatment**

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the financial statements.

**12. Means of communication:**

**i. Publication of quarterly/half yearly/nine monthly/ annual results:**

Quarterly/ half yearly/ nine monthly and annual financial results are normally published in “Financial Express, Jansatta etc. and are promptly furnished to the Stock Exchanges. The results are also displayed on the website of the Company [www.sgfinserve.com](http://www.sgfinserve.com).

The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchange i.e. BSE Limited (BSE) are filed electronically. The Company has complied with filing submissions with BSE through BSE Listing Centre.

A separate dedicated section under “Investor Relations”, on the Company’s website gives information on Annual Reports, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

**13. General Shareholders’ Information:**

**i. Annual general meeting Date and time:**

September 26, 2023 (Tuesday) at 11.00 A.M. Venue: Through VC/OAVM.

**ii. Listing of shares:**

The Equity Shares of your Company are listed on BSE Limited. The company has paid the listing fees for the financial years 2023-24 to the above said stock exchange.

Name and address of Stock Exchange	Stock Code	ISIN No. of Equity Shares
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	539199	INE618R01015

iii. Distribution schedule as at March 31, 2023

Share or Debenture holding Nominal Value (₹)	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (₹)	% to Total Amount
1	2	3	4	5
Up To 5,000	1253	72.34	13,22,390.00	0.32
5001 To 10,000	132	7.62	10,47,220.00	0.25
10001 To 20,000	92	5.31	13,57,740.00	0.33
20001 To 30,000	40	2.31	10,18,940.00	0.25
30001 To 40,000	24	1.39	8,31,740.00	0.20
40001 To 50,000	14	0.81	6,40,820.00	0.16
50001 To 1,00,000	34	1.96	23,42,090.00	0.57
1,00,000 and Above	143	8.26	40,41,69,060.00	97.93
<b>Total</b>	<b>1732</b>	<b>100.00</b>	<b>41,27,30,000.00</b>	<b>100.00</b>

iv. Shareholding pattern as on March 31, 2023

Category	No. of shares held	Percentage of shareholding
Indian Promoters	2,10,00,000	50.88
Foreign Portfolio Investors	2,000	-
Trusts/Foreign Nationals, NRIs/Clearing Members/HUF/Bodies Corporates/IEPF	70,15,267	17.00
Individuals	1,28,55,733	31.15
Mutual funds	-	-
Insurance Companies	-	-
Alternate Investment Funds	4,00,000	0.97
<b>Total</b>	<b>4,12,73,000</b>	<b>100.00</b>

v. Market price data

Month	High (₹)	Low (₹)	Traded quantity
April, 2022	40.6	40.6	1
May, 2022	87.95	42.6	64
June, 2022	120.75	73.75	1,912
July, 2022	157.7	78.3	2,271
August, 2022	182.45	165.55	201
September, 2022	182.45	182.45	46
October, 2022	191.55	182.45	19
November, 2022	201.1	191.55	9
December, 2022	361.8	201.1	65
January, 2023	614.9	361.8	5,547
February, 2023	508.3	435.05	2,139
March, 2023	565.7	455	2,626

(Source: www.bseindia.com)

vi. Share transfer system

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in dematerialized form with the depositories.

All such permitted requests are handled and disposed of by Company's Registrar & Share Transfer Agent i.e. M/s Skyline Financial

Services Private Limited within fifteen days from the date of receipt of request, provided the documents are found to be in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

In compliance with the SEBI Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

Demat/Remat and related operations for SG Finserve Limited are also handled by M/s Skyline Financial Services Pvt. Ltd.

**vii. Dematerialization of shares**

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2023, 99.98% of the Company's total Equity Shares representing 4,12,73,000 shares were held in dematerialized form and 9,400 shares representing 0.02% of paid-up share capital were held in physical form.

**viii. Nomination Facility:**

Shareholders holding shares in physical form and desirous of submitting/changing nomination in respect of their shareholding in the company may submit Form No. SH-13 (in duplicate) as per the provisions of the Companies Act, 2013 to the Company's Registrar and Transfer Agent.

**ix. Outstanding ADRs/ GDRs**

There were no outstanding GDRs/ ADRs, as on March 31, 2023.

**x. Warrants and other convertible instruments:**

1,46,22,000 warrants were outstanding for conversion as on March 31, 2023.

**xi. Commodity price risk or foreign Exchange risk and hedging activities:**

The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018

**xii.** Details of utilization of funds raised through preferential allotment: The Company allotted 3,62,62,800 Equity shares and 1,46,22,000 fully convertible warrants on preferential basis to Promoter and Non-promoter category at an issue price of ₹101/- & ₹200/- per share and ₹101/- & ₹200/- per warrant respectively. The fund raised through allotments has been fully utilised during the financial year ended March 31, 2023, for the purposes as mentioned in the offer letter.

**xiii.** As required by Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has received a certificate from M/s Anjali Yadav & Associates, Practicing Company Secretary certifying that none of the Company's Directors has been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India or Ministry of Corporate Affairs or such other statutory authority and the same has been annexed herewith as 'Annexure C1'

**xiv.** During the financial year ended March 31, 2023, the Company have paid total fees for various services including statutory audit, amounting to ₹7.72 Lakhs, including taxes, to the Statutory Auditor, namely M/s. AKGVG & Associates, Chartered Accountants. Further, no fees other than above was paid by any of the by the Company to any entity in the network firm/ network entity of which the Statutory Auditor is a part.

Investors Correspondence can be made on Registered Office of the Company as given under:

**SG Finserve Limited**

**CIN:** L74899DL1994PLC057941

**Registered Office:-** 37, Hargobind Enclave,

Vikas Marg, Delhi – 110092

**Tel No.-** 011-22373437

**E-mail –** [compliance@sgfinserve.com](mailto:compliance@sgfinserve.com)

**Registrar and Transfer Agents:**

M/s Sky Line Financial Services Pvt. Ltd,  
D-153 A, 1<sup>st</sup> Floor, Okhla Industrial Area,  
Phase – I, New Delhi-110020.

**Stock Exchange:**

BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai, Maharashtra - 400 001  
Phone: +91 22 2272 1233; Fax: +91 22 2272 1919  
Website: www.bseindia.com

**Depositories:**

**National Securities Depository Limited**

Trade World, A Wing, 4<sup>th</sup> & 5<sup>th</sup> Floors, Kamala Mills Compound,  
Lower Parel, Mumbai, Maharashtra - 400 013  
Phone: +91 22 2499 4200; Fax: +91 22 2497 6351  
E-mail: info@nsdl.co.in Website: www.nsdl.co.in

**Central Depository Services (India) Limited**

Phiroze Jeejeebhoy Towers, 17<sup>th</sup> Floor, Dalal Street,  
Mumbai, Maharashtra - 400 001  
Phone: +91 22 2272 3333; Toll free: 1800-200-5533 Fax: +91 22 2272 3199  
E-mail: helpdesk@cdslindia.com Website: www.cdslindia.com

**14. Code of Conduct:**

The Board of Directors has laid down a Code of Conduct for all Board members and senior management personnel which is available on the website of the Company i.e. www.sgfinserve.com. The Company has received confirmations from all the Board members and senior management personnel regarding compliance of the Code during the year under review. A declaration signed by the Chief Executive Officer of the Company is attached as '**Annexure C2**'

**15. CEO and CFO Certification:**

Shri Sorabh Dhawan, CEO and Shri Sahil Sikka, CFO of the Company have jointly provided certification on financial reporting and internal controls to the Board as required under Regulation 17(8) read with Schedule II of Part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as '**Annexure C3**'.

**16. Corporate Governance Certificate**

Certificate from the Secretarial Auditor M/s Kuldeep Dahiya & Associates, Company Secretaries (Membership No.: 34404 and C.P.No.:18930) confirming compliance with the conditions of Corporate Governance as required under Regulation 34 Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 has been attached as "**Annexure E**" forming integral part of this Report.

**17. Code for prevention of insider trading:**

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has adopted (i) the code of practices and procedures for fair disclosure of unpublished price sensitive information and (ii) the code of conduct to regulate, monitor and report trading by insiders, in terms of the said Regulations.

## 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  
**SG Finserve Limited**  
37, Hargobind Enclave,  
Vikas Marg, Delhi – 110092

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SG Finserve Limited having CIN L74899DL1994PLC057941 and having registered office at 37, Hargobind Enclave, Vikas Marg, Delhi – 110092 (hereinafter referred to as 'the Company'), produced before us 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> 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.

Name of Director	Designation	DIN	Date of Appointment
Mr. Rahul Gupta	Director	07151792	25/07/2022
Mr. Rohan Gupta	Director	08598622	25/07/2022
Mr. Anil Kumar Bansal	Independent Director	06752578	25/07/2022
Mrs. Asha Anil Agarwal	Independent Director	09722160	02/09/2022
Mr. Dukhabandhu Rath	Independent Director	08965826	25/01/2023
Mr. H. S. Upendra Kamath	Independent Director	02648119	13/02/2023

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.

**For Anjali Yadav & Associates**  
Company Secretaries

Sd/-

**Anjali Yadav**

Proprietor

FCS No. 6628

C.P.No. 7257

P/R: 629/2019

UDIN: F006628E000287073

Date: 11/05/2023

Place: Delhi

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR  
MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its members and Senior Management Personnel of the Company. The same has also been posted on the Company's website at www.sgfinserve.com. It is further confirmed that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2023 as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

For SG Finserve Limited

Sd/-

**Sorabh Dhawan**

Chief Executive Officer

Date: 11/05/2023

Place: Delhi

## COMPLIANCE CERTIFICATE

To  
The Board of Directors  
**SG Finserve Limited,**  
37, Hargobind Enclave, Vikas Marg,  
East Delhi, Delhi-110092

- A. In compliance with Regulation 17(8) of SEBI, LODR 2015 the undersigned hereby confirms and certifies that we have reviewed financial statements and the cash flow statement for the year ended 2022-23 and that to the best of their knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee: -
- (1) significant changes in internal control over financial reporting during the year.
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For SG Finserve Limited

Sd/-

**Sahil Sikka**

Chief Financial Officer

Sd/-

**Sorabh Dhawan**

Chief Executive Officer

Place: Delhi

Date: 11/05/2023

## Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 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,  
**SG Finserve Limited**  
(Formerly known as Moongipa Securities Limited)  
37, Hargobind Enclave,  
Vikas Marg, New Delhi – 110092

I, Kuldeep Dahiya, Proprietor of Kuldeep Dahiya & Associates, Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the SG Finserve Limited (Formerly known as Moongipa Securities Limited) (CIN: L74899DL1994PLC057941) (hereinafter called the "Company"). 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 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 March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under (as amended from time to time)
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under (as amended from time to time)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (as amended from time to time)
- (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 (as amended from time to time)
- (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 (as amended from time to time)
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended from time to time)
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time)
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time)
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (as amended from time to time)
  - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (as amended from time to time) - **Not applicable to the Company during audit period**
  - (g) 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 (as amended from time to time)

- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021(as amended from time to time) - **Not applicable to the Company during audit period**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (as amended from time to time) - **Not applicable to the Company during audit period**
- (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (as amended from time to time)
- (vi) Rules, Regulations, Guidelines and Directions issued by the Reserve Bank of India as are applicable to non-Deposit taking NBFC, which are specifically applicable to the Company.
- (vii) 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 ensure compliance with applicable laws, rules, regulations and guidelines.

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

- (i) Secretarial Standard- 1 (Meetings of Board of Directors) issued by The Institute of Company Secretaries of India.
- (ii) Secretarial Standard- 2 (General Meetings) issued by The Institute of Company Secretaries of India.

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 is duly constituted with proper balance of Executive Directors, Non-Executive Director and Independent Director. The changes in the composition of Board of Directors and Key Managerial Personnel that took place during the period under review were carried out in compliance with the provision of the Act.

Adequate notices were given to Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance to Directors 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.

All decisions at the Board Meetings and Committee Meetings were carried out unanimously as recorded in the Minutes of the Board of Directors or Committee of the Board, as the case may be.

**I further report that:**

- (i) During the year under review, the company has conducted the postal ballot and has obtained shareholders' approval in respect to the following matters: -

**A. Increase in the Authorised Share Capital of the Company**

S. No	Existing Share Capital (In ₹)	No of Existing Equity Shares	Revised Share Capital (In ₹)	No of Revised Equity Shares	Date of Notice of Postal Ballot	Date of Increase
1.	₹6,00,00,000	6000000	₹40,00,00,000	40000000	25/07/2022	24/08/2022
2.	₹40,00,00,000	40000000	₹60,00,00,000	60000000	28/10/2022	27/11/2022

**B. Increase in the Paid-Up Share Capital of the Company**

S. No.	Number of securities allotted	Amount of per Securities Allotted	Paid Up Share Capital of the Company after Allotment	Date of Notice of Postal Ballot	Type of Security	Type of Allotment	Date of Allotment
1.	23738800	₹101 (₹10/- Face Value and ₹91/-Premium Amount)	₹28,74,90,000	25/07/2022	Equity Shares	Preferential Allotment	16/09/2022

Approval granted by the shareholders through Postal Ballot dated 24<sup>th</sup> August, 2022 and "In-principal approval accorded by the BSE Limited on 8<sup>th</sup> September, 2022

S. No.	Number of securities allotted	Amount of per Securities Allotted	Paid Up Share Capital of the Company after Allotment	Date of Notice of Postal Ballot	Type of Security	Type of Allotment	Date of Allotment
2	12524000	₹200 (₹10/- Face Value and ₹190/-Premium Amount)	₹41,27,30,000	28/10/2022	Equity Shares	Preferential Allotment	10/12/2022

Approval granted by the shareholders through Postal Ballot dated 27<sup>th</sup> November, 2022 and "In-principal approval accorded by the BSE Limited on 9<sup>th</sup> December, 2022

#### C. Warrants

S. No.	Number of warrants allotted	Amount of per warrant allotted	Date of Notice of Postal Ballot	Type of Security	Type of Allotment	Date of Allotment
1.	7251000	₹101/- issue price	25/07/2022	Fully Convertible Warrants	Preferential Allotment	16/09/2022

Approval granted by the shareholders through Postal Ballot dated 24<sup>th</sup> August, 2022 and "In-principal approval accorded by the BSE Limited on 8<sup>th</sup> September, 2022

2.	7371000	₹200/- issue price	28/10/2022	Fully Convertible Warrants	Preferential Allotment	10/12/2022
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Approval granted by the shareholders through Postal Ballot dated 27<sup>th</sup> November, 2022 and "In-principal approval accorded by the BSE Limited on 9<sup>th</sup> December, 2022

#### D. Grant of Options under Moongipa Securities Limited Employee Stock Option Scheme – 2022

The Nomination and Remuneration Committee of the Company has approved grant of 2,00,000 Employee Stock Options ("Options") convertible into an equal number of Equity Shares of the Company of face value of ₹10/- under the Moongipa Securities Limited Employee Stock Option Scheme – 2022.

Approval to Moongipa Securities Limited Employee Stock Option Scheme – 2022 granted by the shareholders through Postal Ballot dated 27<sup>th</sup> November, 2022 and "In-principal approval accorded by the BSE Limited on 30<sup>th</sup> December, 2022.

- (ii) During the year under review, the registered office of the Company has been changed within the same state to 37, Hargobind Enclave, Vikas Marg, New Delhi – 110092 w.e.f. 25<sup>th</sup> July, 2022.
- (iii) During the year under review, following changes took in respect to the composition of Board of Directors of the Company and Key Managerial Personnel of the Company: -

#### Details of cessation/resignations in Board/KMP's during the financial year

S. No.	Name of the Director	DIN/ PAN	Designation	Date of Resignation
1.	Ms. Ruchi Jain	07291623	Whole time Director	25/07/2022
2.	Mr. Ajay Prakash Narain	02655527	Independent Director	25/07/2022
3.	Mr. Mohammed Javed Qureshi	AAEPQ1808N	Chief Financial Officer	25/07/2022
4.	Mr. Sanjeev Jain	AAPPJ2338D	Company Secretary	10/08/2022
5.	Ms. Preeti Srivastava	07035595	Independent Director	18/10/2022
6.	Mr. Sanjay Jain	00096938	Director	18/10/2022
7.	Mr. Sahil Sikka	BZEPS8177A	Manager	18/10/2022

**Details of appointment of KMP's/Board of Directors during the financial year**

S. No.	Name of the Director	DIN/ PAN	Designation	Date of Appointment
1.	Mr. Sahil Sikka	BZEPS8177A	Chief Financial Officer	25/07/2022
			Manager	25/07/2022
2.	*Mr. Anil Kumar Bansal	06752578	Additional Independent Director	25/07/2022
3.	*Mr. Rahul Gupta	07151792	Additional Non-Executive Director	25/07/2022
4.	*Mr. Rohan Gupta	08598622	Additional Non-Executive Director	25/07/2022
5.	***Mr. Sachin Kumar	EPEPS3999F	Company Secretary	10/08/2022
6.	*Ms. Asha Anil Agarwal	09722160	Additional Independent Director	02/09/2022
7.	Mr. Sorabh Dhawan	AOMPD5562N	Chief Executive Officer	18/10/2022
8.	**Mr. Dukhabandhu Rath	08965826	Additional Independent Director	25/01/2023
9.	**Mr. H S Upendra Kamath	02648119	Additional Independent Director	13/02/2023

\*Regularized as Director in the Annual General Meeting held on 30<sup>th</sup> September, 2022

\*\* Regularized as Director through postal ballot notice dated 24<sup>th</sup> March 2023.

\*\*\* Resigned from the post of Company Secretary of the Company w.e.f. 2<sup>nd</sup> April 2023

- (iv) During the year under review, the Company has obtained the approval from its members in an Annual General Meeting held on 30<sup>th</sup> September, 2022 in respect to the alteration of its Memorandum of Association for: -
- Adoption of new set of Memorandum of Association with the provisions of the Companies Act, 2013
  - Alteration of the "Main Object" clause of the Memorandum of Association of the Company by inserting sub clauses (3), (4) and (5) after sub clause (2) of clause III (A) of the Memorandum of Association of Company to enable the company to undertake the NBFC activities as may be permitted by RBI and to enable the company to enlarge the area of operations and carry on its business economically and efficiently so that the proposed activities can be taken conveniently and advantageously with the present activities of the company
- (v) During the year under review, M/s. AKGVG & Associates, Chartered Accountants has been appointed as the Statutory Auditor of the Company for a period of five years in the Annual General Meeting held on 30<sup>th</sup> September, 2022.
- (vi) During the year under review, the name of the Company has been changed to "SG Finserve Limited" from Moongipa Securities Limited vide approval letter received from the Registrar of Company dated 16<sup>th</sup> November, 2022 and consequent to which the Name Clause of the Memorandum of Association of the Company has also been altered.
- (vii) As per information and explanations given, M/s EY (Ernst & Young LLP) is appointed as an Internal Auditor of the Company from the Financial Year 2022-23 onwards.
- (viii) During the year under review, Reserve Bank of India (RBI) approval for the acquisition/change in control and management of the company was received on 20<sup>th</sup> June, 2022. Pursuant to the said approval the board of directors has appointed Mr. Rahul Gupta and Mr. Rohan Gupta as the Directors of the Company w.e.f. 25<sup>th</sup> July, 2022. Further, the Board of the Company has effected the change in control by acquisition of 56.25% Equity Shares as contemplated under the SPA and pursuant to the same Mr. Rahul Gupta and Mr. Rohan Gupta have become the new promoters in the Company and have acquired control over the affairs of the Company.
- Further, during the year under review, the Company has also received approval from Reserve Bank of India on 13<sup>th</sup> February, 2023 in respect of the application submitted for its prior approval for additional acquisition of 26% Equity shares by Mr. Rahul Gupta and Mr. Rohan Gupta in terms of the provisions of applicable RBI Master Direction.

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

**For Kuldeep Dahiya & Associates  
Company Secretaries**

Sd/-

Place: Sonapat  
Date: 11<sup>th</sup> May, 2023

**Kuldeep Dahiya**  
Proprietor  
ACS No.: 34404  
C P No.:18930  
UDIN: A034404E000286975 PR: 2581/2022  
PR Unique Code: S2017HR515900



To,  
The Members,  
**SG Finserve Limited**  
(Formerly known as Moongipa Securities Limited)  
37, Hargobind Enclave,  
Vikas Marg, New Delhi – 110092

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis of our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit Report 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.

**For Kuldeep Dahiya & Associates**  
**Company Secretaries**

Place: Sonapat  
Date: 11<sup>th</sup> May, 2023

Sd/-  
**Kuldeep Dahiya**  
Proprietor  
ACS No.: 34404  
C P No.:18930  
UDIN: A034404E000286975 PR: 2581/2022  
PR Unique Code: S2017HR515900

## Compliance Certificate on Corporate Governance

**To**  
**The members of SG Finserve Limited**  
**(formerly known as Moongipa Securities Limited)**

We have examined the compliance of conditions of Corporate Governance by the **SG Finserve Limited (formerly known as Moongipa Securities Limited)** ("the Company") for the year ended March 31, 2023 as stipulated in Corporate governance provisions as contained in the Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations") for the period April 1, 2022 to March 31, 2023.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure 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.

### Opinion

In our opinion and to the best of our knowledge and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations, as applicable.

We further state that such compliance 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

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations and it 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.

Place: Sonapat  
Date: 11<sup>th</sup> May, 2023

**For Kuldeep Dahiya & Associates**  
**Company Secretaries**

Sd/-  
**Kuldeep Dahiya**  
Proprietor  
ACS No.: 34404  
C P No.: 18930  
UDIN: A03440E000701037  
PR Unique Code: S2017HR515900  
PR Certificate No.: 2581/2022

# INDEPENDENT AUDITOR'S REPORT

To the Members of **SG Finserve Limited**

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

## **Opinion**

We have audited the accompanying financial statements of **SG Finserve Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

## **Basis for Opinion**

We conducted our audit of the financial statements 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 together with the ethical requirements that are relevant to our audit of the 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 financial statements.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

## **Responsibility of Management and Those Charged with Governance for the Financial Statements**

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

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "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.
  - (c) The Balance Sheet, the Statement of Profit and 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 financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant Rules issued there under.

- (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements 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 financial statements.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement.
  - v. The Company has not declared any dividend during the year.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts 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 **AKGVG & Associates**  
Chartered Accountants  
ICAI Firm Registration Number: 018598N

Sd/-  
**Aman Aggarwal**  
Partner  
Membership No 515385  
UDIN: 23515385BGYPV5088

Place: New Delhi  
Date: 11/05/2023

## Annexure - A to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date)

- (i) (a) (A) Based on our audit procedures and as per the information and explanations given by the management, the Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) Based on our audit procedures and as per information and explanations given by the management, the company is maintaining proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its fixed assets of verifying them every year and in accordance with this programme, fixed assets were physically verified by the management during the FY 2022-23. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company does not have any immovable property. Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) Based on our audit procedures and as per the information and explanations given by the management, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) Based on our audit procedures and as per the information and explanations given by the management, the Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and hence reporting under clause (i)(e) of the order is not applicable.
- (ii) (a) The Company is engaged primarily in lending activities and consequently does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) The company has been sanctioned working capital limits in excess of five Crore rupees in aggregate from banks and financial institution on the basis of security of current assets during the year. In our opinion, the quarterly statements filed with the banks are in agreement with the books of accounts.
- (iii) (a) Since the Company's principal business is to give loans, the provisions of clause 3(iii)(a) of the Order is not applicable to it.
- (b) In our opinion and according to the information and explanations given to us, 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 interests.
- (c) 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 and the repayments or receipts are regular during the year.
- (d) No amount is overdue in respect of loans and advances in the nature of loans.
- (e) Since the Company's principal business is to give loans, the provisions of clause 3(iii)(e) of the Order are not applicable to it.
- (f) In our opinion and according to the information and explanations given to us, the Company has not granted loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act with respect to the loans given, investments made, guarantees given and security provided.
- (v) Based on our audit procedures and as per the information and explanations given by the management, the Company has not accepted any deposits from the public; Accordingly, reporting under paragraph (v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained by the management, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013. Accordingly, reporting under paragraph (vi) of the Order is not applicable to the Company.
- (vii) (a) Based on our audit procedures and as per the information and explanations given by the management and on the basis of our examination of the records of the Company, undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.



Based on our audit procedures and as per the information and explanations given by the management, there were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) Based on our audit procedures and as per the information and explanations given by the management, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are not applicable on the company.
- (viii) Based on our audit procedures and as per the information and explanations given by the management and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix)
  - (a) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
  - (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
  - (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
  - (d) Based on our audit procedures and as per the information and explanations given by the management, the funds raised by the company on short term basis have been utilized for short -term purposes.
  - (e) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
  - (f) Based on our audit procedures and as per the information and explanations given by the management, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.
- (x)
  - (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
  - (b) Based on our audit procedures and as per the information and explanations given by the management, the Company has complied with the provisions of Section 42 and 62 of the Act in connection with the funds raised through preferential allotment and private placement of shares and the same have been utilized for the purposes for which they were raised.
- (xi)
  - (a) To the best of our knowledge no material fraud by the company and no material fraud on the Company has been noticed or reported during the year.
  - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - (c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv)
  - (a) In our opinion and based on our examination, though the company is required to have an internal audit system under Section 138 of the Act, the company had the same established for the year.
  - (b) Internal audit report was not generated for the period under audit till the date of this report.
- (xv) Based on our audit procedures and as per the information and explanations given by the management and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 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 registration.

- (b) The company has conducted the non-banking financial activities with a valid certificate of registration ("COR") from the RBI as per Reserve Bank of India Act, 1934. The company has not conducted any Housing financing activities and is not required to obtain COR for such activities from the RBI.
- (c) The company is not a Core Investment Company ("CIC") and hence reporting under clause 3(xvi)(c) of the order is not applicable to the company.
- (d) Based on information and explanations given by the management and examination of records of the company, the group includes no CIC as its part.
- (xvii) The Company has not incurred 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 during the year and accordingly paragraph 3(xviii) of the Order is not applicable.
- (xix) Based on our audit procedures 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 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) Based on the examination of records of the company and information and explanations given to us, the conditions and requirements of section 135 of the act are not applicable to the company hence, paragraph 3(xx) of the Order is not applicable to the company.
- (xxi) There are no companies to be included in Consolidated Financial statements. Hence paragraph 3(xxi) of the order is not applicable to the company.

For **AKGVG & Associates**  
Chartered Accountants  
ICAI Firm Registration Number: 018598N

Sd/-  
**Aman Aggarwal**  
Partner  
Membership No 515385  
UDIN: 23515385BGYPV5088

Place: New Delhi  
Date: 11/05/2023



## Annexure - B to the Independent Auditors' Report

(Referred to in paragraph '2(f)' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SG Finserve Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 over Financial Reporting

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

### Opinion

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

For AKGVG & Associates  
Chartered Accountants  
ICAI Firm Registration Number: 018598N

Sd/-  
Aman Aggarwal  
Partner  
Membership No 515385  
UDIN: 23515385BGYPV5088

Place: New Delhi  
Date: 11/05/2023

## Balance Sheet as at March 31, 2023

Amounts in INR Lakhs

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>I. ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalents	5	4,139.62	10.90
(b) Bank balances other than cash and cash equivalents	5	5,000.00	-
(c) Loans	6	97,554.03	-
(d) Investments	7	-	233.25
(e) Other financial assets	8	898.73	108.69
		<b>1,07,592.38</b>	<b>352.84</b>
<b>(2) Non-financial Assets</b>			
(a) Inventories	9	-	463.95
(b) Current tax assets (net)	10	-	8.88
(c) Investment property	11	-	78.42
(d) Property, plant and equipment	12	22.26	1.47
(e) Capital work-in-progress	13	85.02	-
(f) Deferred tax assets (net)	14	100.79	-
(g) Other non-financial assets	15	122.55	-
		<b>330.62</b>	<b>552.72</b>
<b>Total Assets</b>		<b>1,07,923.00</b>	<b>905.56</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>(1) Financial Liabilities</b>			
(a) Payables			
(i) Trade payables		-	-
(ii) Other payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b) Borrowings (other than debt securities)	16	49,297.59	-
(c) Other financial liabilities	17	571.37	5.94
		<b>49,868.96</b>	<b>5.94</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (net)	18	76.05	4.35
(b) Provisions	19	401.88	0.92
(c) Deferred tax liabilities (net)	14	-	6.88
(d) Other non-financial liabilities	20	268.41	-
		<b>746.34</b>	<b>12.15</b>
<b>(3) Equity</b>			
(a) Equity share capital	21 (a)	4,127.30	501.02
(b) Other equity	21 (b)	53,180.40	386.45
		<b>57,307.70</b>	<b>887.47</b>
<b>Total Liabilities and Equity</b>		<b>1,07,923.00</b>	<b>905.56</b>

Summary of significant accounting policies 4

The accompanying notes are integral part of these financial statements.

As per our report of even date  
For AKGVG & Associates  
Chartered Accountants  
Firm Registration No.018598N

Sd/-  
**Aman Aggarwal**  
Partner  
Membership No.515385

Date: 11/05/2023  
Place: New Delhi

For and on behalf of the Board of Directors of  
**SG Finserve Limited**  
(formerly Moongin Securities Limited)

Sd/-  
**Rahul Gupta**  
Director  
DIN- 07151792

Sd/-  
**Sahil Sikka**  
Chief Financial Officer

Date: 11/05/2023  
Place: New Delhi

Sd/-  
**Rohan Gupta**  
Director  
DIN- 08598622

Sd/-  
**Ritu Nagpal**  
Company Secretary  
ICSI Membership No.A38318

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

Amounts in INR Lakhs

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue from operations</b>			
(a) Interest Income	22	4,024.82	-
(b) Fees and commission Income	22	116.95	-
(c) Dividend Income	22	3.11	2.18
(d) Net gain on fair value changes		-	29.40
<b>I Total revenue from operations</b>		<b>4,144.88</b>	<b>31.58</b>
II Other Income	23	51.30	187.88
<b>III Total Income (I +II)</b>		<b>4,196.18</b>	<b>219.46</b>
<b>Expenses</b>			
(a) Finance Costs	24	841.97	0.19
(b) Provisions for standard assets	25	390.22	-
(c) Net loss on fair value changes		31.88	-
(d) Employee Benefits Expense	26	208.36	49.72
(e) Depreciation amortization and impairment	27	3.04	0.94
(f) Others expenses	28	218.99	56.85
<b>IV Total expenses</b>		<b>1,694.46</b>	<b>107.70</b>
<b>V Profit before tax (III - IV)</b>		<b>2,501.72</b>	<b>111.76</b>
<b>VI Tax expense:</b>			
(a) Current tax		768.76	20.00
(b) Deferred tax (net)	14	(107.67)	7.53
(c) Income tax expense of earlier year		-	5.79
<b>Total tax expense</b>		<b>661.09</b>	<b>33.32</b>
<b>VII Profit for the period (V-VI)</b>		<b>1,840.63</b>	<b>78.44</b>
<b>VIII Other Comprehensive Income</b>			
<b>Add / (less) items that will not be reclassified to profit or loss</b>			
(a) Remeasurement of post employment benefit obligation		-	-
(b) Income tax relating to (a) above		-	-
<b>Other Comprehensive Income</b>		-	-
<b>IX Total Comprehensive Income for the period (VII+VIII)</b>		<b>1,840.63</b>	<b>78.44</b>
<b>X Earnings per equity share of ₹ 10 each</b>			
(a) Basic (₹)	29	8.50	1.57
(b) Diluted (₹)	29	5.05	1.57

Summary of significant accounting policies 4

The accompanying notes are integral part of these financial statements.

As per our report of even date  
For AKGVG & Associates  
Chartered Accountants  
Firm Registration No.018598N

Sd/-  
**Aman Aggarwal**  
Partner  
Membership No.515385

Date: 11/05/2023  
Place: New Delhi

For and on behalf of the Board of Directors of  
**SG Finserve Limited**  
(formerly Moongipa Securities Limited)

Sd/-  
**Rahul Gupta**  
Director  
DIN- 07151792

Sd/-  
**Sahil Sikka**  
Chief Financial Officer

Date: 11/05/2023  
Place: New Delhi

Sd/-  
**Rohan Gupta**  
Director  
DIN- 08598622

Sd/-  
**Ritu Nagpal**  
Company Secretary  
ICSI Membership No.A38318

## Standalone Statement of Changes in Equity for the year ended March 31, 2023

Amounts in INR Lakhs

### A. Equity share capital :

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
At the beginning of the year		501.02	501.02
Changes in equity share capital during the year	21 (a)	3,626.28	-
<b>At the end of the year</b>		<b>4,127.30</b>	<b>501.02</b>

### B. Other equity

Particulars	Reserve and surplus					Total
	Securities premium	Share Warrant	Retained earnings	Statutory reserve	ESOP Reserve	
<b>As at March 31, 2021</b>	-	-	<b>276.43</b>	<b>31.58</b>	-	<b>308.01</b>
Profit during the year	-	-	78.44	-	-	78.44
Transferred to Special reserve from retained earnings	-	-	(15.69)	15.69	-	-
<b>As at March 31, 2022</b>	-	-	<b>339.18</b>	<b>47.27</b>	-	<b>386.45</b>
Profit during the year	-	-	1,840.63	-	-	1,840.63
Changes during the year	-	-	-	-	-	-
-Additions during the year (cash premium)	45,397.91	-	-	-	-	45,397.91
-Additions during the year (non-cash premium)	-	5,516.38	-	-	39.03	5,555.40
-Utilized during the year	-	-	-	-	-	-
Transferred to Special reserve from retained earnings	-	-	(368.13)	368.13	-	-
<b>As at March 31, 2023</b>	<b>45,397.91</b>	<b>5,516.38</b>	<b>1811.68</b>	<b>415.40</b>	<b>39.03</b>	<b>53,180.40</b>

Summary of significant accounting policies 4

The accompanying notes are integral part of these financial statements.

As per our report of even date  
For **AKGVG & Associates**  
Chartered Accountants  
Firm Registration No.018598N

Sd/-  
**Aman Aggarwal**  
Partner  
Membership No.515385

Date: 11/05/2023  
Place: New Delhi

For and on behalf of the Board of Directors of  
**SG Finserve Limited**  
(formerly Moongipa Securities Limited)

Sd/-  
**Rahul Gupta**  
Director  
DIN- 07151792

Sd/-  
**Sahil Sikka**  
Chief Financial Officer

Date: 11/05/2023  
Place: New Delhi

Sd/-  
**Rohan Gupta**  
Director  
DIN- 08598622

Sd/-  
**Ritu Nagpal**  
Company Secretary  
ICSI Membership No.A38318

## Statement of Cash Flows for the year ended March 31, 2023

Amounts in INR Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Cash flow from operating activities</b>		
Profit before tax	2,501.72	111.76
Adjustments for:		
Depreciation and amortisation expense	3.04	0.94
Share based payment	39.03	-
Loss on sale of property	-	8.90
Provision for standard assets	390.22	-
Provision for gratuity and leave encashment	11.67	0.05
Finance costs	841.97	0.19
Loss / (gain) on sale of property, plant and equipment (net)	-	(0.07)
Interest income	-	(8.99)
Rent received	-	(2.70)
Net gain on fair value changes	31.88	(29.40)
Gain on disposal of investments	-	(3.75)
<b>Operating profit before working capital changes</b>	<b>3,819.53</b>	<b>76.93</b>
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	432.07	(141.06)
Trade receivables	-	0.09
Other receivables	-	134.23
Other current assets	(122.55)	-
Loan	(97,944.24)	-
Other financial assets	(790.04)	(5.07)
Current tax assets	8.88	2.50
Adjustments for increase / (decrease) in operating liabilities:		
Other financial liabilities	565.43	2.07
Other non financial liabilities	268.41	-
Other current tax liabilities	71.70	-
Provisions (current & non-current)	389.29	-
<b>Cash generated from operations</b>	<b>(93,301.52)</b>	<b>69.69</b>
Income tax (paid)	(768.76)	(24.86)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(94,070.28)</b>	<b>44.83</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment (including capital advances)	(108.86)	(0.80)
Proceeds from sale of property, plant and equipment	-	0.30
Purchase of investment	-	(156.94)
Proceeds from sale of investment	233.25	73.50
Proceeds from sale of property	78.42	36.95
Rent received	-	2.70
Interest received	-	8.99
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>202.81</b>	<b>(35.30)</b>

## Statement of Cash Flows for the year ended March 31, 2023

Amounts in INR Lakhs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>C. Cash flow from financing activities</b>		
Proceeds from borrowings	49,297.59	-
Proceeds from issue of share capital and share warrant	54,540.57	-
Finance costs	(841.97)	(0.19)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>1,02,996.19</b>	<b>(0.19)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>9,128.72</b>	<b>9.34</b>
Cash and cash equivalents at the beginning of the year	10.90	1.56
<b>Cash and cash equivalents at the end of the year</b>	<b>9,139.62</b>	<b>10.90</b>

As per our report of even date  
For **AKGVG & Associates**  
Chartered Accountants  
Firm Registration No.018598N

Sd/-  
**Aman Aggarwal**  
Partner  
Membership No.515385

Date: 11/05/2023  
Place: New Delhi

For and on behalf of the Board of Directors of  
**SG Finserve Limited**  
(formerly Moongipa Securities Limited)

Sd/-  
**Rahul Gupta**  
Director  
DIN- 07151792

Sd/-  
**Sahil Sikka**  
Chief Financial Officer

Date: 11/05/2023  
Place: New Delhi

Sd/-  
**Rohan Gupta**  
Director  
DIN- 08598622

Sd/-  
**Ritu Nagpal**  
Company Secretary  
ICSI Membership No.A38318



# Summary of significant accounting policies and notes to accounts

for the year ended March 31, 2023

## 1 Company overview

SG Finserve Limited (the 'Company') (formerly known as Moongipa Securities Limited) was incorporated in 1994, under the provisions of the Companies Act, 1956.

The Company has received a Certificate of Registration from the Reserve Bank of India ("RBI") on 16 May 2018 to commence/carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits. The company qualifies to be a NBFC - Systematically important Non-Deposit taking Company as per Master - Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016, as amended (the "Master Directions").

The registered office of the Company is 37, Hargobind Enclave Vikas Marg Delhi, East Delhi, Delhi 110092

The Co. is primarily engaged in business of supply chain finance.

The standalone financial statement were authorized for issue by the Company's Board of Directors on May 11, 2023.

## 2 Basis of preparation & presentation of financial statements

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 (as amended from time to time), along with other relevant provision of the Act, the RBI Master Directions and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.109/22.10.106/2019-20 dated March 13, 2020 ("RBI circular for Implementation of Ind AS") & other applicable guideline issued by RBI. The Company uses accrual basis of accounting except in case of significant uncertainties. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The standalone financial statements of the Company are presented as per Division III of Schedule III, as amended, of the Companies Act, 2013 applicable to NBFC, as notified by the Ministry of Corporate Affairs ('MCA'). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7, Statement of Cash Flows. The disclosure requirements with respect to items in the Balance Sheet and Standalone Statement of Profit and Loss, as prescribed in the Schedule III the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and RBI regulations to the extent applicable.

The Company presents its Balance Sheet in the order of its liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS.

## 3 Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as on the date of financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements. The area involving critical estimates or judgements are:

- a. Employee benefits-Defined benefit Obligations
- b. Provisions, Contingencies

Estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

## 4 Significant accounting policies

### a) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party Information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuation should be classified.

When measuring the fair values of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows :

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly

(i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## b) Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments

All financial instruments are at amortised cost, unless otherwise specified.

All the finance Instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities the Company recognises the financial instruments on settlement date.

## b) (i) Financial Assets

### Initial measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless proved to the contrary.

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

- amortised cost;
- Fair value through other comprehensive income ('FVOCI');
- 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. The Company classifies its financial assets in the following measurement categories:

### Financial assets measured at amortised cost

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment), unless the asset is designated at FVTPL;

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

### Financial assets measured at Fair value through other comprehensive Income ('FVOCI')

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL;

- i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ii) the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

### Financial assets measured at Fair value through Profit and Loss ('FVTPL')

A financial asset which is not classified in above category is subsequently measure at FVTPL. Where assets are measured at fair value, gains and losses are recognised entirely in the Standalone Statement of Profit and Loss.

### **Subsequent measurement**

The assets classified in the aforementioned categories are subsequently measured as follows:

#### **Financial assets at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gain and losses and impairment are recognised in standalone statement of profit and loss. Any gain or loss on derecognition is recognised in standalone statement of profit and loss.

#### **Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Standalone statement of Profit and Loss.

### **b) (ii) Financial Liabilities**

Financial liabilities are classified and measured at amortised cost or FVTFL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as on initial recognition.

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

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable and incremental transaction cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs profit and loss.

The Company's financial liabilities include trade payables and other financial liabilities.

### **b) (iii) Derecognition**

#### **Financial assets**

The Company derecognizes a financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) when the contractual rights to receive cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the asset.

If the Company enters into transactions whereby it transfers assets recognized 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.

On derecognition of a financial asset in its entirety, the difference between:

- the carrying amount (measured at the date of derecognition) and
- the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Financial assets subsequently measured at amortised cost are generally held for collection of contractual cashflow. The Company on looking at economic viability of certain portfolios measured at amortised cost may enter into immaterial and infrequent transaction for sale of loans which doesn't affect the business model of the Company.

#### **Financial liabilities**

A financial liability is derecognised when the obligation under the liability discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of Profit and Loss.

### **b) (iv) Offsetting of financial instruments**

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

### **c) Property, plant and equipment**

#### **Tangible assets**

Tangible assets are stated at cost, net of accumulated depreciation and impairment losses, if any. Cost includes purchase price and directly attributable cost of bringing the asset to its working condition for the intended use.

#### **Intangible assets**

Intangible assets are stated at cost less accumulated amortisation. These are recognised as assets if it is probable that future economic benefits attributable to such assets will flow to the Company and the cost of the assets can be measured reliably.

## Depreciation and amortisation

### Tangible assets

Depreciation is provided on a pro rata basis for all such assets on a straight line method over the useful life of assets. Depreciation on addition of assets and assets disposed off during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.

The useful life of the assets prescribed in Schedule II to the Act are as tabulated below:

Asset description	Useful life
Office equipments	5 years
Furniture and fixtures	10 years
Computers	3 years
Vehicles	8 years

### Intangible assets

Intangible assets are being amortised over the useful life, as estimated by the management, which is the period over which economic benefits from the said assets are expected to flow. Computer software and license are amortised on a straight line method over a period of five years, which is the management's estimate of its useful life.

## d) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

## e) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are valued at the lower of cost and fair value. Long-term investments are stated at cost. Provision is made for diminution in the value of long-term investments to recognise a decline, if any, other than temporary in nature. Profit/loss on sale of investments are computed with reference to their cost determined on first in first out basis.

## f) Revenue recognition

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

### Income from financing activity :

Interest, finance charges, service charges etc. are recognised as income on accrual basis with reference to the terms of contractual commitments such as interest subsidy and finance agreements entered into with borrowers, as the case may be, except in the case of delinquent assets provided for where income is recognised only when realised.

### Fee and other charges:

The Company recognises revenue from contracts with customers (other than financial assets the which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assesment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its preformance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations.

Loan related charges such as cheque bounce charges, forclosure charges, etc. are recognised only on receipt basis.

### Income from investment :

Dividend is accrued when the right to receive is established i.e. when declared by the investee entity. Interest on securities is accounted for on accrual basis except where the ultimate collection cannot be established with reasonable certainty.

### Gain/loss on sale of non-performing assets :

Gain/loss on sale of non-performing assets is recognised in line with the extant RBI guidelines.

### Other income :

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

## g) Receivables under financing activity

Receivables under financing activity represent principal outstanding at the close of the year but net of amount written off. The Company assesses all receivables for their recoverability and accordingly makes provisions for non-performing assets and delinquent assets not yet non-performing assets as considered necessary including by elating provision to an early stage based on past experience, emerging trends and estimates. However, the Company ensures that the said provisions are not lower than the provisions stipulated in the applicable RBI regulations/guidelines. A general provision, as

required by RBI regulations/guidelines, is also made by the Company on the standard assets outstanding.

#### **h) Loan to borrowers**

Receivables under financing activity are classified into performing and non-performing assets in terms of minimum classification and provisioning required under Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (as amended time to time) ('the Master Directions') issued by the RBI and updated from time to time.

Specific loan loss provisions in respect of non-performing advances are made based on management's assessment of degree of impairment of the advances after considering the the Master Directions on provisioning prescribed by the RBI.

#### **i) Employee benefits**

Wages, earnings and paid leave are accrued in the year in which the associated services are rendered by the employees of the Company.

##### **Provident fund**

The Company makes contribution to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan. The contribution paid or payable is recognised as an expense in the period in which the services are rendered by the employee. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

##### **Gratuity**

Gratuity is a post-employment defined benefit plan. The liability recognised in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded as expense or income in the statement of profit and loss in the year in which such gains or losses arise.

##### **Compensated absences**

The liability in respect of compensated absences is determined on the basis of actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains or losses are recognised in the statement of profit and loss in the year they arise.

##### **Other short-term benefits**

Expenses relating to other short-term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employee.

#### **j) Leases**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss.

#### **k) Income Tax**

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive Income ('OCI').

##### **k) (i) Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Its measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends to realise the asset or settle the liability on a net basis or simultaneously.

##### **k) (ii) Deferred Tax**

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects.
- Temporary differences related to investments in subsidiaries and associates 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.

Deferred taxes are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

**l) Provision and contingencies**

The Company makes a provision when there is a present obligation as a result of a past event, where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- present obligation, where a reliable estimate cannot be made.

When there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**m) Cash and cash equivalent**

Cash and cash equivalents comprise cash at bank and in hand and short-term bank deposits with an original maturity of three months or less.

**n) Earnings per share**

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

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

**o) Recent accounting pronouncements**

Standards issued but not yet effective:

In March 2023, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended certain Ind AS as explained below:

**1) Ind AS 1 – Presentation of Financial Statements** – the amendment prescribes disclosure of material accounting policies instead of significant accounting policies. The impact of the amendment on the Financial Statements is expected to be insignificant basis the preliminary evaluation.

**2) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors** – the amendment added definition of accounting estimate and clarifies what is accounting estimate and treatment of change in the accounting estimate and accounting policy. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation.

**3) Ind AS 12 – Income taxes** – the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation.

The above amendments are effective from annual periods beginning on or after 1<sup>st</sup> April, 2023.



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

Amounts in INR Lakhs

### 5 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Cash on hand	0.50	0.05
(b) Balances with banks		
- in current accounts	1,082.82	10.85
(c) In fixed deposits with maturity less than 3 months	3,056.30	-
<b>Total</b>	<b>4,139.62</b>	<b>10.90</b>
Bank balances other than cash and cash equivalents		
(i) In earmarked accounts		
(a) In fixed deposits with maturity more than 3 months & less than 12 months at inception - with banks	5,000.00	-
<b>Total</b>	<b>5,000.00</b>	<b>-</b>

### 6 Loans

(Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Loans at amortized cost</b>		
<b>(A)</b>		
(a) Bills purchased and bills discounted	-	-
(b) Loans repayable on demand	97,554.03	-
(c) Term Loans	-	-
(d) Leasing and hire purchase	-	-
(e) Factoring	-	-
<b>Total (A) - Gross</b>	<b>97,554.03</b>	<b>-</b>
Less: Impairment loss allowance	-	-
Less: Revenue received in advance	-	-
<b>Total (A) - Net</b>	<b>97,554.03</b>	<b>-</b>
<b>(B)</b>		
(a) Secured by tangible assets	68,622.38	-
(b) Secured by intangible assets	-	-
(c) Covered by Bank/ Government Guarantees	-	-
(d) Unsecured	28,931.65	-
<b>Total (B) - Gross</b>	<b>97,554.03</b>	<b>-</b>
Less: Impairment loss allowance	-	-
Less: Revenue received in advance	-	-
<b>Total (B) - Net</b>	<b>97,554.03</b>	<b>-</b>
<b>(C)</b>		
<b>(I) Loans in India</b>		
(a) Public Sector	-	-
(b) Others	97,554.03	-
<b>(II) Loans outside India</b>	<b>-</b>	<b>-</b>
<b>Total (C) - Gross</b>	<b>97,554.03</b>	<b>-</b>
Less: Impairment loss allowance	-	-
Less: Revenue received in advance	-	-
<b>Total (C) - Net</b>	<b>97,554.03</b>	<b>-</b>
<b>Total</b>	<b>97,554.03</b>	<b>-</b>

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

Amounts in INR Lakhs

### 7 Investments

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At fair value through profit or loss</b>		
(A)		
Mutual funds	-	233.13
Others:		
- DSE membership deposit	-	0.12
<b>Total - Gross (A)</b>	<b>-</b>	<b>233.25</b>
(B)		
(i) Investments outside India	-	-
(ii) Investments in India	-	233.25
<b>Total (B)</b>	<b>-</b>	<b>233.25</b>
Less: Allowance for Impairment loss (C)	-	-
<b>Total - Net (D) = (A) - (C)</b>	<b>-</b>	<b>233.25</b>

### 8 Other financial assets

(Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Fixed deposits	-	68.95
(b) Other claim receivable	34.89	-
(c) Interest accrued on FDR	-	10.09
(d) Advance against property	-	29.14
(e) Interest accrued and due on loan given	863.84	-
(f) Other receivables	-	0.51
<b>Total</b>	<b>898.73</b>	<b>108.69</b>

### 9 Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Stock in trade	-	463.95
<b>Total</b>	<b>-</b>	<b>463.95</b>

### 10 Current tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Advance income tax	-	8.88
<b>Total</b>	<b>-</b>	<b>8.88</b>

### 11 Investment property

Particulars	18/14 Basement	Mohali	Total
<b>Gross carrying value</b>			
Balance as at March 31, 2021	49.58	78.42	128.00
Addition	-	-	-
Disposals	(49.58)	-	(49.58)
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>78.42</b>	<b>78.42</b>



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

Amounts in INR Lakhs

Particulars	18/14 Basement	Mohali	Total
Addition	-	-	-
Disposals	-	(78.42)	(78.42)
<b>Balance as at March 31, 2023</b>	-	-	-
Depreciation/Amortization			
Balance as at March 31, 2021	3.15	-	3.15
Addition	0.58	-	0.58
Disposals	(3.73)	-	(3.73)
<b>Balance as at March 31, 2022</b>	-	-	-
Addition	-	-	-
Disposals	-	-	-
<b>Balance as at March 31, 2023</b>	-	-	-
<b>Net carrying value as at March 31, 2022</b>	-	<b>78.42</b>	<b>78.42</b>
<b>Net carrying value as at March 31, 2023</b>	-	-	-

### 12. Property, plant and equipment

Gross block	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
<b>Balance as at 31 March 2021</b>	<b>4.79</b>	<b>1.01</b>	<b>1.35</b>	-	<b>7.15</b>
Additions	0.68	0.13	-	-	0.81
Disposal	(3.30)	-	(1.25)	-	(4.55)
<b>Balance as at 31 March 2022</b>	<b>2.17</b>	<b>1.14</b>	<b>0.10</b>	-	<b>3.41</b>
Additions	1.93	-	8.12	13.60	23.65
Disposal	(2.17)	(1.14)	(0.10)	-	(3.41)
<b>Balance as at 31 March 2023</b>	<b>1.93</b>	-	<b>8.12</b>	<b>13.60</b>	<b>23.65</b>
<b>Accumulated depreciation</b>					
<b>Balance as at 31 March 2021</b>	<b>3.67</b>	<b>0.96</b>	<b>1.27</b>	-	<b>5.90</b>
Depreciation charge for the year	0.34	0.01	0.01	-	0.36
Disposal	(3.13)	-	(1.19)	-	(4.32)
<b>Balance as at 31 March 2022</b>	<b>0.88</b>	<b>0.97</b>	<b>0.09</b>	-	<b>1.94</b>
Depreciation charge for the year	1.55	0.11	0.79	0.59	3.04
Disposal	(2.32)	(1.08)	(0.19)	-	(3.59)
<b>Balance as at 31 March 2023</b>	<b>0.11</b>	-	<b>0.69</b>	<b>0.59</b>	<b>1.39</b>
<b>Net block</b>					
<b>Balance as at 31 March 2022</b>	<b>1.29</b>	<b>0.17</b>	<b>0.01</b>	-	<b>1.47</b>
<b>Balance as at 31 March 2023</b>	<b>1.82</b>	-	<b>7.43</b>	<b>13.01</b>	<b>22.26</b>

### 13. Capital work-in-progress

#### a. CWIP aging Schedule as at March 31, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Year	2-3 Year	More than 3 Year	
Project in progress	85.02	-	-	-	85.02

#### b. CWIP aging Schedule as at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Year	2-3 Year	More than 3 Year	
Project in progress	-	-	-	-	-

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

Amounts in INR Lakhs

### 14 Deferred tax assets (net)\*

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax assets arising on account of</b>		
Provision for employee benefits	2.93	0.21
Provision against standard assets	98.21	-
Timing difference on depreciation and amortisation on property, plant and equipment	-	0.31
Gross Deferred Tax assets (a)	-	-
	<b>101.14</b>	<b>0.52</b>
<b>Deferred tax liabilities arising on account of</b>		
Timing difference on depreciation and amortisation on property, plant and equipment	0.35	-
Fair Value Changes	-	7.40
Gross Deferred Tax liabilities (b)	-	-
	<b>0.35</b>	<b>7.40</b>
<b>Deferred tax assets/(liabilities), net (a-b)</b>	<b>100.79</b>	<b>(6.88)</b>

### 15 Other non-financial assets

(Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Prepaid expenses	94.73	-
(b) Balances with government authorities:		
(i) GST Recoverable	1.92	-
(c) Advance to Others	2.67	-
(d) Advance to employee	23.23	-
<b>Total</b>	<b>122.55</b>	<b>-</b>

### 16 Borrowings - short term (other than debt securities)

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings at amortized cost		
(a) Term loans		
(i) from banks	-	-
(ii) from other parties	-	-
(b) Deferred payment liabilities	-	-
(c) Loans from related parties	-	-
(d) Finance lease obligations	-	-
(e) Liability component of compound financial instruments	-	-
(f) Loans repayable on demand		
(i) from banks- Secured	44,297.59	-
(ii) from other parties- Secured	5,000.00	-
(g) Other loans (specify nature)	-	-
<b>Total (A)</b>	<b>49,297.59</b>	<b>-</b>
Borrowings in India	49,297.59	-
Borrowings outside India	-	-
<b>Total (B)</b>	<b>49,297.59</b>	<b>-</b>

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

Amounts in INR Lakhs

### Loans from banks (including current maturities) are as follows:

Name of the institution	Amounts	Security structure
Yes Bank Limited	9,000.00	First Pari-Passu charge on receivable (1.25x), CG of APL Infrastructure Pvt. Ltd. & PG of Rahul Gupta and Sanjay Gupta
Bank of Baroda	4,997.59	First Pari-Passu charge on receivable (1.18x), CG of APL Infrastructure Pvt. Ltd. & PG of Rahul Gupta and Sanjay Gupta
Axis Bank Limited	5,000.00	First Pari-Passu charge on receivable (1.15x) & CG of APL Infrastructure Pvt. Ltd.
HDFC Bank Limited	20,300.00	First Pari-Passu charge on receivable (1.15x), CG of APL Infrastructure Pvt. Ltd. & PG of Rahul Gupta and Sanjay Gupta
Kotak Mahindra Bank Limited	5,000.00	First Pari-Passu charge on receivable (1.11x) & CG of APL Infrastructure Pvt. Ltd.
<b>Total</b>	<b>44,297.59</b>	

### Loans from financial institutions (including current maturities) are as follows:

Name of the institution	Amounts	Security structure
Tata Capital Financial Services Limited	-	First Pari-Passu charge on receivable (1.15x) & CG of APL Apollo Infrastructure Pvt. Ltd.
Bajaj Finance Limited	5,000.00	First Pari-Passu charge on receivable (1.15x) & CG of APL Apollo Infrastructure Pvt. Ltd.
<b>Total</b>	<b>5,000.00</b>	

## 17 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Payable to employees	1.61	-
(b) Payable to others	38.18	5.65
(c) Statutory remittances	9.15	0.29
(d) Advance from Customers	398.18	-
(e) Interest accrued but not due on borrowings	124.25	-
<b>Total</b>	<b>571.37</b>	<b>5.94</b>

## 18 Current tax liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for Income tax	76.05	4.35
<b>Total</b>	<b>76.05</b>	<b>4.35</b>

## 19 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for Standard Assets (refer a-1 & a-2)	390.22	0.07
(b) Provision for compensated absences	7.67	-
(c) Provision for gratuity	3.99	0.85
<b>Total</b>	<b>401.88</b>	<b>0.92</b>
<b>Note:</b>		
(a-1) <b>Movement in contingent provision against standard assets (short term)</b>		
Opening balance	0.07	0.07
Provision created during the year	379.62	-
Provision reversed/utilised during the year	(0.07)	-
<b>Closing balance</b>	<b>379.62</b>	<b>0.07</b>

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

Amounts in INR Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(a-2) <b>Movement in contingent provision against standard assets (long term)</b>		
Opening balance	-	-
Provision created during the year	10.60	-
Provision reversed/utilised during the year	-	-
<b>Closing balance</b>	<b>10.60</b>	<b>-</b>

### 20 Other non-financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Other non-financial liabilities	268.41	-
<b>Total</b>	<b>268.41</b>	<b>-</b>

### 21(a) Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
(i) <b>Authorised capital</b>				
Equity shares of Rupees 10 each with voting rights	6,00,00,000	6,000.00	60,00,000	600.00
	6,00,00,000	6,000.00	60,00,000	600.00
(ii) <b>Issued capital</b>				
Equity shares of Rupees 10 each with voting rights	4,12,73,000	4,127.30	50,10,200	501.02
	4,12,73,000	4,127.30	50,10,200	501.02
(iii) <b>Subscribed and fully paid up capital</b>				
Equity shares of Rupees 10 each with voting rights	4,12,73,000	4,127.30	50,10,200	501.02
	4,12,73,000	4,127.30	50,10,200	501.02

#### (1) Reconciliation of the number of shares and amount outstanding as at March 31, 2023 and March 31, 2022

Particulars	Number of shares		Amount	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Equity share capital</b>				
Outstanding at the beginning of the year	50,10,200	50,10,200	501.02	501.02
Add: Issued during the year	3,62,62,800	-	3,626.28	-
<b>Outstanding at the end of the year</b>	<b>4,12,73,000</b>	<b>50,10,200</b>	<b>4,127.30</b>	<b>501.02</b>

#### (2) Rights, Preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rupees 10 each. Each shareholder is eligible for one vote per share held. 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, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Amounts in INR Lakhs

### (3) Details of shares held by each shareholder holding more than 5% shares :-

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding	Number of shares held	% holding
<b>Equity shares with voting rights</b>				
Moongipa Capital Finance Ltd	-	-	8,10,730	16.18%
Rohan Gupta	1,04,99,999	25.44%	-	-
Rahul Gupta	1,05,00,001	25.44%	-	-
KITARA PIIN 1103	21,00,000	5.09%	-	-

### (4) Shares held by promoters at the end of the year

Name of promoter	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding	Number of shares held	% holding
Rohan Gupta	1,04,99,999	25.44%	-	-
Rahul Gupta	1,05,00,001	25.44%	-	-
Moongipa Capital Finance Ltd	-	-	8,10,730	16.18%
Suresh Chander Jain	-	-	2,49,148	4.97%
Sanjay Jain	-	-	2,49,000	4.97%
Pooja Jain	-	-	2,48,250	4.95%
Nirmal Jain	-	-	2,44,645	4.88%
Sanjay Jain and sons huf	-	-	2,41,652	4.82%
Rosy Gupta	-	-	2,32,400	4.64%
Suresh Chander Jain and sond huf	-	-	2,21,846	4.43%
Ruchi jain	-	-	2,17,997	4.35%
Vimal Kumar Mehta	-	-	1,02,490	2.05%

### 21 (b) Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	45,397.91	-
Share Warrant	5,516.38	-
Retained earnings	1,811.68	339.18
Statutory reserve	415.40	47.27
ESOP Reserve	39.03	-
<b>Total</b>	<b>53,180.40</b>	<b>386.45</b>

Particulars	As at March 31, 2023	As at March 31, 2022
(1) <b>Securities premium</b>		
Balance at the beginning of the year	-	-
Add: Additions	45,397.91	-
<b>Balance at the end of the year</b>	<b>45,397.91</b>	-
(2) <b>Share Warrants</b>		
Balance at the beginning of the year	-	-
Add: Additions	5,516.38	-
<b>Balance at the end of the year</b>	<b>5,516.38</b>	-

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

Amounts in INR Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(3) Retained earnings</b>		
Balance at the beginning of the year	339.18	276.43
Add: Total comprehensive income for the year	1,840.63	78.44
Less: Final dividend	-	-
Less: Tax on dividend paid	-	-
Less: Transfer to special reserve	(368.13)	(15.69)
<b>Balance at the end of the year</b>	<b>1,811.68</b>	<b>339.18</b>
<b>(4) Reserve fund in terms of section 45-IC of the Reserve Bank of India Act, 1934</b>		
Balance at the beginning of the year	47.27	31.58
Add : Addition during the year	368.13	15.69
Less : Transfer to Securities premium reserve	-	-
<b>Balance at the end of the year</b>	<b>415.40</b>	<b>47.27</b>
<b>(5) ESOP Reserve</b>		
Balance at the beginning of the year	-	-
Add : Addition during the year	39.03	-
Less : Transfer to Securities premium reserve	-	-
<b>Balance at the end of the year</b>	<b>39.03</b>	<b>-</b>
<b>Total</b>	<b>53,180.40</b>	<b>386.46</b>

### Nature and purpose of reserves :-

- (i) Securities premium : Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 (the Companies Act).
- (ii) Share Warrants : it is a document issued by the company under its common seal, stating that its bearer is entitled to the shares or stock specified therein. Share warrants are negotiable instruments. They are transferable by mere delivery without registration of transfer.
- (iii) Retained earnings : It represents unallocated/un-distributed profits of the Company. The amount that can be distributed as dividend by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus amount reported above are not distributable in entirety.
- (iv) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 : Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.
- (v) ESOP Reserve : ESOP stands for employee stock ownership plan. An ESOP grants company stock to employees, often based on the duration of their employment.

### 21 (c) Employee Share Based Payments

The Company has established employees stock options plan, 2022 (ESOP Scheme-Moongipa Securities Limited Employee Stock Option Scheme-2022) for its employees by passing a resolution through postal ballot e-voting dated November 27, 2022. The employee stock option plan is designed to provide incentives to the employees of the Group to deliver long-term returns and is an equity settled plan. The ESOP Scheme is administered by the Nomination and Remuneration committee. Participation in the plan is at the Nomination and Remuneration committee's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted under ESOP scheme would vest in not less than one year and not more than five years from the date of grant of the options. The Nomination and remuneration committee of the Company has approved multiple grants with related vesting conditions. Vesting of the options would be subject to continuous employment with the Company and hence the options would vest with passage of time. In addition to this, the Nomination and remuneration

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

Amounts in INR Lakhs

committee may also specify certain performance parameters subject to which the options would vest. Such options would vest when the performance parameters are met.

Once vested, the options remain exercisable for a period of maximum five year. Options granted under the plan are for no consideration and carry no dividend or voting rights. On exercise, each option is convertible into one equity share. The exercise price is ₹361.80/- per option.

### a) Set Out Below is the summary of options granted under the plan.

Particulars	31 March 2023		31 March 2022	
	Average Exercise price per option	Number of Options	Average Exercise price per share	Number of Options
Opening Balance	-	-	-	-
Granted during the year	361.80	2,00,000.00	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired/Lapse during the year	361.80	(4,000.00)	-	-
<b>Closing Balance</b>	<b>361.80</b>	<b>1,96,000.00</b>	-	-

Vested and Exercisable

Average share price for the year ended 31 March 2023 is ₹361.80/- (31 March 2022: NA).

Weighted average remaining contractual life of options outstanding at end of the Year : 4.75 years

Share options outstanding at the end of the year have the following expiry date and exercise prices.

Grant Date	Expiry Date	Exercise Price (INR)	Share options outstanding on 31 March 2023	Share options outstanding on 31 March 2022
02 January 2023	02 January 2028	361.80	1,96,000	-
<b>Total</b>			<b>1,96,000</b>	-

### b) Fair Value of the options granted during the year-

During the current year Nomination & remuneration committee has approved one grant. Following are the details of assumptions under individual grant, related vesting conditions and fair valuation model used based on the nature of vesting.

#### Date of Grant- January 02, 2023

The Company has granted options under ESOP scheme based on following criteria and related assumptions

Vesting criteria - Continuous employment with the company.

Fair Valuation Method- Black Scholes options Pricing Model

Grants	02/01/23	Vesting %	Vesting period	Exercise period from the vesting	Minimum life	Maximum Life	Expected Life
			(In Years)	(In Years)	(In Years)	(In Years)	(In Years)
Vest 1	02/01/24	20%	1	5	1	6	3.5
Vest 2	02/01/25	20%	2	4	2	6	4
Vest 3	02/01/26	20%	3	3	3	6	4.5
Vest 4	02/01/27	20%	4	2	4	6	5
Vest 5	02/01/28	20%	5	1	5	6	5.5

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

Amounts in INR Lakhs

### 22 Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Interest Income (on Financial Assets measured at Amortized cost)		
(i) Interest on Loans	3,873.32	-
(ii) Interest on deposits with Banks	147.29	-
(iii) Other interest income	4.21	-
(b) Processing fees and documentation charges	116.95	-
(c) Dividend income	3.11	2.18
<b>Total</b>	<b>4,144.88</b>	<b>2.18</b>

### 23 Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Interest income on fixed deposit	-	5.62
(b) Rental Income	-	2.70
(c) Interest income on others	-	3.55
(d) Profit on sale of property, plant and equipment (net)	-	0.07
(e) Profit on sale of mutual fund	-	3.75
(f) Profit on sale of shares	-	164.43
(g) Profit on sale of future and options	-	6.78
(h) Miscellaneous income	51.30	0.98
<b>Total</b>	<b>51.30</b>	<b>187.88</b>

### 24 Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>On Financial liabilities measured at Amortized Cost:</b>		
(a) Interest expense on:		
(i) working capital facilities	820.10	-
(ii) delayed payment of income tax	0.12	-
(b) Other borrowing cost	21.75	0.19
<b>Total</b>	<b>841.97</b>	<b>0.19</b>

### 25 Provision for standard assets

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Provision for standard assets	390.22	-
<b>Total</b>	<b>390.22</b>	<b>-</b>

### 26 Employee Benefits Expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Salaries and wages	154.11	45.51
(b) Contribution to provident fund	7.47	-
(c) Gratuity expense	3.99	0.05
(d) Share Based Payments to Employees (see note (21(b)))	39.03	-
(e) Staff welfare expenses	3.76	4.16
<b>Total</b>	<b>208.36</b>	<b>49.72</b>

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

Amounts in INR Lakhs

### 27 Depreciation amortization and impairment

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Depreciation (PPE)	3.04	0.36
(b) Depreciation (Investment Property)	-	0.58
<b>Total</b>	<b>3.04</b>	<b>0.94</b>

### 28 Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Power and fuel	0.87	1.32
(b) Rent including lease rentals	2.98	-
(c) Repair and maintenance:		
(i) Others	0.05	-
(d) Rates and taxes	89.02	5.69
(e) Travelling and conveyance	9.30	2.25
(f) Legal and professional charges (see note (i) below)	41.76	1.53
(i) Auditors fees and expenses	7.55	0.35
(g) Advertisement and sales promotion	2.20	5.35
(h) Vehicle running expense	-	0.66
(i) Office Maintenance	-	8.68
(j) Insurance	-	5.25
(k) Loss on sale of property	-	8.90
(l) Operating loss (Share)	49.31	-
(m) Miscellaneous expenses	15.95	16.87
<b>Total</b>	<b>218.99</b>	<b>56.85</b>

**Note :-**

(i) Legal & professional charges include auditor's remuneration (excluding indirect taxes) as follows :

(a) To statutory auditors

For audit	6.50	0.35
For other services	0.55	-
(b) For tax audit	0.50	-
<b>Total</b>	<b>7.55</b>	<b>0.35</b>

### 29 Earnings per share\*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net profit as per statement of profit and loss attributable to equity shareholders	1,840.63	78.44
Weighted average number of equity shares for basic earnings per share	2,16,65,629.00	50,10,200.00
<b>Effect of dilution</b>		
Employee stock options	1,96,000.00	-
Warrant	1,46,22,000.00	-
Weighted average number of equity shares for diluted earnings per share	3,64,83,629.00	50,10,200.00
Nominal value of shares	10.00	10.00
<b>Earnings per share (basic) (In ₹)</b>	<b>8.50</b>	<b>1.57</b>
<b>Earnings per share (diluted) (In ₹)</b>	<b>5.05</b>	<b>1.57</b>

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

Amounts in INR Lakhs

### 30 Related party disclosures

Related party disclosures as required by the Indian Accounting Standard 24- Related Party Disclosures, notified under the Companies Act, 2013 are given below:

#### (A) Name of related parties and nature of relationship

Name of the parties	Relationship
Rahul Gupta	Director
Rohan Gupta	Director
Key Management Personnel	
Mr. Sorabh Dhawan	Chief Executive Officer (DOJ: 18/10/2022)
Mr. Sahil Sikka	Chief Financial Officer (DOJ: 25/07/2022)
Mr. Sachin Kumar	Company Secretary (DOJ: 02/04/2023)
Ms. Ritu Nagpal	Company Secretary (DOJ: 11/05/2023)
Mr. Anil Kumar Bansal	Independent Director (DOJ: 25/07/2022)
Ms. Asha Anil Agarwal	Independent Director (DOJ: 02/09/2022)
Mr. DukhabandhuRath	Independent Director (DOJ: 25/01/2023)
Mr. H. S. Upendra Kamath	Independent Director (DOJ: 13/02/2023)

#### Enterprises significantly influenced by key management personnel and their relatives

APL Infrastructure Private Limited  
 Apollo Pipes Limited  
 APL Apollo Tubes Limited  
 SG Realtor Private Limited  
 Sudesh Business Ventures Private Limited  
 SG Air Travel Private Limited  
 Homedge Infracon Private Limited  
 SG Machine Industries Private Limited  
 SG Ornate Solar Solutions Private Limited

#### (B) Transactions carried during the year:

Particulars (included in)	For the year ended	
	March 31, 2023	March 31, 2022
<b>Office rent and maintenance</b>		
APL Infrastructure Pvt. Ltd.	3.23	-
<b>Transaction with Key Management personnel</b>		
Employee benefits expense - KMPs	55.70	6.39
Directors' sitting fees	7.75	-
Sale of property	-	36.95

#### (C) Summary of outstanding balances

Particulars (included in)	As at	As at
	March 31, 2023	March 31, 2022
Office rent and maintenance		
APL Infrastructure Pvt. Ltd.	0.59	-
Outstanding balances with Key Management personnel		
Employee benefits expense - Payables	8.16	1.31
Advances given	23.23	-



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

Amounts in INR Lakhs

### (D) Guarantees provided against borrowings

Particulars (included in)	As at	
	March 31, 2023	March 31, 2022
<b>Personal Guarantee</b>		
<b>Rahul Gupta</b>		
Bank of Baroda	5,000.00	-
Yes Bank Limited	10,000.00	-
HDFC Bank Limited	22,500.00	-
<b>Sub Total</b>	<b>37,500.00</b>	<b>-</b>
<b>Rohan Gupta</b>		
Bank of Baroda	5,000.00	-
<b>Sub Total</b>	<b>5,000.00</b>	<b>-</b>
<b>Sanjay Gupta</b>		
HDFC Bank Limited	22,500.00	-
Yes Bank Limited	10,000.00	-
<b>Sub Total</b>	<b>32,500.00</b>	<b>-</b>
<b>Corporate Guarantee</b>		
<b>APL Infrastructure Pvt. Ltd.</b>		
Yes Bank Limited	10,000.00	-
Bank of Baroda	5,000.00	-
Axis Bank Limited	5,000.00	-
HDFC Bank Limited	22,500.00	-
Kotak Mahindra Bank Limited	5,000.00	-
Tata Capital Financial Services Limited	2,500.00	-
Bajaj Finance Limited	5,000.00	-
<b>Sub Total</b>	<b>55,000.00</b>	<b>-</b>

### 31 Employee benefits

The Company has determined the liability for gratuity in accordance with the Indian Accounting Standard 19- Employee Benefits. Disclosures as envisaged in the India Accounting Standard 19 in respect of defined benefit obligation are as given below:

#### (A) Gratuity

Amount recognised in the statement of profit and loss is as under:

Description	March 31, 2023	March 31, 2022
Current service cost	3.99	0.05
Past service cost	-	-
Interest cost	-	-
Expected return on plan assets	-	-
Curtailement cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Net actuarial (gain)/loss recognised in the year	-	-
Amount recognised in the Statement of Profit and Loss	3.99	0.05

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

Amounts in INR Lakhs

### Movement in the liability recognised in the Balance Sheet as under:

Description	March 31, 2023	March 31, 2022
Present value of defined benefit obligation at beginning of the year	0.85	0.80
Current service cost	3.99	0.05
Interest cost	-	-
Net actuarial (gain)/loss recognised in the year	-	-
Benefits paid	(0.85)	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>3.99</b>	<b>0.85</b>
Current provision	0.00	0.85
Non-current provision	3.98	-

### For determination of the gratuity liability of the Company, the following actuarial assumptions were used:

Description	March 31, 2023	March 31, 2022
Discount rate	7.39%	0.00%
Average remaining working life (years)	28.97	-
Future salary increase	10.00%	0.00%

### Gratuity amount for current year and previous four periods are as follows:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Defined benefit obligation	3.99	0.85	-	-	-
Experience adjustment on plan liabilities- (gain)/loss	-	-	-	-	-

## (B) Compensated absences

### Amount recognised in the Statement of Profit and Loss is as under:

Description	March 31, 2023	March 31, 2022
Current service cost	7.68	-
Interest cost	-	-
Net actuarial (gain)/loss recognized in the period	-	-
<b>Amount recognised in the Statement of Profit and Loss</b>	<b>7.68</b>	<b>-</b>

### Movement in the liability recognised in the Balance Sheet as under:

Description	March 31, 2023	March 31, 2022
Present value of obligation at beginning of the year	-	-
Current service cost	7.68	-
Interest cost	-	-
Actuarial (gains) / losses	-	-
Benefits paid	-	-
<b>Present value of obligation at the end of the year</b>	<b>7.68</b>	<b>-</b>
Current provision	0.35	-
Non Current provision	7.33	-



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

Amounts in INR Lakhs

**For determination of the compensated absence liability of the Company, the following actuarial assumptions were used:**

Description	March 31, 2023	March 31, 2022
Discount rate	7.39%	0.00%
Average remaining working life (years)	28.97	-
Future salary increase	10.00%	0.00%

The Company assesses these assumptions with the projected long term plans of growth and prevalent industry standards.

### (C) Provident fund

The Company makes contribution to statutory provident fund in accordance with The Employees' Provident Funds and Miscellaneous Provisions Act, 1952. This is a post employment benefit and in the nature of defined contribution plan. Contribution made by the Company during the year is ₹7.47 Lakhs (previous year ₹ Nil).

There are issues relating to the application of the Honourable Supreme Court's (SC) judgement dated 28 February, 2019 on Provident Fund. The management is examining these issues to identify the potential effects, if any, on the compliance with the Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

### 32 Details of dues to micro enterprises and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

Particulars	As at 31 March 2023	As at 31 March 2022
The principal amount and interest thereon remaining unpaid to any supplier as at the accounting year end; - Principal amount due on Micro, Small and medium Enterprises - Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting Year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid on year end in respect of principal amount settled during the year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-

The above information regarding Micro, small and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

#### Micro, Small and Medium Enterprises Development

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, as at 31 March 2023, no dues were outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Company has not received any claim for interest from any supplier under the said Act till 31<sup>st</sup> March 2023.

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

Amounts in INR Lakhs

### 33 Segment reporting

The Company is engaged in the business of financing which as per the Indian Accounting Standard 108- Segment Reporting, is considered to constitute a single reportable primary segment which has similar risks and rewards for the purpose of the aforesaid standard. The Company operates in a single geographical segment, i.e. domestic and hence there are no reportable secondary segments.

### 34 Operating leases

The Company's significant leasing arrangements are in respect of operating leases taken for office premises. These are operating leases with irrevocable lease period not exceeding ten years in respect of any arrangement. Future minimum lease rentals payable as per lease agreements are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than one year	6.54	-
Later than one year and not later than five years	26.16	-
Later than five years	29.72	-

Lease payments for the year are ₹2.98 Lakhs (previous year ₹ NIL).

### 35 Disclosure pertaining to stock statement filed with banks or financial institutions

The Company has availed of the facilities (secured borrowings) from the lenders inter alia on the condition that, the Company shall provide or create or arrange to provide or have created, security interest by way of a first pari passu charge of the loans. Security interest is created by charge creation towards security, Corporate guarantee of APL Apollo Infrastructure Pvt. Ltd., personal guarantee of Mr. Rahul Gupta, Mr. Rohan Gupta & Mr. Sanjay Gupta

(a) Details of receivable reported in the quarterly stock statement and receivable as per books of account

Particulars	As at June 30, 2022	As at September 30, 2022	As at December 31, 2022	As at March 31, 2023
Particulars of securities provided	Loans	Loans	Loans	Loans
Amount as per books of accounts	NA	NA	73,552.59	97,554.03
Add: Impairment loss allowance	NA	NA	-	-
Add: Impact of EIR	NA	NA	-	-
Amount as per books of accounts (Gross)	NA	NA	73,552.59	97,554.03
Amount as reported in the quarterly return/statement	NA	NA	73,151.81	97,252.74



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

Amounts in INR Lakhs

### 36 Disclosure as required in terms of Annexure I of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the Direction)

#### Liabilities:

#### (1) Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid

Particulars	As at March 31, 2023		As at March 31, 2022	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(a) Debentures: Secured	-	-	-	-
Unsecured	-	-	-	-
(Other than falling within the meaning of public deposits)				
(b) Deferred credits	-	-	-	-
(c) Term loans	-	-	-	-
(d) Inter corporate loans and borrowings	-	-	-	-
(e) Commercial paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other loans (Working Capital demand loan, CC facility)	49,421.84	-	-	-

#### (2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):

Particulars	As at March 31, 2023		As at March 31, 2022	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-

#### Assets:

#### (3) Break-up of loans and advances including bills receivables (other than those included in (4) below)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Secured	68,622.38	-
(b) Unsecured	28,931.65	-

#### (4) Break-up of leased asset and stock on hire and other assets counting towards AFC activities.

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Lease assets including lease rentals under sundry debtors		
(i) Financial lease	-	-
(ii) Operational lease	-	-
(b) Stock on hire including hire charges under sundry debtors		
(i) Assets on hire	-	-
(ii) Repossessed assets	-	-
(c) Other Loan counting towards AFC activities		
(i) Loans where assets been repossessed	-	-
(ii) Loans other than (i) above	-	-

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

Amounts in INR Lakhs

### (5) Break up of investments

#### Current investment:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A. Quoted</b>		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Debentures and bonds	-	-
(c) Units of mutual funds	-	233.25
(d) Government securities	-	-
(e) Others	-	-
<b>B. Unquoted</b>		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Debentures and bonds	-	-
(c) Units of mutual funds	-	-
(d) Government securities	-	-
(e) Others	-	-

#### Long term investments

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A. Quoted</b>		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Debentures and bonds	-	-
(c) Units of mutual funds	-	-
(d) Government securities	-	-
(e) Others	-	-
<b>B. Unquoted</b>		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Debentures and bonds	-	-
(c) Units of mutual funds	-	-
(d) Government securities	-	-
(e) Others	-	-

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

Amounts in INR Lakhs

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

Category	Secured	Unsecured	Total
1 Related Parties			
(a) Subsidiaries	-	-	-
	(-)	(-)	(-)
(b) Companies in the same group	-	-	-
	(-)	(-)	(-)
(c) Other related parties	-	-	-
	(-)	(-)	(-)
2 Other than related parties	68,622.38	28,931.65	97,554.03
	(-)	(-)	(-)
<b>Total</b>	<b>68,622.38</b>	<b>28,931.65</b>	<b>97,554.03</b>
	(-)	(-)	(-)

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

Category	Market Value/ Breakup or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties		
(a) Subsidiaries	-	-
	(-)	(-)
(b) Companies in the same group	-	-
	(-)	(-)
(c) Other related parties	-	-
	(-)	(-)
2 Other than related parties	-	-
	(-)	(233.26)
<b>Total</b>	-	-
	(-)	(233.26)

### 8 Other information

Particulars	Amount
1 Particulars	
(i) Gross Non-Performing Assets	
(a) Related parties	-
	(-)
(b) Other than related parties	-
	(-)
(ii) Net Non-Performing Assets	
(a) Related parties	-
	(-)
(b) Other than related parties	-
	(-)
(iii) Assets acquired in satisfaction of debt	-
	(-)

Note : Figures in brackets pertain to those of the previous year

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

Amounts in INR Lakhs

### 37 Disclosures as required in terms of RBI Direction

#### 37.1 Capital

Particulars	As at March 31, 2023	As at March 31, 2022
(a) CRAR (%)	53.96	143.30
(b) CRAR - Tier I Capital (%)	53.60	143.29
(c) CRAR - Tier II Capital (%)	0.37	0.01
(d) Liquidity Coverage ratio (%)	Not Applicable	Not Applicable
(e) Amount of subordinated debt raised as Tier-II capital	-	-
(f) Amount raised by issue of perpetual Debt Instruments	-	-

#### 37.2 Investments

Particulars	As at March 31, 2023	As at March 31, 2022
1 Value of Investments	-	-
(i) Gross value of Investments		
(a) In India	-	233.25
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	-	233.25
(b) Outside India	-	-
2 Movement of provisions held towards depreciation on Investment		
(i) Opening Balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/write-back of excess provisions during the year	-	-
(iv) closing Balance	-	-

#### 37.3 Derivatives

The Company has not entered into any forward rate agreement/Interest rate swap/Exchange traded interest rate derivative transactions during the current and previous year.

#### 37.4 Securitisation

The Company has not entered into any Securitisation transactions during the current and previous year.

#### 37.5 Assignment

Details of assignment transactions undertaken by the company

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Number of accounts	-	-
(b) Aggregate value (net of provisions) of accounts sold	-	-
(c) Aggregate consideration	-	-
(d) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(e) Aggregate (gain)/loss over net book value	-	-

**Details of non-performing financial assets purchased/ sold**

**Details of non-performing assets purchased**

Particulars	As at March 31, 2023	As at March 31, 2022
1 (a) Number of accounts purchased during the year	-	-
(b) Aggregate outstanding	-	-
2 (a) Of these, number of accounts restructured during the year	-	-
(b) Aggregate outstanding	-	-

**Details of non-performing assets sold**

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Number of accounts sold during the year	-	-
(b) Aggregate outstanding	-	-
(c) Aggregate consideration received	-	-

**Details of financial asset sold to Securitisation/ Reconstruction company for Asset reconstruction**

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Number of accounts sold	-	-
(b) Aggregate value (net of provisions) of accounts sold to SC/RC	-	-
(c) Aggregate consideration	-	-
(d) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(e) Aggregate (gain)/loss over net book value	-	-

**37.6 Fraud**

The Company has not reported any fraud during the current and previous year.

**37.7 Disclosure on restructuring pursuant to Reserve Bank of India notification DNBS.CO.PD.NO.367/03.10.01/2013-14 dated 23<sup>rd</sup> January 2014**

NIL (Previous Year- NIL)

**B) Exposure to capital Market**

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	-	233.26
(b) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds.	-	-
(c) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
(d) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-

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

Amounts in INR Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(e) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(f) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(g) Bridge loans to companies against expected equity flows / issues	-	-
(h) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(i) Financing to stockbrokers for margin trading	-	-
(j) All exposures to Alternative Investment Funds:	-	-
(i) Category I	-	-
(ii) Category II	-	-
(iii) Category III	-	-
<b>Total Exposure to Capital Market</b>	<b>-</b>	<b>233.26</b>

### C) Details of financing of parent company product

NIL (Previous Year- NIL)

### D) Details of single borrower limit (SGL)/Group borrower limit (GBL) exceeded by the Company

#### i) Loans and advances including off balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC

NIL (Previous Year- NIL)

#### ii) Loans and advances including off balance sheet exposures to any single party in excess of 25 per cent of owned fund of the NBFC

NIL (Previous Year- NIL)

## 37.8 Exposures

### A) Exposure to real estate Sector

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Direct Exposure		
(a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	-	-
(b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-
(c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures–	-	-
i. Residential		
ii. Commercial Real Estate		

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

Amounts in INR Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
(ii) Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
<b>Total Exposure to real Estate Sector</b>	-	-

### 37.9 Unsecured Advances

The amount of advances for which intangible securities such as charge over the rights licenses, authority, etc. has been taken as also the estimated value of such intangible collateral- ₹ NIL (Previous Year-NIL)

### 37.10 Miscellaneous details

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Registrations/licence/authorisation, by whatever name called, obtained from other financial sector regulators	Not applicable	Not applicable
(ii) Ratings assigned by credit rating agencies and migration of ratings during the year	CRISIL AA (CE)/ Stable & CRISIL A1+	Not applicable
(iii) Penalties, if any, levied by any regulator	Nil	Nil
(iv) Information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries	Not applicable	Not applicable

### 37.11 Disclosures of Penalties imposed by RBI and other regulators

NIL (Previous Year- NIL)

### 37.12 Remuneration of Directors and Transactions with non executive directors

Refer Note No. 30 forming part of the Notes to the Financial Statements.

### 37.13 Impact of prior period items on current year's profit and loss

NIL (Previous Year- NIL)

### 37.14 Circumstances in which Revenue Recognition has been postponed

NIL (Previous Year- NIL)

### 37.15 Ind AS 110-Consolidated Financial Statements (CFS)

Not Applicable

### 37.16.1 Additional Disclosures

#### A) Provisions and Contingencies

Break up of 'Provisions and Contingencies' expenditure for the year	Year ended March 31, 2023	Year ended March 31, 2022
Provisions for depreciation on Investment	-	-
Provision towards NPA#	-	-
Provision for contingencies	-	-
Provision made towards Income-Tax	768.76	-
<b>Other provision and Contingencies;</b>		
Provision towards impairment of financial instruments other than provision for stage 3 assets	-	-
# Provision for stage 3 assets	-	-
<b>B) Draw down from reserves</b>	-	-

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

Amounts in INR Lakhs

### 37.16.2 Concentration of Deposits, Advances, Exposures and NPAs

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A) Concentration of advances</b>		
Total advances to twenty largest borrowers	56,976.84	-
Percentage of advances to twenty largest borrowers to total advances of the NBFC	58.41	-
<b>B) Concentration of exposures</b>		
Total advances to twenty largest borrowers/customers	56,976.84	-
Percentage of exposures to twenty largest borrowers/customers to total exposures of the NBFC of borrower/customers	58.41	-
<b>C) Concentration of NPAs</b>	NIL	NIL
<b>D) Sector-wise NPAs</b>	NIL	NIL

### 37.17 Movement of NPAs

NIL (Previous Year- NIL)

### 37.18 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture / Subsidiary	Other Partner in the JV	Country	Total Assets
N.A.	N.A.	N.A.	N.A.

### 37.19 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of SPV sponsored	
Domestic	Overseas
N.A.	N.A.

### 37.20 Disclosure of Complaints

Particulars	As at March 31, 2023	As at March 31, 2022
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	-	-
(c) No. of complaints redressed during the year	-	-
(d) No. of complaints pending at the end of the year	-	-



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

Amounts in INR Lakhs

### 37.21 Sectoral Exposure

Sectors	As at March 31, 2023			As at March 31, 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
<b>1. Agriculture and Allied Activities</b>	-	-	0%	-	-	0%
<b>2. Industry</b>						
Aviation	2,650.00	-	0%	-	-	0%
Hand Tools	499.94	-	0%	-	-	0%
Real Estate (LAP)	350.00	-	0%	-	-	0%
Wholesale and/or Retail Trader	73,957.86	-	0%	-	-	0%
Wholesale Trader - Commodities	2,696.95	-	0%	-	-	0%
Wholesale Trader and Retail Showrooms	7,490.50	-	0%	-	-	0%
Wholesale Trader - Ferrous and Ferrous Goods	2,634.66	-	0%	-	-	0%
Manufacturer - Iron and Steel	0.00	-	0%	-	-	0%
<b>Total of Industry</b>	<b>90,279.91</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>3. Services</b>						
NBFC-Other Financial Services	1,000.00	-	0%	-	-	0%
Transportation Services	3,174.11	-	0%	-	-	0%
<b>Total of Services</b>	<b>4,174.11</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>4. Personal Loans</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>5. Others, if any (please specify)</b>						
Individual/ Proprietor	3,100.00	-	0%	-	-	0%

Note:

- The disclosures as above shall be based on the sector-wise and industry-wise bank credit (SIBC) return submitted by scheduled commercial banks to the Reserve Bank and published by Reserve Bank as 'Sectoral Deployment of Bank Credit'.
- In the disclosures as above, if within a sector, exposure to a specific sub-sector/industry is more than 10 per cent of Tier I Capital of a NBFC, the same shall be disclosed separately within that sector. Further, within a sector, if exposure to specific sub-sector/industry is less than 10 per cent of Tier I Capital, such exposures shall be clubbed and disclosed as Others within that sector.

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

Amounts in INR Lakhs

### 37.22 Related party Transactions

#### a. Details of all material transaction with the related parties

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel@		Relatives of Key Management Personnel@		Others*		Total	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Borrowings#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments#	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others*	-	-	-	-	-	-	98.65	44.65	-	-	3.23	-	101.88	44.65

#### b. Disclosure of Policy on dealing with Related Parties Transactions

The Company has made a list of related parties after considering the requirements and based on the annual declaration received from individuals like directors. The directors are also required to inform the Company of any changes to such declaration during the year. All related party transactions are reported and referred for approval to the Audit Committee as per section 177 of the Companies Act, 2013. The Audit committee may grant general approval for repetitive related party transactions. Such general approval will be valid for a period of one year and a fresh approval shall be taken for every financial year.

As per section 188 of the Act, the consent of the Board/Shareholders' approval is required, by a special resolution in a general meeting, for entering into the specified transactions with a related party, if they are not in ordinary course of business of the Company or at arm's length and exceeds the threshold limits as specified in the Act.

### 37.23 Asset Liability Management - Maturity pattern of certain items of assets and liabilities

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days (one month)	Over 1 month to 2 months	Over 2 month to 3 months	Over 3 month to 6 months	Over 6 month to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Deposits	3,000.00	6.60	-	33.50	16.20	-	5,000.00	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advances	4,380.00	1,863.67	9,824.83	71,501.36	488.34	6,845.18	-	-	2,650.00	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investments	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(233.25)	(-)	(-)	(-)	(-)
Debt securities and Borrowings (other than debt securities)	-	-	-	-	-	-	49,297.59	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign currency assets	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)



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

Amounts in INR Lakhs

Note:

- Figures in brackets pertain to those of the previous year.
- In computing the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission which have been relied upon by the Auditors.

### 38 Disclosure requirements as per RBI circular dated March 13, 2020 having reference number RBI/2019-20/170,DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 as per para 2 of Prudential Floor of ECL in respect of loan/investment at amortised cost

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amounts as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Provisions required as per IRACP norms
1	2	3	4	5=3-4	6	7
<b>Performing Assets</b>						
Standard	Stage 1	97,554.03	390.22	97,163.81	-	-
	Stage 2	-	-	-	-	-
Subtotal		97,554.03	390.22	97,163.81	-	-
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
<b>Doubtful</b>						
Up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	97,554.03	390.22	97,163.81	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	97,554.03	390.22	97,163.81	-	-

Note: For the purpose of above disclosure company has not considered loans measured at fair value through profit and loss account.

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

Amounts in INR Lakhs

### 39 Financial Risk Management

The company is exposed to various risk in relation to financial instruments. The company is exposed to market risk, credit risk and liquidity risk. The company risk activities are governed by appropriated policies and procedures and that financial risk are identified, measured and managed in accordance with the companies policies and risk objectives, which are summarized below:-

#### a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Interest rate risk and foreign currency risk. The company does not have any foreign currency risk since the company does not have any foreign currency exposure as on reporting date. The company does not have any interest rate risk as neither its borrowings nor its advances are at floating interest rate as on reporting date.

#### b) Credit Risk

Credit risk refers to the risk of defaults on its obligation by the counterparty resulting in a financial loss. The company is exposed to credit risk for various financial instruments for example, loans, advance to employees and other receivables etc. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The company carries a Standard Assets Provision at 0.40 % on loans and advances.

#### c) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its day to day financial obligations. The company manages it liquidity needs by continuously monitoring cash inflows and by maintaining adequate cash and cash equivalents. The company maintains a sufficient balance in cash and cash equivalents to meet its short term liquidity requirements.

### 40 Fair Value Measurements

#### (i) Financial instruments by category

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL*	FVTOCI**	Amortized cost	FVTPL*	FVTOCI**	Amortized cost
<b>Financial Assets</b>						
(a) Cash and cash equivalents	-	-	4,139.62	-	-	10.90
(b) Bank balances other than cash and cash equivalents	-	-	5,000.00	-	-	-
(c) Loans	-	-	97,554.03	-	-	-
(d) Investments	-	-	-	233.25	-	-
(e) Other financial assets	-	-	898.73	-	-	108.69
<b>Total Financial Assets</b>	-	-	<b>1,07,592.38</b>	<b>233.25</b>	-	<b>119.59</b>
<b>Financial Liabilities</b>						
(a) Payables	-	-	-	-	-	-
(i) Trade payables	-	-	-	-	-	-
(ii) Other payables	-	-	-	-	-	-
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(b) Borrowings (other than debt securities)	-	-	49,297.59	-	-	-
(c) Other financial liabilities	-	-	571.37	-	-	5.94
<b>Total Financial Liabilities</b>	-	-	<b>49,868.96</b>	-	-	<b>5.94</b>



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

Amounts in INR Lakhs

\* Fair value through Profit & Loss

\*\* Fair value through other comprehensive income

### Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. Derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

### (ii) Financial instruments Fair Value Hierarchy

Particulars	As at March 31, 2023			As at March 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
(a) Cash and cash equivalents	-	-	4,139.62	-	-	10.90
(b) Bank balances other than cash and cash equivalents	-	-	5,000.00	-	-	-
(c) Loans	-	-	97,554.03	-	-	-
(d) Investments	-	-	-	-	-	233.25
(e) Other financial assets	-	-	898.73	-	-	108.69
<b>Total Financial Assets</b>	-	-	<b>1,07,592.38</b>	-	-	<b>352.83</b>
<b>Financial Liabilities</b>						
(a) Payables	-	-	-	-	-	-
(i) Trade payables	-	-	-	-	-	-
(ii) Other payables						
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(b) Borrowings (other than debt securities)	-	-	49,297.59	-	-	-
(c) Other financial liabilities	-	-	571.37	-	-	5.94
<b>Total Financial Liabilities</b>	-	-	<b>49,868.96</b>	-	-	<b>5.94</b>

### 41 Capital commitment / other commitments

Particulars	As at March 31, 2023	As at March 31, 2022
(a) other commitments (loans committed to be disbursed to the borrowers)	37,828.97	-

### 42 Long-term contracts

The company did not have any long-term contracts including derivative contracts for which any provision is required for the foreseeable losses.

### 43 Foreign currency exposure not hedged by derivative instruments

NIL (Previous Year- NIL)

### 44 Disclosure in respect of RBI circular on COVID19 regulatory Package - Asset Classification and Provisioning

Not Applicable

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

Amounts in INR Lakhs

### 45 Disclosure as per the format prescribed as per the notification no. RBI/2020-21/16 DOR.NO.BP.BC/3/21.04.048/ 2020-21 dated August 6, 2020 and RB1/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated May 05, 2021 - on Resolution Framework-Resolution of Covid-19 related stress

Not applicable since no resolution plan implemented under this framework

### 46 Disclosure pertaining to RBI Master Direction - RBL/DOR/2021-22/86 DOR STR.REC51/21.04.048/2021-22 Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021

(a) The Company has not transferred through assignment in respect of loans not in default during financial year ended March 31, 2023.

(b) The Company has not acquired any loans (not in default) through assignment during the financial year ended March 31, 2023.

(c) The Company has neither acquired nor transferred any stressed loans during the year ended March 31, 2023.

### 47 Pursuant to RBI Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances

Clarification dated November 12, 2021, the Company has taken necessary steps in accordance with the provision of the aforesaid circular. Further, on February 15, 2022, RBI has allowed a deferment of Para 10 of the aforesaid circular till September 30, 2022, pertaining to upgrade of non-performing account.

### 48 Moratorium in accordance with the Reserve Bank of India (RBI) guidelines

Not Applicable

### 49 Estimation uncertainty relating to COVID-19 global health pandemic

Not Applicable

### 50 Managerial Remuneration

During the year, Company has not paid the managerial remuneration to the directors which exceeds the limit prescribed under section 197 and rules thereunder read with Schedule V of the Act.

### 51 Social Security Code

The Code on Social Security 2020 ('the Code') relating to employees benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India, Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

### 52 Relationship and transactions with struck off companies

The Company does not have any transactions with struck-off companies.

### 53 Undisclosed income

The Company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

### 54 Registration of charges or satisfaction with Registrar of companies

Satisfaction of charges pending on March 31, 2023:

Particulars	As at March 31, 2023	As at March 31, 2022
DBS Bank India Limited	90.00	90.00



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

Amounts in INR Lakhs

### 55 Scheme(s) of Arrangements

Not Applicable

### 56 Disclosure w.r.t Crypto currency or virtual currency

The company has not traded or invested in Crypto currency or virtual currency during the financial year.

### 57 Other statutory information

- i) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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.
- iii) The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iv) The company has not been declared as wilful defaulter by any bank or financial institutions or other lender.

### 58 Prior period comparatives

Previous years figures have been regrouped and reclassified where necessary to confirm to current year's presentation.

As per our report of even date  
For **AKGVG & Associates**  
Chartered Accountants  
Firm Registration No.018598N

Sd/-  
**Aman Aggarwal**  
Partner  
Membership No.515385

Date: 11/05/2023  
Place: New Delhi

For and on behalf of the Board of Directors of  
**SG Finserve Limited**  
(formerly Moongipa Securities Limited)

Sd/-  
**Rahul Gupta**  
Director  
DIN- 07151792

Sd/-  
**Sahil Sikka**  
Chief Financial Officer

Date: 11/05/2023  
Place: New Delhi

Sd/-  
**Rohan Gupta**  
Director  
DIN- 08598622

Sd/-  
**Ritu Nagpal**  
Company Secretary  
ICSI Membership No.A38318











**SG FINSERVE**

*Converting constraints into opportunities*

**SG FINSERVE LIMITED**

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