

# AGRIWISE FINSERV LIMITED

**Annual Report**  
**2021-22**

# C O N T E N T S

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## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	<div>Mr. Sureshchandra Goyal      Managing Director</div> <div>Mr. Amith Agarwal      Whole Time Director</div> <div>Mr. G. Chandrashekhar Aiyar      Independent Director</div> <div>Mrs. Mangala Prabhu      Independent Director</div> <div>Mr. Amit Goyal      Director</div> <div>Mr. Amit Khandelwal      Director</div>
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Kalpeshkumar Ojha (w.e.f. 01 November, 2021)
<b>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b>	Ms. Sankari Muthuraj
<b>STATUTORY AUDITOR</b>	M/s. S.N. Kulkarni & Co., Chartered Accountants, 4/46, Jai Hanuman Society, Paranjape B Scheme, Vile Parle (E), Mumbai-400 057.
<b>SECRETARIAL AUDITOR</b>	Bhatt & Associates Company Secretaries LLP D/101, Lata Annexe, Above Axis Bank, W.E.Highway, Borivli East, Mumbai – 400066.
<b>BANKERS</b>	Yes Bank Limited / State Bank of India
<b>DEBENTURE TRUSTEE FOR NCD</b>	Catalyst Trusteeship Limited (Erstwhile GDA Trusteeship Limited) Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098. ☎ +91 22 49220555 📠 +91 22 49220505 ✉ ComplianceCTL- Mumbai@ctltrustee.com
<b>REGISTRAR &amp; TRANSFER AGENT</b>	M/s. Link Intime India Private Limited No.C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Road, Bhandup West, Mumbai- 400078. ☎ +91 22 49186000 📠 +91 22 249186060
<b>REGISTERED &amp; CORPORATE OFFICE</b>	601-604, A-wing, Bonanza Building, Sahar Plaza, J.B. Nagar Metro Station, J.B. Nagar, Andheri (E) Mumbai – 400059 ☎ 022- 40467777 📠 022- 40467788 ✉ info@agriwise.com
<b>CIN</b>	U65999MH1995PLC267097

**AGRIWISE FINSERV LIMITED**  
**(Erstwhile StarAgri Finance Limited)**

(CIN: U65999MH1995PLC267097)

Registered office: 601-604, A-wing, Bonanza Building,  
Sahar Plaza, J.B. Nagar, Andheri (E) Mumbai – 400059

Email ID: [compliance@agriwise.com](mailto:compliance@agriwise.com)

Website: [www.agriwise.com](http://www.agriwise.com)

Tel No.: (020) 40467777 Fax No.: (020) 40467788

**NOTICE TO THE ANNUAL GENERAL MEETING**

**Notice** is hereby given that 27<sup>th</sup> Annual General Meeting (AGM) of members of Agriwise Finserv Limited (Erstwhile StarAgri Finance Limited) (CIN: U65999MH1995PLC267097) will be held on Thursday, 29<sup>th</sup> September, 2022 at 11:00 a.m. at the registered office of the Company at 601-604, A-wing, Bonanza Building, Sahar Plaza, J.B. Nagar, Andheri (E) Mumbai – 400059, to transact the following:

**Ordinary business**

**1. Adoption of Financial Statements**

To receive, consider and adopt audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2022, including audited Balance Sheet as at 31<sup>st</sup> March, 2022, the statement of audited Profit and Loss Account and Cash Flow Statement for the financial year ended on that date together with the reports of Board of Directors and Auditors thereon.

**2. Re-Appointment of retiring director**

To appoint a director in place of Mr. Amith Khandelwal [DIN: 00809249], who retires by rotation and, being eligible, seeks re-appointment.

**3. Appointment of Statutory Auditor**

To appoint M/s M.K. Dandekar & Co, Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration and to pass following resolution as an Ordinary resolution thereof:

**"RESOLVED THAT** pursuant to provisions of section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s M.K. Dandekar & Co, Chartered Accountants (FRN.: 000679S), be and are hereby appointed as Statutory Auditors of the Company for a period of five years from the conclusion of this Annual General Meeting (AGM) till the conclusion of 32<sup>nd</sup> AGM to be held in the year 2027, at such remuneration as may be mutually agreed between the Board of Directors and the Auditors."

**Special Business:**

**4. Approval for Related Party Transactions**

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

**"RESOLVED THAT** pursuant to provisions of section 188 of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, (including any statutory modification(s) or any amendment thereto or re-enactment thereof for the time being in force), and the Company's policy on Related Party transaction(s), approval of members be and are hereby accorded to Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with related parties within the meaning of Section 2(76) of the Act for the financial year 2022-23 as per the statement as detailed below:

Name of the Related Party	Name of the Directors or KMP's who is related	Nature of Relationship	Nature & particulars of the contracts or arrangements or transactions	Monetary value of contracts or arrangements or transactions
Star Agriware housing and Collateral Management Limited (SACML)	Mr. Sureshchandra Goyal, Mr. Amith Agarwal, Mr. Amit Khandelwal and Mr. Amit Goyal, Directors	Holding Company	Contract for availing collateral Management services on a continuous basis at a market competitive rate and at par with other vendors.	Rs. 1,25,00,000/-
			Transactions of rent expenses for sharing common branch offices situated at different states/cities as per the respective lease agreement	As per agreement
			Transactions of rent income for use of Chakala Office as per sub lease agreement dated 15 September, 2021.	Rs. 60,000
Star Agribazaar Technology Limited (SATL)	Mr. Suresh Chandra Goyal, Mr. Amith Agarwal, Mr. Amit Khandelwal and Mr. Amit Goyal, Directors	A private company where directors are member and director	Transactions of rent income for use of Chakala Office as per sub lease agreement dated 15 September, 2021.	Rs. 60,000
Farmers Fortune (India) Private Limited (FFIPL)	Mr. Sureshchandra Goyal, Mr. Amith Agarwal, Mr. Amit Khandelwal and Mr. Amit Goyal, Directors	Fellow Subsidiary	Transactions of rent income for use of Chakala Office as per sub lease agreement dated 15 September, 2021.	Rs. 60,000/-
Star Agriinfrastructure Private Limited (SAIPL)	Mr. Sureshchandra Goyal, Mr. Amith Agarwal, Mr. Amit Khandelwal and Mr. Amit Goyal, Directors	Fellow Subsidiary	Transactions of rent income for use of Chakala Office as per sub lease agreement dated 15 September, 2021.	Rs. 60,000/-
Star Agrilogistics Private Limited (SALPL)	Mr. Sureshchandra Goyal, Mr. Amith Agarwal, Mr. Amit Khandelwal and Mr. Amit Goyal, Directors	Fellow Subsidiary	Transactions of rent income for use of Chakala Office as per sub lease agreement dated 15 September, 2021.	Rs. 60,000/-
Shri Krishna Motor Company	Mr. Amith Agarwal, Director	Firm in which Director is a Partner	Transaction of Rent payment for use of Chakala Office as per leave and license agreement dated 03 September, 2021.	Rs. 41,00,000/-
Prashant Agarwal	Mr. Amith Agarwal, Director	Relative of a Director	Transaction of Rent payment for use of Alwar branch office as per leave and license agreement dated 20 October, 2020.	Rs. 3,30,000/-

**RESOLVED FURTHER THAT** consent, sanction, permission or approval of members be and are hereby accorded to Board of Directors of the Company to enter into loan transactions in an ordinary course of business with holding Company and fellow subsidiary companies, related parties, provided that an aggregate value of transaction does not exceed INR 40,00,00,000 (Indian rupees forty crore only);

**RESOLVED FURTHER THAT** as per the Policy, consent of members is also accorded to Board of Directors of the Company for transactions which cannot be foreseen at the beginning of the year provided the value per transaction does not exceed INR 1,00,00,000 (Rupees One Crore Only)."

**5. Increasing the Borrowing Powers under Section 180(1) (c) of the Companies Act, 2013 up to INR 800 crores**

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

**"RESOLVED THAT** in supersession of resolution passed by members of the Company at their meeting held on 04<sup>th</sup> February, 2015 and pursuant to provisions of section 180(1)(c) and any other applicable provisions of the Companies Act 2013 read with the rules made there under (including any statutory modification(s) or any amendment thereto or re-enactment thereof for the time being in force), consent of members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) for borrowing from time to time, any sum or sums of monies from bank(s), financial or other institution(s), investor(s), foreign lender(s), any body corporate entity(ies), authority(ies) or any other persons by way of cash credit, loans, overdraft, issuance of bonds, notes, debentures or other securities whether convertible into equity/ preference shares or not, either in Indian rupees or in such other foreign currencies as may be permitted under law from time to time and on such terms and conditions as the Board may deem fit, up to an amount not exceeding INR 800 Crores (Indian rupees eight hundred crores), notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed aggregate of paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalise, settle, and execute all such documents / deeds / writings / papers / agreements / and instruments as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable for giving effect to the above resolution."

**6. Creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under Section 180(1)(a) of the Companies Act, 2013**

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

**"RESOLVED THAT** in supersession of the resolution passed by members of the Company at their meeting held on 04<sup>th</sup> February, 2015 and pursuant to provision of Section 180(1)(a) and any other applicable provisions of the Companies Act 2013 read with the rules made there under (including any statutory modification(s) or any amendment(s) thereto or re-enactment(s) thereof for the time being in force), consent of members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) to pledge, mortgage, lien, hypothecate and/or create charge, whether fixed or floating, in addition to existing hypothecation, pledge, lien, mortgage, charges created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the immovable properties and movable assets (both tangible and intangible) of the Company, both present and future, in favour of bank(s), financial institution(s), investor(s), debenture holder(s) or any other lender(s) and their agents or trustees (together, the "Lenders") to secure any borrowings, debentures, financial assistance or financial indebtedness availed by the Company or any third party (in foreign currency and/or rupee currency) from time to time (including without limitation, the due payment of the principal and/or together with interest, at the respective agreed rates, additional interest, compound interest, accumulated interest, liquidated damages, commitment charges, remuneration of the agent(s), trustee(s), prepayment premium, all other costs, charges and expenses and all other monies payable by the Company) (together, the "Financial Indebtedness") in terms of the financing documents, or any other documents, entered into or to be entered into between the Company and any Lender(s) in respect of the Financial Indebtedness, on such terms and conditions as may be agreed between the Company and any Lender(s), provided that the maximum extent of the Financial Indebtedness secured by the assets of the Company does not exceed INR 800 crores (Indian rupees eight hundred crores) at any time;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalise, settle, and execute all such documents / deeds / writings / papers / agreements / and instruments as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, expedient, proper or desirable for giving effect to the above resolution and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid.”

**7. Approval u/s section 180(1)(a) of the Companies Act 2013, to sell, transfer and/or dispose of the loan assets and receivables of the company through securitisation or direct assignment**

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

**“RESOLVED THAT** pursuant to section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 read with rules and regulations made thereunder, the applicable provisions of the Guidelines/Circulars/notifications issued by the Reserve Bank of India from time to time, Memorandum and Articles of Association of the Company and such consents, approvals and permissions, if any required, being obtained from appropriate authorities to the extent applicable and necessary, consent of members be and is hereby accorded to sell, transfer and/or dispose of, through securitization or direct assignment, the loan assets and receivables of the Company (including without limitation all rights, title, interests and benefits of the Company in such assets and receivables and the corresponding security interests, if any which have been created in favour of the Company), up to an aggregate amount of INR 1000 crores (Indian rupees one thousand crores only) in such manner and upon such terms and conditions as may be decided by the Board of Directors of the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (or any other persons authorized in this regard by the Board of Directors), be and are hereby severally authorized to do such acts, deeds, things and execute all such documents including Agreements, deeds of assignment and other ancillary documents as may be deemed necessary, expedient, proper or desirable for giving effect to the above resolution.”

**By Order of the Board of Directors  
For Agriwise Finserv Limited  
(Erstwhile StarAgri Finance Limited)**

**Sd/-  
Sankari Muthuraj  
Company Secretary  
Membership No: A25427**

**Place: Mumbai**

**Date: 10<sup>th</sup> August, 2022**

**NOTES:**

1. The Explanatory Statement setting out the material facts pursuant to section 102 of the Companies Act, 2013 (“the Act”), in respect of Special Business as set above and the details as required under Secretarial Standard on General meeting (SS-2) in respect of the Directors seeking appointment/ re-appointment at this General Meeting is annexed hereto.
2. A REGISTERED EQUITY MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY, THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED, NOT LESS THAN 48 (FORTY-EIGHT) HOURS BEFORE COMMENCEMENT OF MEETING OF EQUITY MEMBERS.

3. A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10% of total share capital of the Company carrying voting rights. A member holding more than 10% of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
4. Corporate members are required to send to the Company Secretary a certified copy of Board Resolution, pursuant to section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at 27<sup>th</sup> AGM.
5. Notice of 27<sup>th</sup> AGM along with Financial Statement is being sent only through electronic mode to those members whose email addresses are registered with the Company. Members may note that the Notice will also be available on the Company's website at [www.agriwise.com](http://www.agriwise.com)
6. A member or his/her Proxy is requested to bring the copy of notice to Meeting and produce the attendance slip, duly completed and signed, at the entrance of the Meeting venue.
7. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
8. The Company has been maintaining, inter alia, the following statutory registers at its registered office:
  - i) Register of contracts or arrangements in which directors are interested under section 189 of the Act.
  - ii) Register of directors and key managerial personnel and their shareholding under section 170 of the Act.

The said registers will be made accessible for inspection and shall remain open and be accessible to any member during the continuance of the meeting.
9. members are requested to:
  - a) Notify immediately any change in their address to the Company.
  - b) Quote their Folio Numbers in all correspondence with the Company.
10. Route-map to the venue of the Meeting is provided at the end of the Notice.
11. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments in advance via email at [compliance@agriwise.com](mailto:compliance@agriwise.com).

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

**Item No. 4:**

Pursuant to provisions of section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014, the contract(s) or arrangement(s) or transaction(s) with a Related Party as mentioned in clause (a) to (g) of the said section require a Company to obtain approval of Board of Directors and subsequently members of the Company by way of an ordinary resolution in case the value of Related Party Transactions exceeds the stipulated thresholds prescribed in Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 and transactions other than in an ordinary course of business and on arm's length basis.



Accordingly, Audit Committee and Board of Directors of the Company at their meeting held on 19<sup>th</sup> May, 2022 have considered and approved the proposed contract(s) or arrangement(s) or transaction(s) with a Related Party, in one or more tranches, for financial year 2022-23 as per the statement provided in the resolution and also Board has recommended the Resolutions at Item No.4 of this Notice as an Ordinary Resolutions for your approval.

Hence, approval of members by way of an Ordinary Resolution under section 188 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 is being sought to enable the Company to enter into proposed contract(s) or arrangement(s) or transaction(s), in one or more tranches, with a related party, for financial year 2022-23 as per the statement provided in the resolutions.

The Board recommends the resolutions as set out in Item No. 4 of notice for approval of members of the Company as an Ordinary Resolution.

All the relevant documents can be inspected at the office hours on working days at the registered office of the Company.

Except Mr. Suresh Chandra Goyal, Mr. Amith Agarwal, Mr. Amit Khandelwal, Mr. Amit Kumar Goyal none of the Directors and/or Key Managerial Personnel or their relatives, in any way, concerned or interested, financially or otherwise, in the said resolutions.

**Item No. 5&6:**

Pursuant to provisions of section 180(1)(c) of the Companies Act, 2013 ("the Act"), the Board of Directors of a Company cannot borrow money together with the money already borrowed, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), in excess of the aggregate paid up capital and its free reserves, without approval of members in a general meeting by way of a special resolutions.

The members of the Company at their meeting held on 04<sup>th</sup> February, 2015 has approved by way of a Special Resolution under Section 180(1)(c) of the Companies Act, 2013, empowering the Board of Directors to borrow money upto INR 750 crores (Indian rupees seven hundred fifty crores only) in excess of aggregate paid up share capital and free reserves of the Company.

As the approval was taken in the year 2015, it is proposed to take a fresh approval and to increase the borrowing limit from INR 750 crores to INR 800 crores in order to further expand its business and to meet increased financial needs.

The borrowings of the Company are in general required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the Company, in such form, manner and ranking as may be determined by the Board of Directors / any of it's authorised Committee of the Company from time to time, in consultation with the lender(s).

It is therefore, necessary for the members to pass a Special Resolution under section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, as set out at Item No. 5 and Item No. 6 of the Notice, to enable the Board of Directors to borrow money upto INR 800 crores (Indian rupees eight hundred crores) and inter alia, authorised the Board to secure its borrowing by mortgage / charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company.

The Board recommends the resolutions as set out in Item No. 5 & 6 of notice for approval of members of the Company as a Special Resolution.

All the relevant documents can be inspected at the office hours on working days at the registered office of the Company

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives, in any way, concerned or interested, financially or otherwise, in the said resolutions.

**Item No. 7:**

**Approval u/s section 180(1)(a) of the Companies Act 2013, to sell, transfer and/or dispose of the loan assets and receivables of the company through securitisation or direct assignment**

The members of the Company are requested to note that section 180(1)(a) of the Companies Act, 2013 mandates that the Board of Directors of a company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking(s) of the company, only with the approval of members of the Company by way of a special resolution. Explanation (i) to section 180 (1)(a) of the Companies Act, 2013 states that the meaning of an 'undertaking' for the purposes of section 180(1) of the Companies Act, 2013 is an undertaking in which the investment of the company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year. Explanation (ii) to section 180 (1)(a) of the Companies Act, 2013 states that the meaning of 'substantially the whole of the undertaking' for the purposes of section 180(1) is in any financial year, twenty percent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year.

The Company, from time to time, enters into transactions with different parties, for sale and transfer of loan assets and receivables, through securitization or direct assignment, on terms and conditions which are negotiated and agreed to by the management. In light of the current situation in the financial markets, the Company may, on a going forward basis, enter into one or more transactions for sale and transfer of loan assets and receivables of the Company, through securitization or direct assignment, which may constitute a 'substantially the whole of the undertaking of the company', in terms of section 180(1)(a) of the Companies Act, 2013.

Accordingly, pursuant to section 180(1)(a) of the Companies Act, 2013, members of the Company are requested to note that consent of the Board has been sought in its meeting dated 10<sup>th</sup> August, 2022 to sell, transfer and/or dispose of, through securitization or direct assignment, the loan assets and receivables of the Company (including without limitation all rights, title, interests and benefits of the Company in such assets and receivables and the corresponding security interests, if any which have been created in favour of the Company), of an aggregate amount of upto INR 1,000 crores (Indian rupees one thousand crores).

Therefore, the approval of members is sought u/s 180(1)(a) of the Companies Act, 2013 by passing special resolution to sell, transfer and/or dispose of the loan assets and receivables of the Company through securitization or direct assignment of an aggregate amount of upto INR 1,000 crores.

The Board of Directors recommends the resolution of accompanying notice at item no. 7, for the approval of members of the Company by way of a Special Resolutions.

All the relevant documents can be inspected at the office hours on working days at the registered office of the Company.

None of the Directors, Key Managerial Persons or their respective relatives, in any way, concerned or interested, financially or otherwise, in the said resolution.

**By Order of Board of Directors  
For Agriwise Finserv Limited  
(Erstwhile StarAgri Finance Limited)**

**Sd/-**

**Sankari Muthuraj  
Company Secretary  
Membership No: A25427**

**Place: Mumbai**

**Date: 10<sup>th</sup> August, 2022**

**Details of Mr. Amit Khandelwal, Director seeking appointment (Disclosure relating to Directors pursuant to Secretarial Standards on General Meetings):**

<b>Name of Director</b>	<b>Mr. Amit Khandelwal (DIN: 00809249)</b>
<b>Age</b>	44 years
<b>Date of Birth</b>	08 <sup>th</sup> April, 1978
<b>Date of first appointment</b>	04 <sup>th</sup> August, 2014
<b>Qualification</b>	M.Com
<b>Experience</b>	Mr. Amit Khandelwal is associated with the agriculture and commodity sectors for over a decade and has been involved in development of custom products for contract farming, weather financing and seed financing. He is expertise in commodity Procurement and warehousing.
<b>Shareholding in the Company</b>	Nil
<b>No. of Board meeting attended during FY 2021-22</b>	4
<b>Terms and condition of appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person</b>	The terms and conditions are as agreed between Mr. Amit Khandelwal and the Company. He is holding non-executive Directorship and as such not drawing any remuneration from the Company.
<b>Other Directorship</b>	<ol style="list-style-type: none"> <li>1. Star Agriwarehousing and Collateral Management Limited</li> <li>2. Bharat Jyoti Dairy Products Limited</li> <li>3. Star Agribazaar Technology Private Limited</li> <li>4. Bikaner Agrimarketing Private Limited</li> <li>5. Star Agriinfrastructure Private Limited</li> <li>6. Star Agrilogistics Private Limited</li> <li>7. Farmersfortune (India) Private Limited</li> <li>8. Morpawala Realcon Private Limited</li> </ol>
<b>*Membership/Chairmanship of Committee of other Boards</b>	Nil
<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the company</b>	Mr. Amit Khandelwal is not related to any other Director and Key Managerial Personnel of the Company.

\*Memberships/ Chairmanships of only Audit, Nomination & Remuneration and CSR Committee in all other public limited companies have been considered.

**By Order of Board of Directors  
For Agriwise Finserv Limited  
(Erstwhile StarAgri Finance Limited)**

**Sd/-**

**Sankari Muthuraj  
Company Secretary  
Membership No: A25427**

**Place: Mumbai  
Date: 10<sup>th</sup> August, 2022**

**PROXY FORM**  
**Form No. MGT-11**

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies  
(Management and Administration) Rules, 2014]

CIN : U65999MH1995PLC267097  
 Name of the company : Agriwise Finserv Limited (Erstwhile StarAgri Finance Limited)  
 Registered office: : 601-604, A-wing, Bonanza Building, Sahar Plaza, J.B. Nagar Metro Station,  
 J.B. Nagar, Andheri (E) Mumbai Mumbai City MH 400059.  
 Name of the Member(s) : \_\_\_\_\_  
 Registered Address: : \_\_\_\_\_  
 E-mail ID : \_\_\_\_\_  
 Folio/ DP ID - Client ID : \_\_\_\_\_

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

(1)	Name : _____	Address : _____	or failing him
	Email Id : _____	Signature : _____	/ her
(2)	Name : _____	Address : _____	or failing him
	Email Id : _____	Signature : _____	/ her
(3)	Name : _____	Address : _____	
	Email Id : _____	Signature : _____	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the company, to be held on Thursday, 29<sup>th</sup> September, 2022 at 11:00 a.m. at the registered office of the Company at 601-604, A-wing, Bonanza Building, Sahar Plaza, J.B. Nagar Metro Station, J.B. Nagar, Andheri (E) Mumbai – 400059 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolution	Vote (Optional see Note) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2022 and the Reports of the Directors' and Auditors' thereon.			
2.	Re-appointment of Mr. Amith Khandelwal [DIN: 00809249], who retires by rotation.			
3.	Appointment of M/s M.K. Dandeker & Co, Chartered Accountants (FRN.: 000679S) as Statutory Auditors of the Company.			
Special Business				
4.	To consider and approve proposed Related Party Transactions, for F.Y. 2022-23.			
5.	To consider and approve increase in Borrowing Powers under section 180(1) (c) of the Companies Act, 2013.			
6.	To consider and approve creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under section 180(1)(a) of the Companies Act, 2013.			
7.	To consider and approve sale, transfer and/or dispose of the loan assets and receivables of the company through securitisation or direct assignment under section 180(1)(a) of the Companies Act, 2013.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Signature of member

Signature of proxy

Affix  
Revenue  
stamp

**Notes:**

1. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate
2. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting.

**Attendance Slip**

**AGRIWISE FINSERV LIMITED (ERSTWHILE STARAGRI FINANCE LIMITED)**  
**REGISTERED & CORP. OFFICE:** 601-604, A-wing, Bonanza Building, Sahar Plaza,  
J.B. Nagar Metro Station, J.B. Nagar, Andheri (E) Mumbai – 400059.  
**CIN:** U65999MH1995PLC267097 **Website:** [www.agriwise.com](http://www.agriwise.com)

**Folio No. / DP ID / Client ID:**

--

**Number of shares held**

--

*I certify that I am a member / proxy for the member of the Company.*

*I hereby record my presence at the 27<sup>th</sup> Annual General Meeting (the 'AGM') of members of Agriwise Finserv Limited (Erstwhile StarAgri Finance Limited) held on Thursday, 29<sup>th</sup> September, 2022 at 11.00 a.m. at registered office of the Company at 601-604, A-wing, Bonanza Building, Sahar Plaza, J.B. Nagar Metro Station, J.B. Nagar, Andheri (E) Mumbai – 400059.*

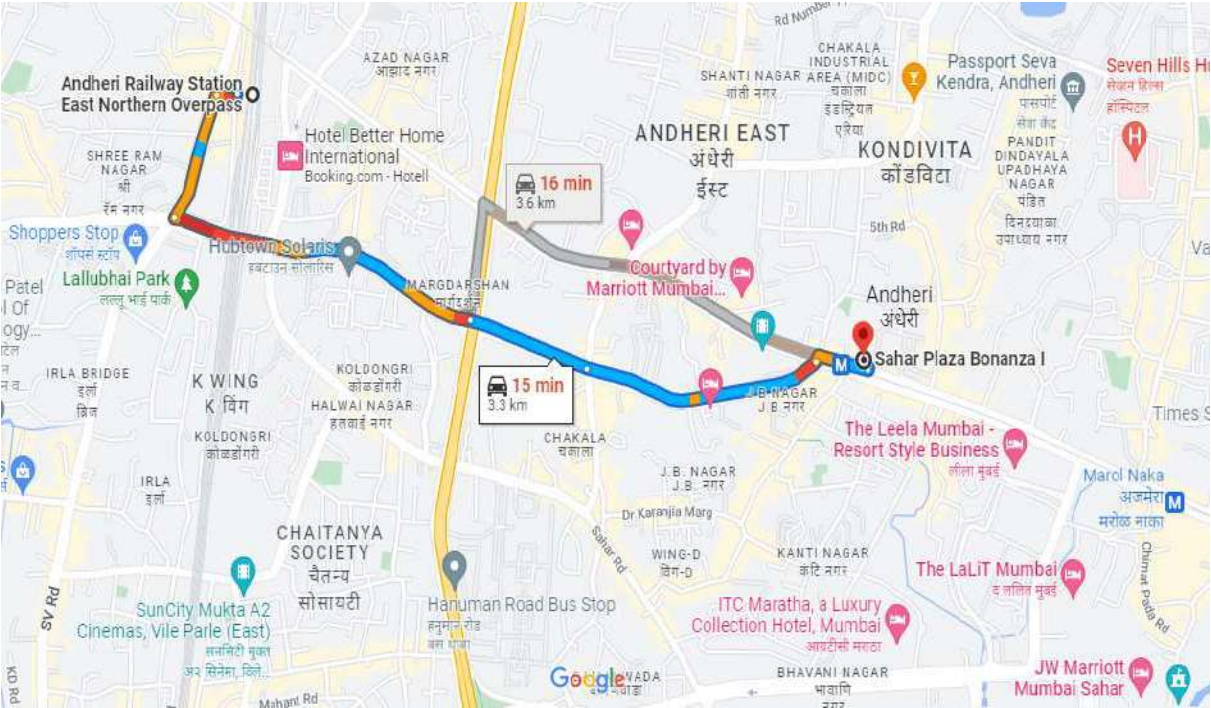
\_\_\_\_\_  
Name of the Member / Proxy (in Block Letters)

\_\_\_\_\_  
Signature of the Member / Proxy

**Note:**

- 1. Please complete the Folio/DPID-Client ID No. and name, sign the Attendance Slip and hand it over at the Attendance Verification counter at the entrance of the Meeting Hall.*
- 2. Member/Proxyholder desirous of attending the meeting should bring his copy of the Notice for reference at the meeting*

**Route Map to the Venue of 27<sup>th</sup> Annual General Meeting**





**DIRECTORS' REPORT**

**Dear Members,**

The Board of Directors of your Company is delighted to present Twenty Seventh Annual Report of the Company together with Audited Financial Statements of Accounts for the year ended 31<sup>st</sup> March, 2022. The Board's Report is prepared based on standalone financial statements of the company.

**FINANCIAL HIGHLIGHTS**

The Company's financial performance for the year under review is given hereunder:

<b>INR in Lakhs</b>		
<b>PARTICULARS</b>	<b>2021-22</b>	<b>2020-21</b>
Revenue from Operations	4045.82	5145.58
Other Income	349.36	302.96
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	2560.45	2978.75
Less: Depreciation/ Amortisation/ Impairment	198.24	129.04
Profit /loss before Finance Costs, Exceptional items and Tax Expense	2362.21	2849.71
Less: Finance Costs	1483.27	2364.95
Profit /loss before Exceptional items and Tax Expense	878.94	484.76
Add/(less): Exceptional items	-	-
<b>Profit /loss before Tax Expense</b>	<b>878.94</b>	484.76
Less: Tax Expense (Current & Deferred)	266.84	147.20
<b>Profit /loss for the year</b>	<b>612.10</b>	<b>337.56</b>
Balance of profit /loss for earlier years	1212.07	942.87
<b>Less: Transfer to Reserves</b>		
Transfer to Special Reserve under Section 45-IC of The RBI Act, 1934	122.42	68.36
<b>Balance carried forward</b>	<b>1701.75</b>	<b>1212.07</b>

**BUSINESS AND OPERATIONS**

The Company is a Non-Deposit Accepting Non-Banking Finance Company, it provides integrated credit services and customized financing solutions to enable small and large Indian farmers, farmer groups, agri and allied businesses to access finance for their agribusiness needs. With a track record of 6 years, it has a network of 22 branches spread across 6 states as on 31<sup>st</sup> March, 2022.

To strengthen the NBFC sector, maintain stability and avoid regulatory arbitrage, RBI and the Government have been proactively taking necessary regulatory and supervisory steps. RBI have an optimal level of regulation and supervision so that the NBFC sector is financially resilient and robust. RBI also looks at governance and risk management structures in NBFCs. Progress were made by RBI in maintaining a stable financial system. However, the financial landscape was continuously changing, and new challenges are emerging. The Reserve Bank is continuously harnessing the regulatory and supervisory framework to better adapt to the evolving scenario.

For the financial year ended 31<sup>st</sup> March, 2022, your Company gained a net profit of INR 612.10 lakh as against a net profit of INR 337.56 lakh in the previous financial year. The total Income for the year under consideration was INR 4,395.18 lakh and total expenditure was INR 3,516.24 lakh.

During the financial year ended 31<sup>st</sup> March, 2022, the Company mobilized INR 1,000 lakh from Bank and 1,500 lakh from NBFC. The Company disbursed INR 10,961.51 lakh during the financial year 2021-22.

As on 31<sup>st</sup> March, 2022, the Asset Under Management (AUM) of the Company stood at INR 25,687.47 lakh.

## **CHANGES IN THE NATURE OF BUSINESS**

The Company has continued to carry on its Business as Non Deposit Taking Non-Banking Finance Company within the RBI regulated NBFC organisational framework.

## **DIVIDEND**

In order to conserve internal resources of the Company for future prospect and growth, Board of Directors of your Company are not recommending to give any dividend on equity shares of the Company for the financial year under review.

## **TRANSFER TO RESERVES**

Your Company being an NBFC, has transferred a sum of INR 122.42 lakh to statutory reserve as required under section 45-IC of RBI Act, 1935.

## **SHARE CAPITAL**

During the reporting period paid up capital of the Company stood at INR 15,000 lakh. The Company had not issued any shares during the year under review.

## **ANNUAL RETURN**

In accordance with the Act ("the Act"), the annual return in prescribed format shall be available on the Company's website 'www.agriwise.com', subsequent to filing of the same with the ROC.

## **MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors met five (5) times during the financial year on 29<sup>th</sup> June, 2021, 23<sup>rd</sup> September, 2021, 01<sup>st</sup> November, 2021, 30<sup>th</sup> November, 2021 and 10<sup>th</sup> February, 2022 for transacting various businesses and to meet operational requirements. The intervening gap between the Meetings was within the period prescribed under the Act and Secretarial Standards issued by Institute of Company Secretaries of India. Appropriate compliance of relevant Secretarial Standards was observed while conducting meetings of Board of Directors of the Company. The names and categories of Directors on Board and their attendance at board meetings held during the financial year 2021-22 are as under:

Name of Directors	Category	Number of Board Meetings	
		Entitled to attend	Attended
Mr. Sureshchandra Goyal	Managing Director	5	5
Mr. Amith Agarwal	Whole Time Director	5	5
Mrs. Mangala Prabhu	Independent Director	5	5
Mr. G. Chandrashekhar Aiyar	Independent Director	5	5
Mr. Amit Goyal	Non-executive Director	5	5
Mr. Amit Khandelwal	Non-executive Director	5	4



## COMPOSITION OF STATUTORY COMMITTEES

### a. Audit Committee

The audit committee of the Company is constituted in accordance with the provisions of Section 177 of the Act and terms of reference of audit committee have been specified in writing by the Board of Directors of the Company in accordance with section 177 (4) of the Act.

The Committee met four (4) times during the financial year on 29<sup>th</sup> June, 2021, 23<sup>rd</sup> September, 2021, 01<sup>st</sup> November, 2021 and 10<sup>th</sup> February, 2022. The necessary quorum was present for all the meetings. The Company Secretary acts as the secretary to the Committee.

The composition of audit committee and the details of meetings attended by its members during the financial year 2021-22 are given below:

Name of Directors	Category	Number of Meetings	
		Entitled to attend	Attended
Mrs. Mangala Prabhu	Chairman -Independent Director	4	4
Mr. G. Chandrashekhar Aiyar	Independent Director	4	4
*Mr. Amit Goyal	Non-executive Director	4	4

\*Designation of Mr. Amit Goyal changed from executive to non-executive Director w.e.f. 01<sup>st</sup> July, 2021.

### b. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted in accordance with the provisions of Section 178 of the Act and the scope of activities / terms of reference of Nomination and Remuneration Committee are in accordance with Section 178 of the Act.

The committee met once during the financial year on 29<sup>th</sup> June, 2021. The necessary quorum was present at the meeting. The Company Secretary acts as the secretary to the Committee.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members during the financial year 2021-22 are given below:

Name of Directors	Category	Number of Meetings	
		Entitled to attend	Attended
Mr. Amith Agarwal	Chairman - Director	1	1
Mrs. Mangala Prabhu	Independent Director	1	1
Mr. G. Chandrashekhar Aiyar	Independent Director	1	1

The Committee was reconstituted with effect from 01<sup>st</sup> July, 2021 with the following members:

1. Mrs. Mangala Prabhu - Chairperson
2. Mr. G. Chandrashekhar - Member
3. Mr. Amit Goyal - Member

### c. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee of the Company is constituted as per the requirements of Section 135 of the Act and rules made there under. The terms of reference of Committee are in accordance with the provisions of Section 135 of the Act and rules made there under. The Company Secretary acts as the secretary to the Committee.

The committee met once during the financial year on 29<sup>th</sup> June, 2021. The necessary quorum was present at the meeting.

The composition of CSR Committee and the details of meetings attended by its members during the financial year 2021-22 are given below:

Name of Directors	Category	Number of Meetings	
		Entitled to attend	Attended
Mr. G. Chandrashekhar Aiyar	Chairman -Independent Director	1	1
Mrs. Mangala Prabhu	Independent Director	1	1
Mr. Amith Agarwal	Director	1	1

#### **d. Asset Liability Management Committee (ALCO)**

Pursuant to the regulatory framework for NBFC issued by Reserve Bank of India, Asset Liability Management Committee (ALCO) was constituted. ALCO lays down policies and quantitative limits that involve assessment of various types of risks and shifts in assets and liabilities to manage such risks. ALCO of the Company monitors, on an ongoing basis, liquidity, interest rate and funding risks to which the Company is susceptible.

The Committee met four (4) times during the financial year on 09<sup>th</sup> June, 2021, 20<sup>th</sup> August, 2021, 25<sup>th</sup> October, 2021 and 15<sup>th</sup> February, 2022. The necessary quorum was present for all the meetings.

During the year under review the Committee was reconstituted. The composition of ALCO Committee and the details of meetings attended by its members during the financial year 2021-22 are given below:

Name of Members	Category	Number of Meetings	
		Entitled to attend	Attended
Mr. Amith Agarwal	Director – Chairman	4	4
Mr. Kalpeshkumar Ojha	Chief Financial Officer	1	1
Mr. Mayank Singhal	Policy Head	4	4
Mr. Kunal Baradiya	SVP Finance & Accounts	3	3
Mr. Shashank Mundra*	SM Finance & Accounts	3	3
Mr. Hemant Kothari	SM Finance & Accounts	1	1

\*Mr. Shashank Mundra has resigned from the employment with effect from 09<sup>th</sup> November, 2021.

Mr. Kunal Baradiya was inducted in committee with effect from 29<sup>th</sup> June, 2021 and Mr. Kalpeshkumar Ojha and Mr. Hemant Kothari were inducted in committee with effect from 01<sup>st</sup> November, 2021.

#### **e. Risk Management Committee**

Pursuant to regulatory framework for NBFC issued by Reserve Bank of India, Risk Management Committee was constituted and the Committee shall be responsible for framing, reviewing and implementing the Risk Management Framework for the company and such other matters as may be suggested by the Board. The terms of reference of the Committee inter alia include ensuring formulation and implementation of the Risk Management Policy of the Company.

The Committee met one (1) time during the year on 11<sup>th</sup> March, 2022. The necessary quorum was present for the meeting.

During the year under review the Committee was reconstituted. The composition of Risk Management Committee and the details of meetings attended by its members during the financial year 2021-22 are given below:

Name of Committee Members	Category	Number of Meetings	
		Held	Attended
Mr. Amith Agarwal	Executive Director	1	1
Mr. Sureshchandra Goyal	Managing Director	1	1
Mrs. Mangala Prabhu	Independent Director	1	1
Mr. Kalpeshkumar Ojha	Chief Financial Officer	1	1
Mr. Mayank Singhal	Policy Head	1	1

Mr. Sureshchandra Goyal and Mr. Kalpeshkumar Ojha were inducted in committee with effect from 01<sup>st</sup> November, 2021.

#### **f. IT Strategy & Steering Committee**

IT Strategy Committee of the Company is constituted in accordance with the RBI Master Direction - Information Technology Framework for the NBFC Sector, as applicable to NBFCs-Systemically Important. The terms of reference of the Committee are as per the said RBI Directions.

The Committee met two (2) times during the financial year on 16<sup>th</sup> August, 2021 and 14<sup>th</sup> February, 2022. The necessary quorum was present for the meetings.

The composition of Committee and details of meetings attended by its members during the financial year 2021-22 are given below:

Name of Committee Members	Category	Number of Meetings	
		Entitled to attend	Attended
Mr. G. Chandrashekhar Aiyar	Chairman - ID	2	2
Mr. Amith Agarwal	Member	2	2
Mr. Chittaranjan Jena*	Chief Technology Officers	1	1
Mr. Anirban Dhar	Chief Information Officers	2	2

\*Mr. Chittaranjan Jena has resigned from the employment of the Company with effect from 18<sup>th</sup> October, 2021 and the Committee was reconstituted w.e.f. 10<sup>th</sup> February, 2022 with following members:

Mr. G. Chandrashekhar Aiyar	- Chairman
Mr. Anirban Dhar	- Chief Technology Officers
Mr. Kalpeshkumar Ojha	- Chief Information Officers
Mr. Amith Agarwal	- Member

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

Your Company does not have any Subsidiary/Joint Ventures/Associate Company.

#### **MATERIAL CHANGES AFTER BALANCE SHEET DATE**

There were no material changes and commitments affecting the financial position of the Company occurred between the end of financial year to which this financial statement relates and on the date of this report.

#### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

Since the Company is a Financial Services Company, the information on conservation of energy and technology absorption as stipulated under Section 134 (3) (m) of the Companies Act 2013 read with rule 8 of the Companies (Accounts) Rules 2014 is not attracted and no such information is required to be given. However, the Company require normal consumption of electricity and is taking every necessary step to reduce its consumption of energy.

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has neither incurred any expenditure in foreign exchange nor earned any Foreign Exchange during the year of review.

## **PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186**

Since the Company is a Non-Banking Finance Company, the disclosures regarding particulars of loans given, guarantee given and security provided is exempt under the provisions of Section 186(11) of the Act.

As regards investments made by the Company, details of the same are provided under Notes forming part of the financial statements of the Company for the year ended 31<sup>st</sup> March, 2022.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in an ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed on a quarterly basis before Audit Committee and also before Board for approval. Your Company has a Policy on related party transactions which was approved by Board at its meeting held on 30<sup>th</sup> October, 2015. The Related Party Transactions are in accordance with Policy of the Company.

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is annexed as **Annexure A** and forms part of this report.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors at its meeting held on 29<sup>th</sup> June, 2021, subject to approval of members, approved appointment of Mr. Amith Agarwal (DIN: 01140768), who was a non-executive Director in the Company, as a Whole Time Director of the Company. The members at the Annual General Meeting held on 10<sup>th</sup> August, 2021 approved appointment of Mr. Amith Agarwal as a Whole Time Director of the Company. He devotes his whole time of working hours to the company and are actively involved in the affairs of the Company. Also, he has rich and varied experience in the Industry.

During the year under review, Mr. Amit Goyal [DIN: 00474023] who was appointed as a Whole Time Director of the Company with effect from 01<sup>st</sup> April, 2019 has shown his unwillingness to act as an executive Director of the Company and was appointed as a non-executive Director of the Company with effect from 01<sup>st</sup> July, 2021 at the Board Meeting held on 29<sup>th</sup> June, 2021. He gave his consent to act as a non-executive Director of the Company.

In accordance with provisions of the Act and as per Articles of Association of the Company, Mr. Amith Khandelwal [DIN: 00809249] is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered his candidature for re-appointment.

During the year under review, Mr. Sureshchandra Goyal continues to hold the position of Managing Director of the Company.

All directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Act.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

During the year under review, the Board at its meeting held on 01<sup>st</sup> November, 2021 appointed Mr. Kalpeshkumar Ojha as Chief Financial Officer of the Company with effect from 01<sup>st</sup> November, 2021. Mr. Kalpeshkumar Ojha is a member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He is also a Professional Accountants from Chartered Institute of Management Accountant from UK (CIMA) and MFM from JBIMS Mumbai. He has over 2-decade long career experience in Strategic Planning, Financial Management, Project Finance, Resource Mobilization, Project Monitoring, Accounts Finalization and Corporate Affairs.

Pursuant to the provisions of Section 203 of the Act, Mr. Sureshchandra Goyal - Managing Director, Mr. Amith Agarwal – Whole Time Director, Mr. Kalpeshkumar Ojha – Chief Financial Officer and Ms. Sankari Muthuraj – Company Secretary are the Key Managerial Personnel of the Company as on 31<sup>st</sup> March, 2022.

## **DECLARATION FROM INDEPENDENT DIRECTORS**

The Independent Directors (IDs), Mrs. Mangala Prabhu and Mr. G. Chandrashekhar have submitted a declaration of independence, as required pursuant to section 149(7) of the Act stating that each of them meet criteria of independence as provided in section 149(6) of the Act and there has been no change in the circumstances affecting their status as an independent directors of the Company.

The Board is of opinion that Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of finance and accounting, economics, risk management, management and administration, financial market, technology, market infrastructure, co-operatives, legal, agriculture markets, agriculture economics, macro-economics, post-harvest technologies, international development and they hold highest standards of integrity. Both Independent Directors have also given declarations that they have registered themselves with Indian Institute of Corporate Affairs (IICA) in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014. Further, in terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA. However, both Independent Directors are exempted from the said online proficiency self-assessment test.

## **POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND OTHER DETAILS**

The Company has laid down a Nomination and Remuneration Policy, approved by Nomination & Remuneration Committee for remuneration of Directors, Key Managerial Personnel and Senior Management. The policy also covers criteria for determining qualifications and other attributes for appointment of directors including independent directors. The Nomination and Remuneration Policy is available on the Company's website 'www.agriwise.com'.

## **EVALUATION OF BOARD**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and Individual Directors pursuant to provisions of the Act and in accordance with Nomination, Remuneration & Evaluation Policy of the Company. The performance of Board was evaluated by Board after seeking inputs from all Directors on the basis of criteria such as Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of committees was evaluated by board after seeking inputs from committee members on the basis of criteria such as composition of committees, effectiveness of committee meetings, etc.

The performance of independent directors was evaluated by the entire Board of Directors, excluding the director being evaluated.

In a separate meeting of Independent Directors held on 31<sup>st</sup> March, 2022, performance of non-Independent Directors, performance of board as a whole and performance of the Chairman was evaluated, taking into account views of executive directors and non-executive Directors. The directors expressed satisfaction with the evaluation process.

## **VIGIL MECHANISM**

Pursuant to provisions of section 177(9) & (10) of the Act, the Company has adopted a Whistle Blower Policy to provide a formal mechanism to Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The policy provides for adequate safeguards against victimization of employees who avail of mechanism. The Whistle Blower Policy is also hosted on the Company's website 'www.agriwise.com'.

## **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has constituted "Corporate Social Responsibility (CSR) Committee of Board of Directors in accordance with Section 135(1) of the Act and the Companies (CSR Policy) Rules, 2014, as published and revised by the Ministry of Corporate Affairs from time to time.

During financial year 2021-22, the Company spent INR 20 Lakh on CSR. Detailed information report on CSR Expenditure by the Company on CSR initiatives taken during the year pursuant to section 135 of the Act is given in the Annual Report on CSR for FY 2021-22 and annexed as **Annexure B**.

## **RISK MANAGEMENT**

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Company has in place a comprehensive Risk Management Policy and has laid down a well-defined risk management framework to identify, assess and monitor risks and strengthen controls to mitigate risks. Your Company has established procedures to periodically place before the Risk Management Committee and Board of Directors, the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate these risks.

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

The Company has in place a policy for prevention of Sexual Harassment at workplace in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has constituted Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

No case of sexual harassment was reported during the financial year 2021-22. However, the Committee was reconstituted during the year under review and the composition of Committee as on 31<sup>st</sup> March, 2022 is as under:

Ms. Purva Sharma - Presiding Officer  
Mr. K.K. Jayaprakash - Member  
Mr. Chittaranjan Jena - Member  
Mrs. Mangala Prabhu - External member

Ms. Purva Sharma was inducted in committee with effect from 01<sup>st</sup> November, 2021.

## CREDIT RATING

During the period under review, your Company has received credit rating for its borrowing program as under:

Facilities	Care	Infomerics
Long-term Bank Facilities	CARE BB+; Positive	IVR BBB
Short-term Bank Facilities	CARE A4+	-
Market linked Debenture	-	IVR BBB-

## EMPLOYEE STOCK OPTION PLANS

The disclosure pertaining to Employee Stock Option Plan 2015 and the Scheme of the Company, pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is annexed as **Annexure C** and forms part of this report.

## PARTICULARS OF EMPLOYEES

Since there was no employee employed during the year who comes under the purview of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no such details are given.

## PUBLIC DEPOSITS

The Company being a Non-Deposit Accepting Non-Banking Finance Company, has not accepted any deposits from the public during the year under review and shall not accept any deposits from the public without obtaining prior approval of the Reserve Bank of India (RBI). The Company vide circular resolution dated 07<sup>th</sup> April, 2022 confirmed that, it has neither accepted any public deposits in the past nor is holding any public deposit as on that date and will not accept any public deposits during the Financial Year 2022-23, without the prior written approval of the Reserve Bank of India.

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There have been no significant and material orders passed by the regulators or courts or tribunals impacting going concern status and the Company's operations in future.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Act, Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) In preparation of annual financial statements for the year ended 31<sup>st</sup> March, 2022, applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the company at the end of financial year and of profit of the company for that period;
- (c) We have taken proper and sufficient care to the best of our knowledge and ability for maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) We have prepared annual accounts for the financial year ended 31<sup>st</sup> March, 2022 on a going concern basis;
- (e) We have laid down the internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (f) We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **SECRETARIAL STANDARDS**

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

## **REGULATORY COMPLIANCE**

The Company has complied with the Regulations of RBI as on 31<sup>st</sup> March, 2022, as are applicable to it as a Non-Deposit taking Non-Banking Finance Company. The Company is also in compliance with Non-Banking Financial Company – Systemically Important Non-Deposit taking (Reserve Bank) Directions, 2016 except for Reserve Bank of India Master Direction on Information Technology Framework for the NBFC Sector pertaining to migrating to IPv6 platform.

The Company is registered with Insurance Regulatory and Development Authority of India (IRDAI) as Corporate Agent (Composite) and has registration no. CA0427. The Company has complied with all the applicable Rules and Regulations prescribed by IRDAI.

## **DETAILS OF FRAUD REPORT BY AUDITOR**

As per auditors' report, no fraud u/s 143(12) reported by the auditor.

## **AUDITORS**

### a. Statutory Auditor

Pursuant to the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by RBI, the audit firm has been restricted on number of NBFC's for taking up statutory audit. As such, M/s. Mukund M. Chitale & Co., Chartered Accountants (FRN.:106655W) have tendered their resignation from the position of Statutory Auditors of the Company, resulting into a casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139(8) of the Act.

M/s S.N. Kulkarni & Co., Chartered Accountants (FRN.: 105441W) have been appointed as Statutory Auditors of the Company to fill casual vacancy caused by resignation of M/s. Mukund M. Chitale & Co, Chartered Accountants at the Board Meeting held on 23<sup>rd</sup> September, 2021 and approved by members at their meeting held on 24<sup>th</sup> September, 2021.

M/s S.N. Kulkarni & Co., Chartered Accountants, would hold office of Statutory Auditors of the Company upto conclusion of ensuing Annual General Meeting and had conducted Statutory Audit for the financial year ended 31<sup>st</sup> March, 2022. However, they have expressed their unwillingness to be re-appointed as statutory auditor of the Company at the ensuing Annual General Meeting.



M/s M.K. Dandeker & Co, Chartered Accountants (FRN.: 000679S), was proposed to be appointed as Statutory Auditors of the Company for first term of five consecutive years, who shall hold office from the conclusion of this 27<sup>th</sup> Annual General Meeting till the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company to be held in the year 2027. They have confirmed their eligibility under Section 141 of the Act and the Rules framed there under.

**b. Internal Auditor**

Pursuant to the provision of Section 138 and other applicable provisions, if any, of the Act read with Rule 13 of the Companies (Accounts) Rules, 2014 (including any modification or re-enactment thereof), the Company has appointed M/s. Maheshwari & Co., Chartered Accountants as an Internal Auditor of the Company for the financial year 2021-22.

**c. Secretarial Auditor**

Pursuant to provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Bhatt & Associates, Company Secretaries LLP to undertake the Secretarial Audit of the Company for the financial year 2021-22.

**STATUTORY AND SECRETARIAL AUDITORS' REPORT**

There were no qualifications, reservations or adverse remarks made the Statutory Auditors. However, the Secretarial Auditor has made below remarks in their report:

- a. Non-Disclosure of proceedings of Extra-Ordinary General Meeting held on 30.11.2021.
- b. Delay in submission of a separate declaration on unmodified opinion while publishing the Annual Financial Results for the year ended 31.03.2021.
- c. Non-Disclosure of certain ratios such as current ratio, long term debt to working capital, bad debts to account receivable ratio etc. in Financial Results for the quarter ended 30.09.2021 and 31.12.2021.
- d. Non-compliance of Reserve Bank of India Master Direction on Information Technology Framework for the NBFC Sector pertaining to migrating to IPv6 platform.
- e. Non-appointment of Chief Financial Officer, KMP from 01<sup>st</sup> April 2021 till 31<sup>st</sup> October 2021.

Report of the Secretarial Auditor is annexed as **Annexure D** and forms part of this report.

**INTERNAL FINANCIAL CONTROLS**

The Company has in place, an adequate internal control and internal audit system managed by qualified and experienced people. Main objective of the system is to safeguard the Company's assets against loss through unauthorised use and pilferage, to ensure that all transactions are authorised, recorded and reported correctly and timely, to ensure various compliances under statutory regulations and corporate policies are made on time and to figure out the weaknesses persisting in the system and suggest remedial measure for the same. The Company has continued its efforts to align all its processes and controls with best practices in these areas. The Board of Directors of the Company would be keeping a close watch on compliance and internal control systems as per regulatory requirements.

**THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

During the Financial Year 2021-22, no application was made and/or any proceeding has been initiated or pending under the Insolvency and Bankruptcy Code, 2016, by any Financial and/or Operational Creditors against your Company. As on the date of this report there were no details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

**THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

During the Financial Year 2021-22, the Company has not made any settlement with its Bankers from which it has accepted any term loan. Hence the details of difference between amount of valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions are not required to be provided.

**MAINTENANCE OF COST RECORDS**

During the period under review, Section 148(1) of the Act and the Companies (Cost Records and Audit) Rules, 2014 are not applicable to the Company. Hence, the Company has not maintained any cost records and not appointed any Cost Auditor.

**ACKNOWLEDGEMENT**

The Board acknowledges with gratitude the cooperation and assistance provided to your Company by regulatory authorities. The Board wishes to place on record its appreciation to the contribution made by employees of the Company during the year under review. Your Directors thank the Customers, clients, vendors, lenders and other business associates for their continued support. Your Directors are thankful to the Shareholders for their patronage.

**For and On behalf of Board of Directors of Agriwise Finserv Limited  
(Erstwhile StarAgri Finance Limited)**

**Sureshchandra Goyal**  
**Managing Director**  
**DIN: 02018073**

**Amith Agarwal**  
**Director**  
**DIN: 01140768**

**Place : Mumbai**  
**Date : 19 May, 2022**

**FORM NO. AOC -2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

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

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

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

Sl. No	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangement s/transaction	Duration of the contracts /arrangement /transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances , if any
1	Star Agriware housing and Collateral Management Limited, Holding Company	ICD	12 months from the date of disbursement of each tranche	Inter-Corporate Loan Facility of ₹ 575 lakh at the Interest Rate of 14% p.a., for a period of 12 (twelve) months from the date of disbursement of each tranche.	29 <sup>th</sup> June, 2021	
2	Star Agriware housing and Collateral Management Limited, Holding Company	Collateral management fees	12 months w.e.f. 01 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022.	Collateral management fees amounting to ₹12.19 lakh for FY 2021-22.	29 <sup>th</sup> June, 2021	-
3	Shri Krishna Motor Company, Partner ship Firm in which Director is a partner	Leave and license Agreement	36 months	Renewal of Leave and license Agreement of Chakala Office for a period of 36 Months commencing w.e.f. 15.09.2021 to 14.09.2024 at a monthly rent of ₹3.13 lakh.	29 <sup>th</sup> June, 2021	
4	Star Agri bazaar Technology Limited, A private company where directors are member and director	Sub-lease Agreement	3 years	Renewal of sub-lease Agreement of Chakala Office for a period of 3 years commencing w.e.f. 15 September, 2021	29 <sup>th</sup> June, 2021	

Sl. No	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangement /transaction	Duration of the contracts /arrangement /transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances , if any
5	Star Agriware housing and Collateral Management Limited, Holding Company	Sub-lease Agreement	3 years	Renewal of sub-lease Agreement of Chakala Office for a period of 3 years commencing w.e.f. 15 September, 2021	29 <sup>th</sup> June, 2021	
6	Farmers Fortune (India)Private Limited, Fellow Subsidiary	Sub-lease Agreement	3 years	Renewal of sub-lease Agreement of Chakala Office for a period of 3 years commencing w.e.f. 15 September, 2021	29 <sup>th</sup> June, 2021	
7	Star Agriinfrastructure Private Limited, Fellow Subsidiary	Sub-lease Agreement	3 years	Renewal of sub-lease Agreement of Chakala Office for a period of 3 years commencing w.e.f. 15 September, 2021	29 <sup>th</sup> June, 2021	
8	Star Agrilogistics Private Limited, Fellow Subsidiary	Sub-lease Agreement	3 years	Renewal of sub-lease Agreement of Chakala Office for a period of 3 years commencing w.e.f. 15 September, 2021	29 <sup>th</sup> June, 2021	

**For and On behalf of Board of Directors of Agriwise Finserv Limited  
(Erstwhile StarAgri Finance Limited)**

**Sureshchandra Goyal**  
**Managing Director**  
**DIN: 02018073**

**Amith Agarwal**  
**Director**  
**DIN: 01140768**

**Place : Mumbai**  
**Date : 19 May, 2022**

**THE ANNUAL REPORT ON CSR ACTIVITIES**  
**[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the**  
**Companies (Corporate Social Responsibility)**  
**Rules, 2014]**

**1. Brief outline of Corporate Social Responsibility Policy of the Company**

The Company has adopted a Corporate Social Responsibility ("CSR") Policy in accordance with the applicable provisions of Act and allied rules (hereinafter referred as "the Act"). The Company's CSR Policy focuses on implementing Company's CSR activities in the field of Health Care & Sanitation, Drinking Water, Education, Livelihood Enhancement, Environmental Sustainability & Rural development projects. The Company may also undertake programs to promote rural sports and culture, conservation of natural resources, skill development, Entrepreneurship building, and other community need based infrastructure projects.

The Policy is available on the website of the Company at <http://www.agriwise.com>.

**2. Composition of CSR Committee**

Pursuant to provisions of the Act, the Company has duly constituted CSR Committee. The composition of CSR Committee and details of meetings attended by its members during the financial year 2021-22 are given below:

Sr. No.	Name of Directors	Designation / Nature of Directorship	Number of CSR Meetings	
			Held	Attended
1	Mr. G. Chandrashekhar Aiyar	Chairman -Independent Director	1	1
2	Mrs. Mangala Prabhu	Independent Director	1	1
3	Mr. Amith Agarwal	Non-Executive Director	1	1

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**  
<https://www.agriwise.com>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** Nil

Sl. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
1		NA	

**6. Average net profit of the company as per section 135(5) : INR 900.61 lakh**

7. (a) Two percent of average net profit of the company as per section 135(5):  
INR 18.01 Lakh
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c): INR 18.01 lakh
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
20 Lakh	Nil	-	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year:  
Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (INR Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Mahratta Chamber of Commerce Industries and Agriculture – Contribution for oxygen concentrators & other medical equipment for COVID patients	Promoting Healthcare	Yes	Location: Mumbai, Maharashtra		20	Direct	-	-
Total						20			

- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : 20 Lakh
- (g) Excess amount for set off, if any : Nil

**9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil**

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in INR)	Amount spent in the reporting Financial Year (in INR)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in INR)
				Name of the Fund	Amount (in INR)	Date of transfer	

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil**

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)**

**(a) Date of creation or acquisition of the capital asset(s): None**

**(b) Amount of CSR spent for creation or acquisition of capital asset: Nil**

**(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable**

**(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable**

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable**

**For and On behalf of Board of Directors of Agriwise Finserv Limited  
(Erstwhile StarAgri Finance Limited)**

**Amith Agarwal  
(Director)**

**G. Chandrashekhar  
(Chairman CSR Committee)**

**Mangala Prabhu  
(Member CSR Committee)**

**Place : Mumbai  
Date : 19 May, 2022**

**Disclosures under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on 31<sup>st</sup> March, 2022**

**A) Details of the Employees Stock Option Scheme:**

Sr. No.	Particulars	Agriwise Finserv Limited (Erstwhile StarAgri Finance Limited) Employee Stock Option Plan – 2015			
		Employee Stock Option Scheme 2015 – I	Employee Stock Option Scheme 2015 – Management Scheme	Employee Stock Option Scheme 2017 – Scheme II	Employee Stock Option Scheme 2017 – Scheme III
a)	Options granted	33,95,000	15,00,000	17,60,000	10,00,000
b)	Options vested	1,00,000		NIL	NIL
c)	Options exercised	NIL	NIL	NIL	NIL
d)	Total number of shares arising as a result of exercise of option	NIL	NIL	NIL	NIL
e)	Options lapsed	32,95,000	15,00,000	17,60,000	10,00,000
f)	The exercise price	NIL	NIL	NIL	NIL
g)	Variation of terms of options	NIL	NIL	NIL	NIL
h)	Money realised by exercise of options	NIL	NIL	NIL	NIL
i)	Total number of options in force	<b>1,00,000</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**B) employee wise details of options granted to:**

Employee Name	Designation	Options Granted
<b>a) Key Managerial Personnel</b>		
Mr. Suresh Goyal	Managing Director	Nil
Mr. Amit Goyal	Whole Time Director	Nil
Mr. Gurinder S. Sehmbey*	Chief Executive Officer	15,00,000
Mr. TC Pattabiraman*	Chief Financial Officer	10,00,000
Mr. Sunil Lotke*	Company Secretary	5,00,000
<b>b) Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year (including Ex-employees)</b>		
Mr. Manish Odeka*	Chief Risk Officer	8,00,000
Mr. Harish Rawat*	Business Head	3,00,000
Mr. Sumit Rai *	Credit Head	1,50,000
Mr. Harish Gupta*	Operation Head	1,50,000
<b>c) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant</b>		
<b>NIL</b>		



\*Note:

- i. Mr. Manish Odeka has resigned from the employment of the Company w.e.f. 31<sup>st</sup> July, 2017.
- ii. Mr. Sunil Lotke has resigned from the employment of the Company w.e.f. 18<sup>th</sup> January, 2018.
- iii. Mr. Sumit Rai has resigned from the employment of the Company w.e.f. 01<sup>st</sup> May, 2018.
- iv. Mr. T.C. Pattabiraman has resigned from the employment of the Company w.e.f. 18<sup>th</sup> December, 2018.
- v. Mr. Harish Gupta has resigned from the employment of the Company w.e.f. 03<sup>rd</sup> September, 2019.
- vi. Mr. Harish Rawat has resigned from the employment of the Company w.e.f. 15<sup>th</sup> March, 2020.

**For and On behalf of Board of Directors of Agriwise Finserv Limited  
(Erstwhile StarAgri Finance Limited)**

**Sureshchandra Goyal  
Managing Director  
DIN: 02018073**

**Amith Agarwal  
Director  
DIN: 01140768**

**Place : Mumbai  
Date : 19 May, 2022**

## Form No. MR –3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

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

To,  
The Members,  
**AGRIWISE FINSERV LIMITED**  
(formerly known as StarAgri Finance Limited)

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AGRIWISE FINSERV LIMITED (formerly known as StarAgri Finance Limited)** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on the verification of 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has followed proper Board - processes and compliance – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the ‘Act’) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder – Not Applicable;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – Not Applicable;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) are applicable during the audit period: -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 – Not Applicable;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not Applicable;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and erstwhile the SEBI (Share Based Employee Benefits) Regulations 2014 - Not Applicable;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and erstwhile the SEBI (Issue and Listing of Debt Securities) Regulations 2008;
- (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client – Not Applicable;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021– Not Applicable;
- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 - Not applicable.

Further, as a precautionary measure against “COVID 2019”, the audit process has been modified, wherein documents /records etc. were verified in electronic mode, and have relied on the representations received from the Company for its accuracy and authenticity.

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

- (i) Secretarial Standards issued by the Institute of the Company Secretaries of India for General Meetings, Board and Committees Meetings (i.e. Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee);
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except for the following:
  - *Regulation 51 - Non-Disclosure of proceedings of Extra-Ordinary General Meeting held on 30.11.2021;*
  - *Regulation 52 - Delay in submission of a separate declaration on unmodified opinion while publishing the Annual Financial Results for the year ended 31.03.2021;*
  - *Regulation 52 - Non-Disclosure of certain ratios such as current ratio, long term debt to working capital, bad debts to account receivable ratio etc. in Financial Results for the quarter ended 30.09.2021 and 31.12.2021.*

The Company had received an email from BSE Limited (“BSE”) w.r.t. Fines as per SEBI circular no. SEBI /HO /DDHS /CIR / P/ 2020 /231 dated November 13, 2020 for Non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the Financial Statements for year ended March 31, 2021 to which Company had replied requirement of disclosures of asset cover shall not be applicable for non-banking financial companies registered with the Reserve Bank of India. Thereafter, the Company has not received any revert from BSE.

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof pertaining to return filings, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

Reserve Bank of India Act, 1934 and its circulars, Master Circulars, notifications and its Directions as prescribed for NBFCs except for *migrating to IPv6 platform pursuant to the Reserve Bank of India Master Direction on Information Technology Framework for the NBFC Sector.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors, Independent Directors & Key managerial personnel *except Chief Financial officer from 01<sup>st</sup> April 2021 till 31<sup>st</sup> October 2021*. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views were expressed.

Based on the representation made by the Company and relied upon, we further report that there are adequate systems and processes in the company commensurate with its size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- a. Change in Designation of Whole-Time Director to Non-Executive Director;
- b. Resignation and Appointment of Statutory Auditors due to Casual Vacancy;
- c. Change in Designation of Non-Executive Director to Whole Time Director;
- d. Re-constitution of various committees;
- e. Approval for Payment of Remuneration and commission to Independent Directors;
- f. Appointment of Chief Financial Officer;
- g. Approval for sale of Non-performing Assets pertaining to principal outstanding not exceeding Rs. 60 crore;
- h. Approval for direct Assignment Transaction under Co-Lending Arrangement with Central Bank of India;
- i. Approval for appointment of Nodal Officer under Ombudsman Scheme For Non-Banking Financial Companies ,2018;
- j. Approval of various policies;
- k. Approval for Transfer of shares.

For **Bhatt & Associates Company Secretaries LLP**

**Place: Mumbai**  
**Date: 19.05.2022**

**Bhavika Bhatt**  
**Designated Partner**  
**ACS No.: 36181, COP No.: 13376**  
**UDIN: A036181D000337900**  
**Peer Review Certificate:564/2018**

This Report is to be read with our letter annexed as Appendix A, which forms integral part of this report.

**To,  
The Members,  
AGRIWISE FINSERV LIMITED  
(formerly known as StarAgri Finance Limited)**

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

1. The responsibility of maintaining Secretarial record is of the management and based on our audit, we have expressed our opinion on these records.
2. We are of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the secretarial records were reasonable for verification on test check basis.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. Our examination was limited to the verification of procedure on test basis and wherever required, We have obtained the Management Representation about the compliance of laws, rules and regulations etc.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Bhatt & Associates Company Secretaries LLP**

**Place: Mumbai  
Date: 19.05.2022**

**Bhavika Bhatt  
Designated Partner  
ACS No.: 36181, COP No.: 13376  
UDIN: A036181D000337900  
Peer Review Certificate No:564/2018**

## Management Discussion and Analysis

### Industry structure and developments

The NBFC sector in India comprises a group of diverse financial intermediaries that supplement the credit flow from the commercial sector and venture into markets and spaces the banking sector has overlooked. The RBI regulated all-India financial institutions (AIFIs), non-banking financial companies (NBFCs), primary dealers (PDs) and housing finance companies (HFCs), which are some of the leading players in this sector.

NBFCs have a competitive edge in their superior understanding of regional dynamics, well-developed collection systems and personalised services in the drive to expand financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt provision of services have typically differentiated NBFCs from banks. The reach and last mile advantages of NBFCs have empowered them with agility, innovation and a cutting edge in providing formal financial services to underbanked and unserved sections of the society.

The NBFC sector faced headwinds again when the second wave hit the country by March 2021. The ongoing COVID-19 pandemic has deeply impacted the NBFC sector. As an impact, NBFCs witnessed a sharp drop in collections and disbursements and a substantial increase in the cost of borrowings even as access to market funding became restricted. The provision of moratorium also had an impact on cash inflows, resulting in reduction in collections.

Over the past few years, the sector has witnessed a blow due to the default by a few large entities, followed by the headwinds caused due to COVID19. The pandemic created a larger impact on the growth and the asset quality of the NBFCs and further impacted the overall liquidity of the system.

In the post moratorium period, the asset quality of NBFCs-ND-SI worsened in the retail loans category. By end-September 2021, stressed assets in the retail sector increased substantially while those in the industry sector reduced.

Policy measures by the Reserve Bank and the Government provided timely liquidity support to NBFCs, bolstered market confidence and reduced borrowing costs. As financial conditions and market access of NBFCs improved, many NBFCs also adopted prudent debt recycling to pay off their extant high-cost borrowings for new debt at a lower cost.

Subsequent rise in income is enabling the demand for financial services across all income levels. The importance of financial inclusion created by The Reserve Bank of India (RBI) has driven the demand of the financial sphere even more across semi urban and rural areas. Also, with fintech's coming into picture and changing the entire credit ecosystem, India is positioned to become one of the largest digital markets.

NBFCs have been focusing on transforming their funding approach with a number of them looking closely at co-lending and securitisation as well as retail borrowings.

Post the second wave, the outlook brightened again; however, downside risks remain significant. Moreover, the third wave didn't significantly impact the sector, given that it was not so much of a health crisis and the NBFCs were placed in a much better position, having learnt from the impact of the first two waves.

### Opportunities

Non-Banking Financial Companies (NBFCs) Business Model is steady and fast in the country like India. As there is infinite need of credit and loans, Banks alone can't fulfil all the demands.

In such a scenario, NBFCs came into the forefront and held a prominent position. With effective risk detection, mitigation and management, NBFCs shall surely survive and cannot be replaced anytime sooner.

In the Indian economy, NBFCs are playing a vital role in uplifting the Infrastructure, creation of wealth and employment generation. NBFCs are majorly focusing on the weaker sections of the society.

NBFCs are offering a varied range of products, financing, leasing, housing finance, and gold loans for carrying out the new division, i.e. durable consumer Loans by taking into consideration the following key points:

- Providing tailor-made products offering and products to the customers.
- Uplifting the business model through improved efficiency and enhanced experience.

Technology has revolutionized the traditional system of lending and borrowing. By adopting robust technology like Cloud Computing, Artificial Intelligence, Machine Learning, the NBFCs can have a better reach to the remote corners of India.

Advanced technologies would help NBFCs in adopting the business and powered models that would help in facilitating the design launch and execution of the tailored products and services used by the NBFCs. Further, technology-driven services would help the NBFCs in lowering the costs and in increasing the customer base. NBFCs are now focusing on developing new and innovative products through advanced technologies.

NBFCs using advanced technology would result in a better future of NBFCs. Technologies like Artificial Intelligence, Machine learning have prepared the lenders in evaluating the customer's perception and also in maintaining alternative credit scoring models. For the better future of NBFCs, using the technology-driven business model, would reduce the dependency on manual tasks.

Also, RBI as part of its efforts to develop a consumer-friendly and robust payment ecosystem, has consolidated and updated the guidelines concerning the issuance of cards and conduct of operations by card issuers in India. RBI has allowed NBFCs to issue credit cards without a banking partner subject to the prior approval of the Reserve Bank, and strengthen the grievance redressal mechanism.

NBFCs' credit also gained traction with the support provided by regulatory initiatives. They have been allowed to tie up with multiple alternative lenders with digital platforms and commercial banks as well, which has been adding to their targeted customer base.

Given their focus on lending to the sub-prime customer segment, and regulatory disadvantage viz SARFEASI, DRT, and capital adequacy requirements in comparison to commercial bank lenders, NBFCs are ensuring enhanced governance through a proactive, robust and agile risk management model.

During the year under review, the balance sheet of NBFCs expanded at a faster rate than a year ago, driven essentially by growth in credit and investments of NBFCs-ND-SI.

## **Threats**

Despite of the opportunities been provided to the NBFCs, they face a lot of challenges. While starting the NBFC and even in its smooth working, NBFC have been facing a lot of problems as listed below:

Refinancing / NBFC Funding: Refinancing is a challenge NBFCs face in its smooth working. A major sources of refinancing for NBFC are the banks, capital markets or maybe its competitors. There is no other option for NBFC for the purpose of refinancing and in the course of business, refinancing is an important element for the efficient working as well as the sustainability of the growth. The present situation considering the refinancing options is not favourable to the sustainability of growth.

Non-flexibility in the classification of loans NPA: Considering the large corporate, flexibility and classification under NPA is an essential element and shall be scheduled for efficient performance. Non-performing assets norms are relevant considering the efficient working of a larger corporate as irregular cash flow poses a threat in regards of delay in payments. NPA shall be classified on the basis of assets financed and a uniform system of classification of assets must be present.

Limited leverage ratio: Though small NBFCs are exempted from maintaining CRAR (Capital Adequate Ratio) but some restrictions are put upon them that they cannot surpass the leverage ratio beyond 7. As a result, these NBFC in order to comply with financial demand for efficient working have to depend on banks and financial institutions which causes problems to them as in lieu of this borrowed money, these financial institutions and banks carry out due diligence on the NBFC. This due diligence can be challenge to these NBFC.

Lack of education among people: People NBFC target or most of the population in India is uneducated and unaware with the norms and processing of NBFC. This can be a challenge to NBFC at various levels. People would hesitate at first to take loan or financial services from NBFCs and NBFCs may have to spend extra money on campaigns or educating people about its services. Even after taking advances from the NBFC people not familiar with the processing of NBFCs may cause NBFCs to indulge extra manpower and funds to make people learn about the NBFCs.

New to credit customers: New to credit customers on one hand provides opportunities for the NBFCs but they can be a challenge for them as well. It is always risky to do business with customers who are indulging in services for the first time plus the manpower and funds NBFCs have to invest for educating and regulating these customers.

Defaulter's information: There exists a credit risk to the NBFCs because of lack of information on defaulters. Banks does not provide NBFCs with the defaulters list which leaves NBFCs susceptible to credit risks. This poses a challenge to NBFC as there is lack of leverage regarding utility payments database in process of credit assessment.

Credit rating: Obligation on deposit accepting NBFC to get investment-grade credit has been a challenge for NBFC. If this obligation is waived off, NBFCs will be eligible for accepting deposits. NBFCs cannot take public deposits if its rating is not up to minimum investment deposits. NBFCs right now is required to report to RBI about its position.

These were some challenges NBFCs face but considering the growth opportunities and policies of government, in the near future NBFCs are poised to growth.

### **Business performances**

The year under review was challenging for the financial sector in terms of leverage/liquidity. However, during the year, the Company has raised funds from Bank and other NBFC aggregating to INR 2,500 lakh. As on 31<sup>st</sup> March, 2022, the Asset Under Management (AUM) of the Company stood at INR 25,687.47 lakh and net owned fund stood at INR 16,771 lakhs.

During the year under review, the Company made gross disbursements of INR 10,961.51 lakh including INR 3052.37 lakh under Co-lending.



## Outlook

The COVID-19 pandemic has brought with it prolonged and monumental human suffering, disrupting the world economy in unimaginable ways. Humankind has survived such episodes in history by responding with grit and determination; the intensity of the crisis, notwithstanding. The Government of India was quick and decisive in responding to the pandemic.

MSME sector was the most affected sector due to the pandemic in the last 2 years. Accordingly, the Indian Government introduced several credit measures to revive financial activity and growth in the sector. Those ranged from moratorium on existing loan facilities, additional credit lines to MSMEs and restructuring of existing facilities.

Credit offtake continued to remain muted as the economy emerged from the covid crisis. The outlook for credit demand is positive as the economic sentiment improves and corporates gain confidence on capital spends. The coming year is expected to see an increase in capex spends by leading players in the commodity and industrial sectors, as well as inorganic growth opportunities especially through the IBC mechanism.

NBFCs also recalibrated their business strategies, leveraging on digital technology with a strong emphasis on data analytics.

Since the onset of the pandemic, most of the NBFCs had taken a cautious approach towards onboarding new customers and doing fresh disbursements. During the last one year, NBFCs have taken a relook at their overall business model, rethinking the strategy for near future. Unique challenges during ongoing COVID-19 crisis have prompted the Company to find innovative ways for our clients to connect to other value chain players and the end-consumers. Digitization and the ability to reach and manage customers remotely have emerged as a few large common themes.

In view of the significance of the NBFC sector for income and employment generation, many regulatory policies to support the sector have been extended.

For the upcoming period, the Company target shall be to continue the business clearly and purposefully, with a primary focus to increase the quality of business with tight control over cost. It also looks forward to driving a positive growth through new innovations across all the business segments and other allied functions for the year ahead.

## Risks and concerns

While the world and businesses are recovering from the impact of the COVID-19 pandemic of the last two years, new external and internal risks continue to challenge businesses in every possible way amplifying existing risks. Not only are the nature of risks evolving, but the speed of risk is increasing with faster time to impact. Geo-political situations like the Russia Ukraine war have further forced global businesses to revisit their operations.

In the backdrop of obvious rise in the scope of business and increased regulatory rigour, what remains challenging is the implementation of risk-management strategies in the sector to ensure that the business models remain viable, adequately ring-fenced and sustainable. In the realm of risk management, the asset quality norms will bring to focus any gaps in credit risk management due to SMA framework while the trends of risk adjusted yields on investment, treasury earnings and 'mark to market' obligations can reveal the shortcomings in market risk.

But any slackness in operational risk management (ORM), latent in the business, cannot come to fore quickly leading to accumulation of its adversity. ORM is inherent in people competency, inefficiency of technology and systemic failures that does not measure up immediately and cannot be quantified. They gradually erode the efficiency of the organisation drawing attention of stakeholders only after substantial damage is done.

Appropriate ORM strategies should transcend the whole entity from bottom to top and vice versa. NBFCs should be able to carve out rigid standard operating procedures.

Failing to tame the operational risks can have serious consequences threatening the sustainability of the organisations. A tough task awaits NBFCs to rein in operational risk much beyond going successful in scaling up business. A right risk prioritisation can be a recipe to thrive in the vibrant economy poised to unfold in post-pandemic regime.

The sector is facing a liquidity crunch – NBFCs mostly generate liquidity through market borrowing and bank borrowing. At present due to mounting amount of NPA, banks are hesitating to lend anymore to NBFCs and market borrowing through bond or commercial paper is facing big difficulties. Banks have also restricted lending to NBFCs as their ratings have turned poor. This has added to the crunch and reduced profits margins.

Asset quality is an evaluation of asset to measure the credit risk associated with it. Poor asset quality rating means high NPA's (non-performing assets). Banks and financial institutions have assets and liabilities of different maturities. This exposes them to Interest Rate Risk and Liquidity Risk. Poor risk management processes have resulted in frauds in large institutions.

There is an urgent need to stem the issues and crises being faced by the NBFC sector. Some external funding is essential to provide liquidity.

The Company has adopted Risk Management Policy and Procedures. This policy establishes the philosophy towards risk identification, analysis & prioritisation of risks, development of risk mitigation plans & reporting on the risk environment of the Company. The Risk management policy aims to ensure that the organisational activities are undertaken within the Board approved risk appetite to protect the profitability, assets and reputation of the company. Various methodology was adopted to identify and mitigate risks to which they are subjected.

The Company's Risk can be classified majorly into Credit Risk, Liquidity Risk, Market Risk and Operational Risk.

The Board is kept informed periodically of the significant risks associated with the business of the Company and the various risk identification and mitigation processes put in place by the management.

### **Internal control systems and their adequacy**

(Refer to the section mentioned in Board Report)

### **Developments in Human Resources**

The Company's various employee engagement platforms and initiatives have resulted in a vibrant, productive and enjoyable work environment. A structured approach to career development, leadership development, internal job rotations, and mentoring helps employees grow their careers and realize their potential.

The Company has focused on identifying internal talent and nurture them through the culture of continuous learning and development, thereby building capabilities for creating future leaders. The Company is actively working on developing a culture driven by the collective spirit of experience and companywide ownership. Assignment, empowerment and accountability will be the cornerstone of the people lead processes.

As on 31<sup>st</sup> March 2022, the Company had a total employee strength of 135. The coming year will be yet again focused on high growth with respect to manpower.

With the start of the new financial year, once again the focus will be towards creating a more interactive and transparent culture, across the Company. Also, there will be an increased sentiment to simplify the HR process through various technological additions in the system for the Company.

## INDEPENDENT AUDITOR'S REPORT

To the Members of Agriwise Finserv Limited

### Report on the Audit of Ind AS Financial Statements

#### 1. Opinion

We have audited the accompanying Ind AS financial statements of Agriwise Finserv Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 Ind AS 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 Ind AS 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, 2022, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Ind AS financial statements.

#### 3. Emphasis of Matter

We draw attention to Note No. 54 of the Ind AS financial statements, the extent to which the COVID-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are highly uncertain. Our Opinion is not modified in respect of this matter.

#### 4. Key Audit Matter

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

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Impairment of financial assets (Expected Credit Losses) (as described in Note No.8 of the Ind AS financial statements)</b></p> <p>Ind AS 109 requires the Company to recognise impairment loss allowances in the financial assets. Such ECL allowance is required to be measured considering the guiding principles of Ind AS 109 including.</p> <ol style="list-style-type: none"> <li>unbiased, probability weighted outcome under various scenarios;</li> <li>impact arising from forward looking macro-economic factors and;</li> <li>availability of reasonable and supportable information</li> </ol> <p>Applying these principles involves significant estimation in various underlying aspects, such as:</p> <ol style="list-style-type: none"> <li>staging of loans and estimation of behavioural life;</li> <li>determining macro-economic factors impacting credit quality of receivable;</li> </ol> <p>Considering the significance of such allowance to the overall financial statements and the degree of estimation involved in computation of expected credit losses, this area is considered as a key audit matter.</p>	<p>The audit procedures performed by us to assess appropriateness of the impairment allowance basis ECL on loans included the following:</p> <ol style="list-style-type: none"> <li>We read and accessed the Company's accounting policies for impairments of financial assets and their compliance with Ind AS 109.</li> <li>We tested the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109.</li> <li>We evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and tested controls around data extraction and valuation</li> <li>Tested the ECL model, including assumptions and underlying computation.</li> <li>Checked disclosures included in the Ind AS financial statements in respect of expected credit losses.</li> </ol>

#### 5. Information other than the Ind AS financial statements and Auditor's report thereon

The Company's management and the Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report but does not include the Ind AS financial statements and our auditor's report thereon. The Other information is expected to be made available to us after the date of our auditor's report.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

## **6. Management and Board of Directors' Responsibility for the Ind AS Financial Statements**

The accompanying Ind AS financial statements have been approved by the Company's Board of Directors. The Company's Management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **7. Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

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

i) Identify and assess the risks of material misstatement of the Ind AS 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.

ii) Obtain an understanding of internal financial controls 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.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.

iv) Conclude on the appropriateness of Board of Directors and 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 ability of the Company 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 Ind AS 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.

v) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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 the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143 (3) of the Act, based on our audit 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 purpose of our audit of Ind AS Financial Statements.

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, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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 Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.

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 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 has disclosed the impact of pending litigations on the financial position in its Ind AS financial statements – Refer Note 36 to the Ind AS 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, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in 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 the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared any dividend during FY 2021-22.

## 9. Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2021, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those Ind AS Financial Statements on June 29, 2021. Our opinion is not modified in respect of this matter.

For S. N. Kulkarni & Co  
Chartered Accountants  
Firm Reg. No. 105441W

G. V. Samant  
Partner  
M. No. 14802

UDIN: 22014802AMZWPT7644  
Date: May 19, 2022  
Place: Mumbai



**Annexure 1 to the Independent Auditor's Report of even date on the Ind AS financial statements of Agriwise Finserv Limited**

**Referred to in paragraph 8 under Report on Other Legal and Regulatory Requirements of our report of even date**

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

- (i)
  - a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital Work in Progress, Right-of-use Assets.  
B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Company has a regular program of physical verification of its fixed assets by which all the Fixed assets are verified once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) Title deed of immovable property disclosed in the financial statements included under investment property is held in the name of the Company as at the balance sheet date.
  - d) The Company has not revalued its investment property and Property, Plant and Equipment (including Right-of -Use assets) during the year.
  - e) No proceedings have been initiated or is pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii)
  - a) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii)(a) of the Order, are not applicable to the Company.
  - b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks and financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
- (iii) The Company has made investments in, and granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:
  - a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
  - b) The principal business of the Company is to give loans. The investments made and the terms and conditions of grant of all loans during the year are, in our opinion, prima facie, not prejudicial to the Company's interest. The Company has not provided any advances in the nature of loans or given security.
  - c) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 has stipulated the schedule of repayment of principal and payment of interest for loan to customers. Since the principal business of the Company is to give loans, there are customers who are regular and do not have any overdue amount towards their loan and there are customers who have overdue of loan as at the balance sheet date. Refer Note 50 to the Ind AS financial statements for summarised details of such loans which are not repaid by borrowers as per stipulations.

- d) In respect of following loans granted by the Company, which have been overdue for more than 90 days at the balance sheet date, as explained to us, the Management has taken reasonable steps for recovery of the principal amounts and interest:

No. of cases	Principal amount overdue	Interest overdue	Total overdue	Remarks, if any
20	Rs. 17.31 Lakhs	Rs. 64.37 Lakhs	Rs. 81.68 Lakhs	-

- e) The principal business of the Company is to give loans and hence reporting under clause (iii)(e) of the Order is not applicable.
- f) The Company has not granted any loans or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, made investments or provided guarantees and securities which attract the provisions of section 185 and section 186 of the Act. Accordingly, clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company.
- (vii) a) Undisputed statutory dues including provident fund, income-tax, goods and service tax, employees' state insurance, cess and other material statutory dues have been regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues of excise duty, service tax, duty of customs and value added tax.
- b) According to the information and explanations given to us, there were no undisputed dues in respect of provident fund, income-tax, goods and service tax, employees' state insurance, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues of excise duty, service tax, duty of customs and value added tax.
- c) According to the records of the Company, the dues outstanding of income-tax, sales tax, goods and service tax, duty of customs, value added tax, service tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. Lakhs)	Period to which the amount relates	Forum where dispute is pending	Amount Paid under protest (Rs. Lakhs)
The Income Tax Act, 1961	Income Tax	102.61	2016-17	Commissioner of Appeal (Income Tax)	25.65

- (viii) 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 during the year.

- (ix)
  - a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to banks or financial institutions or government.
  - b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application of term loans.
  - d) On an overall examination of the Ind AS financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - e) The Company did not have any subsidiary or associate or joint venture during the year and hence reporting under clause (ix)(e) of the Order is not applicable to the Company.
  - f) The Company did not have any subsidiary or associate or joint venture during the year and hence reporting under clause (ix)(f) of the Order is not applicable to the Company.
- (x)
  - a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the Order is not applicable to the Company.
  - b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)
  - a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report by the Statutory auditors.
  - c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) The Company is not a nidhi company and hence reporting under clause 3 (xii)(a) to 3 (xii)(c) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- (xiv)
  - a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our audit report, in determining the nature, timing and extent of our audit procedures.

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act.
- (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 Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934. The Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.  
  
c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) is not applicable to the Company.  
  
d) According to the information and explanations given by the management, the Group has no CIC as part of the group.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been resignation of the Statutory Auditors of the Company during the year and according to information and explanations given to us by the management and to the best of our knowledge and belief there have been no issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements, 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 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) a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

For S. N. Kulkarni & Co  
Chartered Accountants  
Firm Reg. No. 105441W

G. V. Samant  
Partner  
M. No. 14802

UDIN: 22014802AMZWPT7644  
Date: May 19, 2022  
Place: Mumbai

**Annexure 2 to the Independent Auditor's Report of even date on the Ind AS financial statements of Agriwise Finserv Limited**

**Referred to in paragraph [8(f)] under Report on Other Legal and Regulatory Requirements of our report of even date**

**Report on the Internal Financial Controls with reference to Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls with reference to Ind AS financial statements of Agriwise Finserv Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**2. Management and Board of Directors' Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors responsible for establishing and maintaining internal financial controls based on the internal control with reference to Ind AS financial statements 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 (the "Guidance Note") 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.

**3. Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent 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 with reference to Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

**4. Meaning of Internal Financial Controls with reference to Ind AS financial statements**

A company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

**5. Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements**

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

**6. Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to Ind AS financial statements 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 S. N. Kulkarni & Co  
Chartered Accountants  
Firm Reg. No. 105441W

G. V. Samant  
Partner  
M. No. 14802

UDIN: 22014802AMZWPT7644

Date: May 19, 2022  
Place: Mumbai

Agiwise Finserv Limited (formerly known as StarAgri Finance Limited)			
Balance Sheet as at March 31 2022 (Currency : Indian Rupees in lakhs)			
Particulars	Note	As at March 31 2022	As at March 31 2021
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	5	509.04	1,120.38
Bank balance other than (a) above	6	487.89	383.63
Receivables			
- Trade receivables	7.1	-	56.47
- Other receivables	7.2	609.91	-
Loans	8	24,300.78	32,529.98
Investments	9	3,689.26	500.83
Other financial assets	10	892.73	807.54
<b>Non-financial assets</b>			
Current tax assets		177.82	56.20
Deferred tax assets	11	429.81	699.87
Investment property	12	596.77	684.95
Property, plant and equipment	13.1	43.04	58.15
Intangible assets under development	13.2	-	-
Other intangible assets	13.3	387.77	465.64
Right to use assets	50	184.95	98.02
Other non-financial assets	14	246.93	149.66
<b>Total assets</b>		<b>32,556.70</b>	<b>37,611.32</b>
<b>Liabilities and Equity</b>			
<b>Financial liabilities</b>			
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of micro enterprises other than micro enterprises and small enterprises	15	107.71	92.84
Debt securities	16	1,000.00	1,000.00
Borrowings	17	13,195.04	19,118.94
Lease liability	50	198.52	100.47
Other financial liabilities	18	371.64	123.48
<b>Non-financial liabilities</b>			
Provisions	19	51.17	91.52
Other non-financial liabilities	20	44.23	24.52
<b>Total liabilities</b>		<b>14,968.31</b>	<b>20,551.77</b>
<b>Equity</b>			
Equity share capital	21	15,000.00	15,000.00
Other equity	22	2,588.39	2,059.55
<b>Total equity</b>		<b>17,588.39</b>	<b>17,059.55</b>
<b>Total liabilities and equity</b>		<b>32,556.70</b>	<b>37,611.32</b>

Significant Accounting Policies and notes to the Financial Statements

1 to 60

As per our report of even date

**For S. N. Kulkarni & Co.**

Chartered Accountants

Firm Registration No: 105441W

**For and on behalf of the Board of Directors of  
Agiwise Finserv Limited**
**G.V. Samant**

Partner

Membership No: 14802

Mumbai

May 19, 2022

**Sureshchandra Goyal**

Managing Director

DIN: 02018073

**Amith Agarwal**

Executive Director

DIN: 01140768

**Kalpesh Ojha**

Chief Financial Officer

**Sankari Muthuraj**

Company Secretary

Membership No. A25427

Mumbai

May 19, 2022

Agriwise Finserv Limited (formerly known as StarAgri Finance Limited)			
Statement of Profit and Loss for the Year ended March 31 2022 (Currency : Indian Rupees in lakhs)			
Particulars	Note	Year ended March 31 2022	Year ended March 31 2021
<b>Revenue from operations</b>			
Interest income	23	4,044.16	5,144.26
Net gain on fair value changes	24	1.66	1.21
Fees and commission income		-	0.11
<b>Total revenue from operations</b>		<b>4,045.82</b>	<b>5,145.58</b>
Other income	25	349.36	302.96
<b>Total income (1+2)</b>		<b>4,395.18</b>	<b>5,448.54</b>
<b>Expenses</b>			
Finance costs	26	1,483.27	2,364.95
Impairment on financial instruments	27	73.05	(42.66)
Employee benefits expenses	28	937.32	1,040.52
Depreciation, amortization and impairment	29	198.24	129.04
Other expenses	30	824.36	1,471.94
<b>Total expenses</b>		<b>3,516.24</b>	<b>4,963.79</b>
<b>Profit/(loss) before tax</b>		<b>878.94</b>	<b>484.75</b>
<b>Tax expense:</b>	31		
(1) Current tax		-	146.83
(2) Deferred tax charge / (credit)		266.84	0.37
		<b>266.84</b>	<b>147.20</b>
<b>Profit/(loss) for the year</b>		<b>612.10</b>	<b>337.55</b>
<b>Other comprehensive income</b>			
<u>Items that will not be reclassified to profit or loss</u>			
Actuarial gain/(loss) on employee defined benefits		12.78	5.66
Income tax relating to items that will not be reclassified to profit or loss		(3.22)	(1.42)
<b>Subtotal (A)</b>		<b>9.56</b>	<b>4.24</b>
<u>Items that will be reclassified to profit or loss</u>			
Subtotal (B)		-	-
<b>Other comprehensive income (A+B)</b>		<b>9.56</b>	<b>4.24</b>
<b>Total comprehensive income for the year</b>		<b>621.66</b>	<b>341.79</b>
<b>Earnings per equity share (for continuing operations)</b>	32		
Basic (Rs.)		0.41	0.23
Diluted (Rs.)		0.40	0.23

Significant Accounting Policies and notes to the Financial Statements

1 to 60

**For and on behalf of the Board of Directors of  
Agriwise Finserv Limited**

As per our report of even date  
**For S. N. Kulkarni & Co.**  
Chartered Accountants  
Firm Registration No: 105441W

**G.V. Samant**  
Partner  
Membership No: 14802  
Mumbai  
May 19, 2022

**Sureshchandra Goyal**  
Managing Director  
DIN: 02018073

**Amith Agarwal**  
Executive Director  
DIN: 01140768

**Kalpesh Ojha**  
Chief Financial Officer

**Sankari Muthuraj**  
Company Secretary  
Membership No. A25427  
Mumbai  
May 19, 2022



## Statement of Cash flow for the Year ended March 31 2022

(Currency : Indian Rupees in lakhs)

Particulars	Year ended March 31 2022	Year ended March 31 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>878.94</b>	<b>484.75</b>
<u>Adjustments for non-cash items:</u>		
Impairment of receivables & loans	344.44	805.00
Depreciation, amortization and impairment	198.24	129.04
Loss / (profit) on sale of property, plant and equipment	-	1.93
Finance cost	1,483.27	2,364.95
Interest income on fixed deposit	(39.48)	(32.51)
Loss/(profit) on sale of investment	(1.66)	-
Bad debts written off	-	-
Reversal of ESOP reserve	(92.82)	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>2,770.93</b>	<b>3,753.16</b>
<u>Adjustments for working capital changes:</u>		
Decrease/(Increase) in Other Bank Balance	-	-
Decrease/(Increase) in Derivatives	-	-
(Increase) / Decrease in receivables	(553.44)	67.75
(Increase) / Decrease in loans	7,884.76	(182.53)
(Increase) / Decrease in other financial assets	(58.90)	485.60
(Increase) / Decrease in Other Non-financial assets	(17.52)	(705.79)
Increase / (Decrease) in trade payables	14.87	(70.37)
Increase / (Decrease) in other financial liabilities	182.91	(102.12)
Increase / (Decrease) in Lease liability		
Increase / (Decrease) in provisions	(40.35)	27.22
<b>Cash used in operations</b>	<b>10,183.26</b>	<b>3,272.92</b>
Income taxes refund / (paid)	(121.62)	(195.21)
<b>Net cash generated / (used in) from operating activities (A)</b>	<b>10,061.64</b>	<b>3,077.71</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment (PPE) and intangible Assets	9.09	(156.75)
Sale of Property, Plant and Equipment (PPE) and Intangible Assets	-	-
Fixed deposit placed with bank	(104.26)	(149.13)
Interest income on security deposit & fixed deposits	14.19	18.60
Investment in security receipt	(4,080.00)	-
Collection from the security receipt	416.50	-
Purchase of mutual fund	(1,625.00)	(1,000.00)
Sale of mutual fund	2,100.00	500.38
Gain on sale of mutual fund	1.66	
<b>Net cash generated / (used in) investing activities (B)</b>	<b>(3,267.82)</b>	<b>(786.90)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liability (including interest)	(94.79)	(80.95)
Finance cost paid	(1,386.47)	(2,417.58)
Proceed from debt securities	-	1,000.00
Proceed from term loan	2,500.00	-
Repayment of borrowing (other than debt securities)	(7,645.85)	(5,037.95)
Repayments of short term borrowing	(778.05)	(4.23)
<b>Net cash generated / (used in) from financing activities (C)</b>	<b>(7,405.16)</b>	<b>(6,540.71)</b>
<b>Net Increase / (Decrease) in cash and equivalents (A+B+C)</b>	<b>(611.34)</b>	<b>(4,249.90)</b>

<b>Cash and cash equivalent at the beginning of the year</b>		
Balance with banks		
- in current account	1,094.21	5,352.06
- Cash on hand	26.17	18.22
<b>Cash and cash equivalent as per note 5</b>	<b>1,120.38</b>	<b>5,370.28</b>
<b>Cash and cash equivalent at the beginning of the year</b>		
Balance with banks		
- in current account	455.59	1,094.21
- Cash on hand	53.45	26.17
<b>Cash and cash equivalent as per note 5</b>	<b>509.04</b>	<b>1,120.38</b>

Significant accounting policies and notes to the financial statements to 60

As per our report of even date  
**For S. N. Kulkarni & Co.**  
Chartered Accountants  
Firm Registration No: 105441W

**For and on behalf of the Board of Directors of  
Agriwise Finserv Limited**

**G.V. Samant**  
Partner  
Membership No: 14802  
Mumbai  
May 19, 2022

**Sureshchandra Goyal      Amith Agarwal**  
*Managing Director      Executive Director*  
DIN: 02018073      DIN: 01140768

**Kalpesh Ojha      Sankari Muthuraj**  
*Chief Financial Officer      Company Secretary*  
Membership No. A25427  
Mumbai  
May 19, 2022

Agriwise Finserv Limited (formerly known as StarAgri Finance Limited)

**Statement of changes in equity for the Year ended March 31 2022**  
(Currency : Indian Rupees in lakhs)

**(a) Equity Share Capital**

Particulars	Rs.
<b>Balance as at April 1 2020</b>	<b>15,000.00</b>
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2020	-
Changes in equity share capital during the year	-
<b>Balance as at March 31 2021</b>	<b>15,000.00</b>
Balance as at April 1, 2021	-
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2021	-
Changes in equity share capital during the year	-
<b>Balance as at March 31 2022</b>	<b>15,000.00</b>

**(b) Other equity**

Particulars	Reserve and Surplus			OCI	Total Other Equity
	Retained Earnings (Surplus in profit and loss account)	Statutory reserve u/s 45-IC of The Reserve Bank of India Act, 1934*	Employees Stock Option Reserve	Re-measurement of the net defined benefit plans	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>Balance as at April 1 2020</b>	942.88	668.43	103.34	8.41	1,723.06
Profit for the year	337.55	-	-	-	337.55
Post employment defined benefit obligation	-	-	-	4.24	4.24
Employee stock options	-	-	(5.30)	-	(5.30)
Transfer to/from reserves	(68.36)	68.36	-	-	-
<b>Balance as at March 31 2021</b>	<b>1,212.07</b>	<b>736.79</b>	<b>98.04</b>	<b>12.65</b>	<b>2,059.55</b>
Profit for the year	612.10	-	-	-	612.10
Post employment defined benefit obligation	-	-	-	9.56	9.56
Employee stock options	-	-	(92.82)	-	(92.82)
Transfer to/from reserves	(122.42)	122.42	-	-	-
<b>Balance as at March 31 2022</b>	<b>1,701.75</b>	<b>859.21</b>	<b>5.22</b>	<b>22.21</b>	<b>2,588.39</b>

\* Represents reserve created @ 20% of the profit after tax for the year as per the provisions of section 45-IC of the Reserve Bank of India Act, 1934.

Significant accounting policies and notes to the financial statements

1 to 60

As per our report of even date

**For S. N. Kulkarni & Co.**

Chartered Accountants

Firm Registration No: 105441W

**For and on behalf of the Board of Directors of**  
**Agriwise Finserv Limited**

**G.V. Samant**

Partner

Membership No: 14802

Mumbai

May 19, 2022

**Sureshchandra Goyal**

Managing Director

DIN: 02018073

**Amith Agarwal**

Executive Director

DIN: 01140768

**Kalpesh Ojha**

Chief Financial Officer

**Sankari Muthuraj**

Company Secretary

Membership No. A25427

Mumbai

May 19, 2022

# Notes to the Ind AS financial statements for the year ended 31<sup>st</sup> March 2022

## 1 Overview

### 1.1 Background and general information

The name of the Company has been changed from Staragri Finance Limited to Agriwise finserv Limited with effect from 15<sup>th</sup> October 2020. Agriwise finserv Limited (the 'Company') was incorporated on 14 March 1995. The Company is registered as a non banking financial institution and has obtained certificate of registration from Reserve Bank of India bearing no. B-13.02107 dated 9 December 2015 in pursuance of Section 45-IA of the 'RBI' Act, 1934. The Company is wholly owned subsidiary of Star Agriwarehousing and Collateral Management Limited ('SACML').

## 2 Significant accounting policies

### 2.1 Statement of compliance and Basis of preparation of financial statements

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act") (as amended), other relevant provisions of the Act, guidelines issued by the Reserve Bank of India as applicable to an NBFCs and other accounting principles generally accepted in India. Any application guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS required a change in the accounting policy hitherto in use. The financial statements were authorised for issue by the Board of Directors (BOD) on May 19, 2022.

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III of the Companies Act, 2013 (the 'Act'). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS.

The financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

### 2.2 Use of estimates and judgments

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

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in following notes:

## Notes to the Ind AS financial statements for the year ended 31<sup>st</sup> March 2022

### i) Business model assessment

Classification and measurement of financial assets depends on the results of the sole payment of principal and interest ('SPPI') and the business model test. The Company determines the business model at a level that reflects how the Company's financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

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

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

The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

### ii) Impairment of Financial Assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns PDs to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis

## Notes to the Ind AS financial statements for the year ended 31<sup>st</sup> March 2022

- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

### 2.3 Functional and presentation currency

Items included in the financial statements of Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company. All amounts have been rounded off to the nearest lakhs with two decimals, unless otherwise indicated.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are recognized in the Statement of Profit and Loss.

### 2.4 Current-non-current classification

#### Assets

An Asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within 12 months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current Assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the company's normal operating cycle.
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date; or
- d. The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current

## 3 Use of accounting estimates and judgments

### 3.1 Revenue recognition

- a. Under IND AS 109 Interest income is recognised using an effective interest method. Interest income in case of financing business is recognised on accrual basis.

## Notes to the Ind AS financial statements for the year ended 31<sup>st</sup> March 2022

- b. Profit/loss earned on sale of investments is recognised on trade date basis. Profit/loss on sale of mutual fund units is determined based on the weighted average cost method.
- c. Cheque bouncing charges, foreclosure charges, and like any other penal charges collected from client are recognised when the Company satisfies a performance obligation.

### 3.2 Property, Plant and Equipment and Depreciation/Amortisation

#### Tangible assets

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and / or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Residual values of all fixed assets are considered as nil.

The Company follows Straight Line Method ('SLM') of depreciation which is computed based on useful lives of assets as provided in Part "C" of Schedule II of the Companies Act 2013 except for following asset:

Class of asset	Useful Life
Motor vehicles	4 Years
Office equipments	5 Years
Furnitures and fixtures	10 Years
Software and servers	3 Years
Computers	3 Years

Leasehold improvements are amortised over the useful life of the assets or the primary lease tenor whichever is lower, on a straight-line basis.

#### Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Amortisation is provided on SLM basis, which reflect management's estimate of the useful life of the intangible asset.

Class of asset	Useful Life
Software	6 Years

### 3.3 Investment property

Investment properties are measured initially and subsequently at cost. Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed annually in the notes which form an integral part of the financial statements. Fair values are determined based on an evaluation performed by an accredited external independent valuer applying a valuation technique as per the international norms and standards. Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from such disposal. The difference between the net sale proceeds and the carrying amount of asset is recognized in statement of profit and loss in the period of derecognition.

## Notes to the Ind AS financial statements for the year ended 31<sup>st</sup> March 2022

### 3.4 Financial instruments

#### Initial recognition

The Company recognises the financial asset and financial liabilities when it becomes a party to the contractual provisions of the instruments. All the financial assets and financial liabilities are recognised at fair value on initial recognition, except for trade receivable which are initially recognised at transaction price. Transaction cost that are directly attributable to the acquisition of financial asset and financial liabilities, which are not at fair value through profit and loss, are added to the fair value on the initial recognition.

Subsequent measurement of Non-derivative financial instruments:

#### (i) Financial Assets at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) 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.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

#### (ii) Financial Assets at Fair Value through Profit or Loss/Other comprehensive income

Instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

If the company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

#### (iii) Financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

##### (a) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. However, the Company has borrowings at floating rates. Considering the impact of restatement of Effective interest rate, transaction cost is being amortised over the tenure of loan and borrowing.

##### (b) Trade and other payables

After initial recognition, trade and other payables maturing within one year from the Balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the group neither retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.



## Notes to the Ind AS financial statements for the year ended 31<sup>st</sup> March 2022

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

A financial liability is derecognised when the obligation under the liability is 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 or loss.

### **Fair value measurement**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### **3.5 Impairment of financial assets**

#### **Overview of the ECL principles**

The Company records allowance for expected credit losses for all loans, together with loan commitments, in this section all referred to as 'financial instruments' other than those measured at FVTPL. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL). The Company's policies for determining if there has been a significant increase in credit risk are set out.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12m ECLs are calculated on an individual basis, depending on the nature of the underlying portfolio of financial instruments.

## Notes to the Ind AS financial statements for the year ended 31<sup>st</sup> March 2022

The Company has established a policy to perform an assessment, at the end of each year end, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

**Stage 1:** When loans are first recognised, the Company recognises an allowance based on 12mECLs. This also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

**Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

**Stage 3:** Loans considered credit-impaired. The Company records an allowance for the LTECLs.

### **Undrawn loan commitments:**

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

### **The Calculation of ECLs:**

The Company calculates ECLs based on a probability-weighted scenario to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

**Probability of Default (PD):** The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

**Exposure at Default (EAD):** The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

**Loss Given Default (LGD):** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

## Notes to the Ind AS financial statements for the year ended 31<sup>st</sup> March 2022

When estimating life time expected credit loss (LTECLs) for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weightage. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

In ECL model the Company relies on broad range of forward looking information for economic inputs.

### Write-off

Write-off of assets are considered in line with internally approved policy. Additionally, the Company may consider case specific write off based on recovery prospects and based on the recommendation of Credit Risk officer with relevant sanctioning authority.

### Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

## Notes to the Ind AS financial statements for the year ended 31<sup>st</sup> March 2022

- Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.
- Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

### 3.6 Employee benefits

#### **Defined contribution plan:**

A defined contribution plan is a plan for the post-employment benefit of an employee under which the Company pays fixed periodic contributions into Provident Fund and Employee State Insurance Corporations. The Company has no further legal or constructive obligation to pay once contributions are made. Contributions made are charged to employee benefit expenses in the period in which the employment services qualifying for the benefit are provided.

#### **Defined benefit plan:**

The Company's gratuity benefit scheme is a defined benefit plan which is administered through Company gratuity scheme. The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation at the balance sheet date by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government of India securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

## Notes to the Ind AS financial statements for the year ended 31<sup>st</sup> March 2022

The Company recognises all re-measurement gains and losses arising from defined benefit plans in the Statement of other comprehensive income in the period in which they occur and not reclassified to statement of profit and loss in the subsequent period. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the statement of profit and loss.

### Share-based payments:

Equity-settled plans are accounted at fair value as at the grant date in accordance with Ind AS 102 "Share- Based Payments". The fair value of the share-based option is determined at the grant date using a market-based option valuation model which includes an estimated forfeiture rate. The fair value of the option is recorded as compensation expense amortised over the vesting period of the award, with a corresponding increase in other components of Equity under the head "Share Options Outstanding Account". On exercise of the option, the proceeds are recorded as share capital.

### 3.7 Taxation

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

#### Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit/ (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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

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

#### Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts 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 neither accounting nor taxable profit or loss; and
- indexation benefit in relation to investments in subsidiaries, given that the Company does not have any intentions to dispose such investments in the foreseeable future.

## Notes to the Ind AS financial statements for the year ended 31<sup>st</sup> March 2022

Deferred tax assets 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 at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the statement of profit and loss.

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:

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

### 3.8 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

### 3.9 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 3.10 Provisions and contingences

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is more likely than not that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted where the effect of discounting is material at a pre-tax rate that reflects current market assessments of the time value of money. Unwinding of the discount (accretion) is recognized as a finance cost. Discount rates are assessed and projected timing of future obligations each reporting year.

## Notes to the Ind AS financial statements for the year ended 31<sup>st</sup> March 2022

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

### 3.11 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks and short-term investments with an original maturity of three months or less.

### 3.12 Lease accounting

#### (a) Leases

##### Company as a Lessee

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company recognizes right-of-use asset and a corresponding lease liability for all lease arrangements in which the Company is a lessee, except for a short term lease of 12 months or less and leases of low-value assets. For short term lease and low-value asset arrangements, the Company recognizes the lease payments as an operating expense on straight-line basis over the lease term.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease arrangement. Right-of-use assets and lease liabilities are measured according to such options when it is reasonably certain that the Company will exercise these options.

The right-of-use asset are recognized at the inception of the lease arrangement at the amount of the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date of lease arrangement reduced by any lease incentives received, added by initial direct costs incurred and an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Estimated useful life of right-of-use assets is determined on the basis of useful life of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable. Impairment loss, if any is recognized in the statement of profit and loss account.

The lease liability is measured at amortized cost, at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease arrangement or, if not readily determinable, at the incremental borrowing rate in the country of domicile of such leases. Lease liabilities are remeasured with corresponding adjustments to right-of-use assets to reflect any reassessment or lease modifications.

## Notes to the Ind AS financial statements for the year ended 31<sup>st</sup> March 2022

### Company as a Lessor

Leases for which the Company is a lessor is classified as finance or operating lease. If the terms of the lease arrangement transfer substantially all the risks and rewards of ownership to the lessee, such lease arrangement is classified as finance lease. All other leases are classified as operating leases.

In case of sub-lease, the Company recognizes investment in sub-lease separately in the financial statements. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from such lease arrangement. For operating leases, rental income is recognized on a straight-line basis over the term of the lease arrangement.

### Transition

The Company has adopted Ind AS 116 'Leases' with effect from April 1, 2019 using the modified retrospective method. Cumulative effect of initially applying the standard has been recognized on the date of initial application and hence the Company has not restated comparative information. The Company has recorded Lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

The Company has selected practical expedient for the following:

- a) Not recognizing right-of-use asset and lease liability for leases having a lease term of 12 months or less as on date of initial application and leases of low-value assets. The Company recognizes the lease payments associated with such leases as an expense over the lease term.
- b) Excluded the initial direct cost from the measurement of the right of use asset at the date of initial application.
- c) Ind AS 116 is applied only to those contracts that were previously identified as leases under Ind AS 17.

Accordingly, the Company has recognized right-of-use asset of Rs. 215.30 lakhs and a lease liability of Rs. 215.02 lakhs in the financial statements on the date of initial application. There is no impact on the retained earnings. Due to adoption of Ind AS 116, the nature of expenses has changed from rent in previous periods to depreciation cost on right-of-use asset and finance cost for interest on lease liability. The effect of this standard is not significant on the profit for the year of the Company. Further as per Ind AS 116, the principal portion of lease payments and interest on lease liability has been disclosed under the cash outflow from financing activities. Operating lease payments as per Ind AS 17 – Leases were disclosed under the cash outflow from operating activities.

## 4 Recent amendments applicable from April 01, 2022

The following amendments to standards have been issued and will be effective from April 01, 2022. The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.



## Notes to the Ind AS financial statements for the year ended 31<sup>st</sup> March 2022

- a. Indian Accounting Standard (Ind AS) 103 – Business Combinations – Qualifications prescribed for recognition of the identifiable assets acquired and liabilities assumed, as part of applying the acquisition method – should meet the definition of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the ICAI at the acquisition date. Modification to the exceptions to recognition principle relating to contingent liabilities and contingent assets acquired in a business combination at the acquisition date.
- b. Indian Accounting Standard (Ind AS) 109 – Financial Instruments – Modification in accounting treatment of certain costs incurred on derecognition of financial liabilities.
- c. Indian Accounting Standard (Ind AS) 16 - Property, Plant and Equipment – Modification in treatment of excess of net sale proceeds of items produced over the cost of testing as part of cost of an item of property, plant, and equipment.
- d. Indian Accounting Standard (Ind AS) 37 - Provisions, Contingent Liabilities and Contingent Assets – Modifications in application of recognition and measurement principles relating to onerous contracts.

Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

5 Cash and cash equivalents

Particulars	As at March 31 2022	As at March 31 2021
Cash on hand	53.45	26.17
Balances with banks - In current accounts	455.59	1,094.21
<b>Total</b>	<b>509.04</b>	<b>1,120.38</b>

6 Bank balance other than 5(II) above

Particulars	As at March 31 2022	As at March 31 2021
Bank deposit (Held as margin money against securitisation)	487.89	383.63
<b>Total</b>	<b>487.89</b>	<b>383.63</b>

7.1 Trade receivables

	Particulars	As at March 31 2022	As at March 31 2021
(a)	Receivable considered good, secured; Less: impairment loss allowance	-	-
(b)	Receivable considered good, unsecured; Less: impairment loss allowance	-	56.47
(c)	Receivable which have significant increase in credit risk Less: impairment loss allowance	-	-
(d)	Receivables-credit impaired Less: impairment loss allowance	-	49.64 (49.64)
	<b>Total</b>	<b>-</b>	<b>56.47</b>
	<b>The receivables includes dues from related parties:</b>		
	Gross carrying amount	-	3.12
	Less: impairment loss allowance	-	(1.57)
	<b>Net carrying amount</b>	<b>-</b>	<b>1.55</b>

Ageing for trade receivables is as follows:

PARTICULARS	As at March 31 2022							Total
	Unbilled Dues	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	-	-	-	-	-	-	-
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-	-
Less: impairment loss allowance	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

PARTICULARS	As at March 31 2021							Total
	Unbilled Dues	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	-	-	56.47	-	-	-	56.47
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	49.64	-	-	-	49.64
(iv) Disputed trade receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Sub Total	-	-	-	106.11	-	-	-	106.11
Less: impairment loss allowance	-	-	-	49.64	-	-	-	49.64
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56.47</b>

7.2 Other Receivables

	Particulars	As at March 31 2022	As at March 31 2021
(a)	Other receivable considered good, secured; Less: impairment loss allowance	488.71	-
(b)	Other receivable considered good, unsecured; Less: impairment loss allowance	-	-
(c)	Other receivable which have significant increase in credit risk Less: impairment loss allowance	-	-
(d)	Other receivable -credit impaired Less: impairment loss allowance	242.41 (121.21)	-
	<b>Total</b>	<b>609.91</b>	<b>-</b>
	<b>The Other receivables includes dues from related parties:</b>		
	Gross carrying amount	5.31	-
	Less: impairment loss allowance	(2.67)	-
	<b>Net carrying amount</b>	<b>2.64</b>	<b>-</b>

# Agriwise Finserv Limited

Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

Ageing for other receivables is as follows:

PARTICULARS	Unbilled Dues	Not Due	Less than 6 months	As at March 31 2022				Total
				6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed other receivables – considered good	-	-	-	488.71	-	-	-	488.71
(ii) Undisputed other receivables – which have significant increase in credit risk	-	-	1.25	241.16	-	-	-	242.41
(iii) Undisputed other receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed other receivables-considered good	-	-	-	-	-	-	-	-
(v) Disputed other receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed other receivables – credit impaired	-	-	-	-	-	-	-	-
Sub Total	-	-	1.25	729.87	-	-	-	731.12
Less: impairment loss allowance	-	-	0.63	120.58	-	-	-	121.21
<b>Total</b>	-	-	<b>0.62</b>	<b>609.29</b>	-	-	-	<b>609.91</b>

PARTICULARS	Unbilled Dues	Not Due	Less than 6 months	As at March 31 2021				Total
				6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed other receivables – considered good	-	-	-	-	-	-	-	-
(ii) Undisputed other receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed other receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed other receivables-considered good	-	-	-	-	-	-	-	-
(v) Disputed other receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed other receivables – credit impaired	-	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-	-
Less: impairment loss allowance	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

## 8 Loans

Particulars	As at March 31 2022			As at March 31 2021		
	Total	At Fair value through other comprehensive income	Total	Amortized cost	At Fair value through other comprehensive income	Total
<b>By Nature</b>						
Term loans & others	25,556.86	-	25,556.86	35,110.76	-	35,110.76
<b>Gross Carrying Amount</b>	<b>25,556.86</b>	-	<b>25,556.86</b>	<b>35,110.76</b>	-	<b>35,110.76</b>
Less: Impairment loss allowance	(1,256.08)	-	(1,256.08)	(2,580.78)	-	(2,580.78)
<b>Net Carrying Amount</b>	<b>24,300.78</b>	-	<b>24,300.78</b>	<b>32,529.98</b>	-	<b>32,529.98</b>
<b>By Security</b>						
Secured by tangible assets (refer note 1)	24,830.00	-	24,830.00	33,891.48	-	33,891.48
Unsecured (refer note 2)	726.86	-	726.86	1,219.28	-	1,219.28
<b>Gross Carrying Amount</b>	<b>25,556.86</b>	-	<b>25,556.86</b>	<b>35,110.76</b>	-	<b>35,110.76</b>
Less: Impairment loss allowance	(1,256.08)	-	(1,256.08)	(2,580.78)	-	(2,580.78)
<b>Net Carrying Amount</b>	<b>24,300.78</b>	-	<b>24,300.78</b>	<b>32,529.98</b>	-	<b>32,529.98</b>
<b>By Borrower Category</b>						
Public Sectors	-	-	-	-	-	-
Private Sectors	13,389.92	-	13,389.92	16,321.34	-	16,321.34
Others in India	12,166.94	-	12,166.94	18,789.42	-	18,789.42
<b>Gross Carrying Amount</b>	<b>25,556.86</b>	-	<b>25,556.86</b>	<b>35,110.76</b>	-	<b>35,110.76</b>
Less: Impairment loss allowance	(1,256.08)	-	(1,256.08)	(2,580.78)	-	(2,580.78)
<b>Net Carrying Amount</b>	<b>24,300.78</b>	-	<b>24,300.78</b>	<b>32,529.98</b>	-	<b>32,529.98</b>

The loan balance includes dues from related parties as below:

Gross Carrying amount	103.38	-	103.38	876.00	-	876.00
Less: Impairment loss allowance	(22.39)	-	(22.39)	(23.65)	-	(23.65)
<b>Net Carrying amount</b>	<b>100.99</b>	-	<b>100.99</b>	<b>852.35</b>	-	<b>852.35</b>

Note 1: Security against loan generally includes pledge of Mortgage of real estate and Hypothecation of movable and immovable assets

Note 2: Unsecured loan includes loans which are contractually unsecured or where security creation has not been done

Loans at amortized cost

Particulars	Stage 1		Stage 2		Stage 3		Total	
	Exposure	Loss Allowance	Exposure	Loss Allowance	Exposure	Loss Allowance	Exposure	Loss Allowance
As on March 31 2022	19,717.97	1,135.42	5,611.97	5.98	226.93	114.68	25,556.86	1,256.08
As on March 31 2021	26,602.91	1,151.15	5,679.28	5.82	2,828.57	1,423.81	35,110.76	2,580.78
As on April 01 2019	39,293.72	1,189.38	6,967.65	163.94	1,514.80	981.46	47,776.17	2,334.78

Reconciliation of loss allowance for loans at amortised cost

Particulars	March 31 2022				March 31 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	26,602.92	5,679.27	2,828.56	35,110.75	25,027.30	7,853.41	2,796.53	35,677.24
Assets derecognised or repaid (excluding write offs)	9,813.02	3,492.93	2,611.68	15,917.63	3,440.64	2,307.94	940.01	6,688.59
Transfer from stage 1	(4,133.07)	4,109.10	23.97	-	(3,070.05)	2,541.53	528.52	-
Transfer from stage 2	647.85	(685.43)	37.58	-	1,255.23	(2,566.02)	1,310.79	-
Transfer from stage 3	29.61	-	(29.61)	-	69.73	-	(69.73)	-
Amounts written off	-	244.57	26.81	271.39	3.00	47.12	797.54	847.66
New assets originated	6,383.69	246.53	4.92	6,635.13	6,764.35	205.41	-	6,969.76
Gross carrying amount closing balance	19,717.97	5,611.97	226.93	25,556.86	26,602.92	5,679.27	2,828.56	35,110.75

Particulars	March 31 2022				March 31 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL Allowance - opening balance	1,151.15	5.82	1,423.81	2,580.78	577.02	269.85	1,677.92	2,524.79
Addition during the year	-	0.16	-	0.16	574.13	-	-	574.13
Reversal during the year	(15.73)	-	(1,309.13)	(1,324.86)	-	(264.03)	(254.11)	(518.14)
ECL Allowance - Closing balance	1,135.42	5.98	114.68	1,256.08	1,151.15	5.82	1,423.81	2,580.78

## 9 Investments

Particulars	As at March 31 2022	As at March 31 2021
	March 31 2022	March 31 2021
<b>Investment at fair value through Profit and loss</b>		
Investment in mutual funds 2,49,987.501 (March 31 2021 - 20,01,533.256 ) units of SBI short term debt fund -regular plan - growth	25.76	500.83
Investment in security receipts	3,663.50	-
Investment in Security Receipts - 91	-	-
<b>Total</b>	<b>3,689.26</b>	<b>500.83</b>

Note 1. There are no investments outside India.

## 10 Other Financial Assets: (at amortised cost)

Particulars	As at March 31 2022	As at March 31 2021
	March 31 2022	March 31 2021
Interest accrued on fixed deposit	65.37	40.08
Interest accrued on loans & advances	535.75	522.63
Security deposit	260.43	236.39
Vendor advances	19.77	3.61
Investment in advance	6.51	1.23
Advance to employees	4.90	3.60
<b>Total</b>	<b>892.73</b>	<b>807.54</b>
<b>Dues from related parties:</b>		
Interest accrued on loans & advances	32.68	31.53
Security deposit	18.00	18.00

## 11 Deferred tax assets/(liabilities) (Refer Note 30)

Particulars	As at March 31 2022	As at March 31 2021
	March 31 2022	March 31 2021
<b>Deferred tax assets</b>		
Loans	413.00	745.08
Others	3.38	(1.26)
Provision for ESOP	1.31	24.68
Business Loss c/t	35.17	-
<b>Subtotal</b>	<b>452.86</b>	<b>768.50</b>
<b>Deferred tax liabilities</b>		
Depreciation	15.14	11.71
Interest on NPA	(8.98)	49.92
Borrowings	16.90	7.00
Others	-	-
<b>Subtotal</b>	<b>23.05</b>	<b>68.63</b>
<b>Total</b>	<b>429.81</b>	<b>699.87</b>

Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

12 Investment property

Particulars	As at March 31 2022	As at March 31 2021
<b>Cost or deemed cost</b>		
At beginning of the year	685.63	-
Additions	-	685.63
Disposals	80.00	-
<b>balance at end of year (A)</b>	<b>605.63</b>	<b>685.63</b>
<b>Accumulated depreciation and impairment</b>		
At beginning of the year	0.68	-
Additions	8.18	0.68
Disposals	-	-
<b>balance at end of year (B)</b>	<b>8.86</b>	<b>0.68</b>
<b>Carrying amount (A-B)</b>	<b>596.77</b>	<b>684.95</b>

# Fair value of investment property as on March 31 2022 Rs. 684.18 lakh (31 March 2020: Nil, 31 March 2019: Nil. The fair

Note 1 : Fair value of investment property as on March 31 2022 Rs. 752 lakh (March 31 2021: Rs. 938 lakh).

Note 2 : The Company has received the title of Immovable property through high court decree

13.1 Property plant and equipment

Particulars	Office equipments	Furniture and fixtures	Motor vehicles	Servers and networks	Computers	Leasehold improvements	Total	Capital Work- in Progress
<b>Cost / deemed cost as at March 31 2020</b>	17.36	5.52	1.93	48.46	24.57	45.95	143.79	
Additions	0.86	-	-	-	0.80	-	1.66	
Disposals	-	-	1.93	-	-	19.44	21.37	
<b>Gross block as at March 31 2021</b>	<b>18.22</b>	<b>5.52</b>	<b>-</b>	<b>48.46</b>	<b>25.37</b>	<b>26.51</b>	<b>124.08</b>	
Additions	3.47	-	-	-	5.63	-	9.09	
Disposals	-	-	-	-	-	-	-	
<b>Gross block as at March 31 2022</b>	<b>21.68</b>	<b>5.52</b>	<b>-</b>	<b>48.46</b>	<b>31.00</b>	<b>26.51</b>	<b>133.17</b>	
<b>Depreciation as at March 31 2020</b>	5.55	0.61	-	12.93	8.96	23.74	51.79	
Depreciation for the year	4.86	0.61	-	12.60	7.36	8.15	33.58	
Disposals	-	-	-	-	-	19.44	19.44	
<b>Accumulated depreciation as at March 31 2021</b>	<b>10.41</b>	<b>1.22</b>	<b>-</b>	<b>25.53</b>	<b>16.32</b>	<b>12.45</b>	<b>65.93</b>	
Depreciation for the year	3.47	0.61	-	9.59	4.60	5.92	24.20	
Disposals	-	-	-	-	-	-	-	
<b>Accumulated depreciation as at March 31 2022</b>	<b>13.88</b>	<b>1.84</b>	<b>-</b>	<b>35.12</b>	<b>20.92</b>	<b>18.37</b>	<b>90.13</b>	
<b>Net Carrying Value as on March 31 2020</b>	<b>11.81</b>	<b>4.91</b>	<b>1.93</b>	<b>35.53</b>	<b>15.61</b>	<b>22.21</b>	<b>92.00</b>	
<b>Net carrying value as on March 31 2021</b>	<b>7.81</b>	<b>4.30</b>	<b>-</b>	<b>22.93</b>	<b>9.05</b>	<b>14.06</b>	<b>58.15</b>	
<b>Net carrying value as on March 31 2022</b>	<b>7.80</b>	<b>3.68</b>	<b>-</b>	<b>13.34</b>	<b>10.08</b>	<b>8.14</b>	<b>43.04</b>	

Note 1 : The Company has elected to continue with the carrying value of its property, plant and equipment recognised as of April 01 2019 (transition date) measured as per previous GAAP and use the carrying value as its deemed cost as on the transition date

13.2 Intangible assets under development

The Company has during the previous year started the development of an application software internally and in accordance

Particulars	As at March 31 2022	As at March 31 2021
<b>Opening Balance</b>	-	294.81
Addition during the year		
(i) Salaries and wages	-	133.23
(ii) Contribution to provident and other funds	-	-
(iii) Remuneration to executive directors	-	5.29
(iv) Rent	-	4.32
(v) Computer expenses	-	1.02
Less: capitalised during the year	-	-438.67
<b>Closing balance</b>	<b>-</b>	<b>-</b>

13.3 Other intangible assets (Software)

Particulars	As at March 31 2022	As at March 31 2021
<b>Cost / deemed cost</b>	501.47	52.24
Additions (refer below note 2 & above note 13.2)	-	449.23
Disposals	-	-
<b>Cost at the end of the year</b>	<b>501.47</b>	<b>501.47</b>
<b>Accumulated amortization</b>	35.83	17.87
Amortization for the year	77.87	17.96
Disposals	-	-
<b>Accumulated amortization at the end of the year</b>	<b>113.70</b>	<b>35.83</b>
<b>Net carrying amount</b>	<b>387.77</b>	<b>465.64</b>

14 Other non-financial assets

Particulars	As at March 31 2022	As at March 31 2021
Prepaid rentals	-	-
Prepaid expenses-others	106.07	45.96
Balance with government authority	140.86	103.70
<b>Total</b>	<b>246.93</b>	<b>149.66</b>

15 Payables

Particulars	As at March 31 2022	As at March 31 2021
<b>(I) Trade payables</b>		
(i) dues of micro enterprises and small enterprises	-	-
(ii) dues of creditors other than micro enterprises and small enterprises	107.71	92.84
<b>Total</b>	<b>107.71</b>	<b>92.84</b>
<b>Dues to related parties:</b>		
Trade payable to related parties	2.61	1.54

Note 1 : Outstanding from the due date of payment as at March 2022 as follows:

Particulars	MSME	Others
Unbilled dues	-	65.33
Not due	-	-
Less than 1 year	-	35.82
1-2 years	-	6.56
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>-</b>	<b>107.71</b>
Particulars	Disputed dues MSME	Disputed dues Others
Unbilled dues	-	-
Not due	-	-
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Outstanding from the due date of payment as at March 2021 as follows:

Particulars	MSME	Others
Unbilled dues	-	64.80
Not due	-	-
Less than 1 year	-	28.04
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>-</b>	<b>92.84</b>
Particulars	Disputed dues MSME	Disputed dues Others
Unbilled dues	-	-
Not due	-	-
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Financial Liabilities - Borrowings**
**16 Debt Securities**
**Debt Securities at amortised cost**

Particulars	As at March 31 2022	As at March 31 2021
Privately placed bonds/debentures		
-Secured (refer below note 1)	1,000.00	1,000.00
-Unsecured		
	<b>1,000.00</b>	<b>1,000.00</b>
Debt securities in India	1,000.00	1,000.00
Debt securities outside India	-	-
<b>Total</b>	<b>1,000.00</b>	<b>1,000.00</b>

**Note 1 :** The debenture of the company are covered under first ranking exclusive and continuing charge over the book debts/loan receivables of the company.

**Note 2 :** As per debenture trust deed debenture are to be redeemed on July 6 2023, rate of interest payable is 12% (March 31 2021 : 12%).

**Note 3 :** The Company has not defaulted in the repayment of interest for the Year ended March 31 2022 and March 31 2021.

**17 Borrowings**
**Borrowings from banks and others at amortised cost**

Particulars	As at March 31 2022	As at March 31 2021
Term loans		
from banks & others		
- Secured (refer below note 1)	9,099.05	14,244.90
- Unsecured	-	-
Loans repayable on demand		
from banks	4,095.99	4,874.04
From other	-	-
Other loans (CBLO)		
	<b>13,195.04</b>	<b>19,118.94</b>
Borrowings in India	13,195.04	19,118.94
Borrowings outside India	-	-
<b>Total</b>	<b>13,195.04</b>	<b>19,118.94</b>

**Note 1:** All secured borrowing of the company are covered under pari-passu first charge on all the assets excluding own tangible fixed assets and intangible assets, trading portfolio, investment in subsidiaries and affiliates, tax assets, deferred tax assets and unamortized expenses and corporate guarantee by holding company

**Note 2:** The Company has not classified or designated any of its financial liabilities at fair value through profit or loss account (FVTPL)

**Note 3:** The Company has not defaulted in the repayment of borrowings and interest for the Year ended March 31 2022 and March 31 2021.

**Note 4:** As per terms of agreements loan from banks and others are repayable at maturity ranging between 36 months to 48 Months from the date of respective loan. Rate of interest payable on term loans varies between 10.75% to 13.05% (March 31 2021 : 10.75% to 13.05%).

**Note 5:** Loans from banks which are repayable on demand carries rate of interest of 9.45%

**Note 6:** The quarterly returns or statements filed by the company with banks or financial institutions are in agreement with the books of accounts.

**18 Other Financial Liabilities**

Particulars	As at March 31 2022	As at March 31 2021
Payable to co-lenders and others	263.63	-
Interest accrued but not due	96.80	106.95
Accrued salaries and benefits	11.21	11.53
Payable to non executive director	-	5.00
<b>Total</b>	<b>371.64</b>	<b>123.48</b>

**19 Provisions**

Particulars	As at March 31 2022	As at March 31 2021
Provisions for bonus	-	40.00
Provision for gratuity (Refer Note 42)	51.17	51.52
<b>Total</b>	<b>51.17</b>	<b>91.52</b>

**20 Other Non-Financial Liabilities**

Particulars	As at March 31 2022	As at March 31 2021
Statutory dues	31.79	24.52
Other security deposit	12.44	-
<b>Total</b>	<b>44.23</b>	<b>24.52</b>

Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022

(Currency : Indian Rupees in lakhs)

21 Share Capital

Particulars	As at March 31 2022	As at March 31 2021
<b>Authorized capital</b>		
17,50,00,000 (previous year: 17,50,00,000) equity shares of Rs.10/- each	17,500.00	17,500.00
<b>Issued, subscribed and paid up capital</b>		
15,00,00,000 (previous year: 15,00,00,000) equity shares of Rs.10/- each, fully paid-up	15,000.00	15,000.00

**Note 1: Reconciliation of number of shares outstanding**

Particulars	No. of shares	Rs.
<b>Opening balance as on April 01 2020</b>	15,00,00,000	15,000.00
Additions during the year	-	-
<b>Closing balance as on March 31 2021</b>	15,00,00,000	15,000.00
Additions during the year	-	-
<b>Closing balance as on March 31 2022</b>	15,00,00,000	15,000.00

**Note 2: Investment by Star Agriwarehousing and Collateral Management Limited (Holding Company/Promotor Company)**

Name	March 31 2022		March 31 2021	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Star agriwarehousing and collateral management limited	15,00,00,000	100%	15,00,00,000	100%

Note 3: The Company has issued only one class of equity shares having a face value of Rs. 10/- per share. Each shareholder is eligible for one vote per share

**Note 4: List of Shareholders holding more than 5% Equity shares**

Name	March 31 2022		March 31 2021	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Star agriwarehousing and collateral management limited	15,00,00,000	100%	15,00,00,000	100%

Note 5: There are no shares in the preceding 5 years allotted as fully paid up without payment being received in cash / bonus shares / bought back.

Note 6: There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

22 Other equity

Description of reserve	As at March 31 2022	As at March 31 2021
<b>Statutory reserve</b>		
Opening balance	736.79	668.43
Transfer from retained earnings	122.42	68.36
<b>Closing balance (refer below note 1)</b>	<b>859.21</b>	<b>736.79</b>
<b>Stock Options outstanding account</b>		
Opening balance	98.04	103.34
Add: employee stock compensation (reversal)	(92.82)	(5.30)
<b>Closing balance (refer below note 2)</b>	<b>5.22</b>	<b>98.04</b>
<b>Retained earning</b>		
Opening balance	1,212.07	942.88
Transfer of surplus/(deficit) in the statement of profit and loss	612.10	337.55
Transfer to statutory reserve	(122.42)	(68.36)
<b>Closing balance (refer below note 3)</b>	<b>1,701.75</b>	<b>1,212.07</b>
<b>Other Comprehensive Income (OCI)</b>		
Opening balance	12.65	8.41
Debt instruments through other comprehensive Income	-	-
Remeasurement of the defined benefit plans	9.56	4.24
<b>Closing balance (refer below note 4)</b>	<b>22.21</b>	<b>12.65</b>
<b>Total</b>	<b>2,588.39</b>	<b>2,059.55</b>

**Notes:**

- Represents reserve created @ 20% of the profit after tax for the year as per the provisions of section 45-IC of the reserve Bank of India Act, 1934.
- Share options outstanding account - Share-based compensation reserves represent the equity-settled shares and share options granted to employees (refer note 43). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled shares and share options and is reduced by the expiry of the share options.
- Retained earnings are the profits that the Company has earned till date, less any transfers to special reserve, general reserve, dividends distributions paid to shareholders and dividend distribution tax thereon.
- Other comprehensive income represents the remeasurements of the defined benefit gratuity plan; comprising of actuarial gains and losses on it's net liabilities / assets, which are subsequently transferred to retained earnings.

## Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022

(Currency : Indian Rupees in lakhs)

## 23 Interest income

Particulars	Year ended March 31 2022				Year ended March 31 2021			
	On financial assets measured at fair value through OCI	On financial assets measured at amortised Cost	Interest Income on Securities classified at fair value through profit or loss	Total	On financial assets measured at fair value through OCI	On financial assets measured at amortised Cost	Interest Income on Securities classified at fair value through profit or loss	Total
Interest on Loans	-	4,004.68	-	4,004.68	-	5,111.75	-	5,111.75
Interest on deposits with Banks	-	39.48	-	39.48	-	32.51	-	32.51
<b>Total</b>	<b>-</b>	<b>4044.16</b>	<b>-</b>	<b>4044.16</b>	<b>-</b>	<b>5,144.26</b>	<b>-</b>	<b>5,144.26</b>

## 24 Net gain/ (loss) on fair value changes

Particulars	Year ended March 31 2022	Year ended March 31 2021
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On trading portfolio - Investments	1.66	1.21
<b>Total</b>	<b>1.66</b>	<b>1.21</b>
Fair Value Changes		
- Realised	0.90	0.38
- Unrealised	0.76	0.83
<b>Total</b>	<b>1.66</b>	<b>1.21</b>

## 25 Other income

Particulars	Year ended March 31 2022	Year ended March 31 2021
Interest income from security deposit	-	-
Bad debts recovery	207.40	188.97
Miscellaneous income		
Foreclosure fees	56.30	42.05
Others #	85.66	71.94
<b>Total</b>	<b>349.36</b>	<b>302.96</b>

# includes charges recovered on account of delayed payments.

## Disclosure as required by Indian Accounting Standard (Ind AS) - 115 on "Revenue from the contracts with Customers" notified

Particulars	Year ended March 31 2022	Year ended March 31 2021
<b>i. Type of Service</b>		
Fees and commission Income	-	0.11
Foreclosure fees	56.30	42.05
Others (including charges recovered on account of delayed payments)	85.66	71.94
<b>Total</b>	<b>141.96</b>	<b>114.10</b>
<b>ii. Primary Geographical market</b>		
Outside India	-	-
India	141.96	114.10
<b>Total</b>	<b>141.96</b>	<b>114.10</b>
<b>iii Timing of Revenue Recognition</b>		
at a point in time upon rendering services	141.96	114.10
over period of time upon rendering services	-	-
<b>Total</b>	<b>141.96</b>	<b>114.10</b>
<b>iv. Trade receivables towards contract with customers</b>		
Opening balance	-	-
Closing balance	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

As on March 2022/2021, the company doesn't have any unsatisfied/partially satisfied performance obligation.

## 26 Finance cost

Particulars	Year ended March 31 2022	Year ended March 31 2021
Interest on borrowings	1,101.67	2,008.62
Interest on debt securities	280.94	342.87
Processing, syndication and bank charges	100.66	13.46
<b>Total</b>	<b>1,483.27</b>	<b>2,364.95</b>



27 Impairment losses on financial instruments

Particulars	Year ended March 31 2022				Year ended March 31 2021			
	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised Cost	On financial instruments measured at Cost less impairment	Total	On financial instruments measured at fair value through OCI	On financial instruments measured at amortised Cost	On financial instruments measured at Cost less impairment	Total
Provision for ECL on loans	-	(1,253.13)	-	(1,253.13)	-	55.99	-	55.99
Provision for ECL on receivables	-	-	-	-	-	(98.65)	-	(98.65)
Impairment loss on financial instrument		1,326.18	-	1,326.18	-	-	-	-
<b>Total</b>	<b>-</b>	<b>73.05</b>	<b>-</b>	<b>73.05</b>	<b>-</b>	<b>(42.66)</b>	<b>-</b>	<b>(42.66)</b>

28 Employee benefits

Particulars	Year ended March 31 2022	Year ended March 31 2021
Salaries and wages including bonus*	982.21	991.92
Contribution to provident fund	27.45	30.38
Provision on gratuity (refer note 42)	16.28	19.52
Share based payments to employees (refer note 43)	(92.82)	(5.30)
Staff welfare expenses	4.20	4.00
Deputation Cost		
<b>Total</b>	<b>937.32</b>	<b>1,040.52</b>

\*Includes remuneration to directors

Managing director	56.25	26.45
Other executive directors	26.45	26.45
Less: Capitalized during the year	-	(5.29)
<b>Total</b>	<b>82.70</b>	<b>47.61</b>

29 Depreciation, amortization and impairment

Particulars	Year ended March 31 2022	Year ended March 31 2021
Property, plant and equipment (Note 13.1)	24.20	33.58
Intangible assets (Note 13.3)	77.87	17.96
Investment property (Note 12)	8.18	0.68
Right of use asset (Note 51)	87.99	76.82
<b>Total</b>	<b>198.24</b>	<b>129.04</b>

30 Other expenses

Particulars	Year ended March 31 2022	Year ended March 31 2021
Advertisement and business promotion	18.86	92.15
Bad debts and advances written off	271.39	847.66
Auditors' remuneration (refer note 33)	11.50	11.50
Commission and brokerage	25.40	2.00
Communication	9.30	9.03
Computer expenses	54.46	65.55
Collateral management Fees	11.81	7.41
Commission to non-executive directors	18.00	14.00
Directors' sitting fees	5.10	5.40
Electricity charges	2.28	9.55
Insurance	3.56	12.05
Legal and professional fees	169.26	134.66
Membership and subscription	5.33	1.02
Office expenses	5.85	19.70
Postage and courier	1.22	4.88
Printing and stationery	5.31	5.23
Rates and taxes	0.80	2.07
Rating fees	15.00	30.50
Rent	12.07	4.13
Repairs and maintenance	20.35	19.14
ROC expenses	0.26	0.46
GST expenses	43.90	40.77
Stamp duty	6.30	10.63
Travelling and conveyance	51.81	38.42
Housekeeping and security charges	35.24	38.10
Corporate social responsibilities expenses (refer note 34)	20.00	44.00
<b>Total</b>	<b>824.36</b>	<b>1,471.94</b>

Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

### 31 Reconciliation of income tax

#### (A) Amounts recognised in statement of profit and loss

Particulars	Year ended March 31 2022	Year ended March 31 2021
<b>Income tax expense</b>		
<b>Current tax</b>		
Current tax	-	146.83
<b>Total current tax expense</b>	-	<b>146.83</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	266.84	0.37
<b>Deferred tax charge / (credit)</b>	<b>266.84</b>	<b>0.37</b>
<b>tax expense for the year</b>	<b>266.84</b>	<b>147.20</b>

#### (B) Amounts recognised in other comprehensive income

Particulars	Year ended March 31 2022	Year ended March 31 2020
Deferred tax related to items recognized in OCI during the year		
Actuarial (loss) gain on gratuity fund	(3.22)	(1.42)
<b>Income tax (credit)/charge to OCI</b>	<b>(3.22)</b>	<b>(1.42)</b>

#### (C) Reconciliation of effective tax rate

Particulars	Year ended March 31 2022	Year ended March 31 2020
Profit before tax	878.94	484.75
Statutory income tax Rate	25.17%	25.17%
Tax on accounting Profit	221.21	122.00
<b>Tax effect of permanent tax items</b>		
Non taxable Items	5.03	11.56
Other taxable Items	40.60	13.64
<b>Total effect of tax adjustments</b>	<b>45.63</b>	<b>25.20</b>
<b>Tax expense recognised during the year</b>	<b>266.84</b>	<b>147.20</b>

#### Deferred tax assets/(liabilities)

Particulars	As at March 31 2021	Recognise d in Profit or Loss	Recognised in OCI	As at March 31 2022
<b>A. Deferred tax Assets</b>				
Loans	745.08	(332.08)		413.00
Others	(1.26)	1.42	3.22	3.38
Provision for ESOP	24.67	(23.36)		1.31
Business Loss C/f		35.17		35.17
<b>Subtotal (A)</b>	<b>768.49</b>	<b>(318.85)</b>	<b>3.22</b>	<b>452.86</b>
<b>B. Deferred tax liabilities</b>				
Books & tax depreciation	11.71	3.43		15.14
Interest on NPA	49.92	(58.90)	-	(8.98)
Borrowings	7.00	9.90		16.90
Others	-	-	-	-
<b>Subtotal (B)</b>	<b>68.63</b>	<b>(45.58)</b>	<b>-</b>	<b>23.05</b>
<b>Deferred tax Assets/(liability) (net)</b>	<b>699.86</b>	<b>(273.27)</b>	<b>3.22</b>	<b>429.81</b>

Particulars	As at March 31 2020	Recognise d in Profit or Loss	Recognised in OCI	As at March 31 2021
<b>A. Deferred tax Assets</b>				
Books & tax depreciation	(1.46)	(10.25)	-	(11.71)
Loans	735.83	9.25	-	745.08
Others	19.74	(19.58)	(1.42)	(1.26)
Provision for ESOP	24.85	(0.18)	-	24.67
<b>Subtotal (A)</b>	<b>778.96</b>	<b>(20.76)</b>	<b>(1.42)</b>	<b>756.78</b>
<b>B. Deferred tax liabilities</b>				
Interest on NPA	58.95	(9.03)	-	49.92
Borrowings	20.18	(13.18)	-	7.00
Others	(1.83)	1.83	-	0.00
<b>Subtotal (B)</b>	<b>77.30</b>	<b>(20.38)</b>	<b>-</b>	<b>56.92</b>
<b>Deferred tax Assets/(liability) (net)</b>	<b>701.66</b>	<b>(0.38)</b>	<b>(1.42)</b>	<b>699.87</b>

Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

32 Earnings per share

Particulars		Year ended March 31 2022	Year ended March 31 2021
<b>Basic earnings per share</b>			
Net profit / (loss) after tax attributable to equity shareholders (Rs)	(A)	612.10	337.55
Number of equity shares outstanding at the end of the year (Nos)	(B)	15,00,00,000	15,00,00,000
<b>Basic earnings / (loss) per share (Rs)</b>	<b>(A / B)</b>	<b>0.41</b>	<b>0.22</b>
<b>Dilutive earnings per share</b>			
Number of equity shares considered for basic earnings per share (based on date of issue of shares) (Nos)	(C)	15,00,00,000	15,00,00,000
Weighted average number of equity shares considered for dilutive earnings per share (Nos)	(D)	1,00,000	17,70,000
Total no. of shares	(C+D)	15,01,00,000	15,17,70,000
<b>Dilutive earnings per share</b>	<b>(A)/(C+D)</b>	<b>0.41</b>	<b>0.22</b>

33 Payments to auditors

Particulars	Year ended March 31 2022	Year ended March 31 2021
a) For audit	11.50	11.50
b) For taxation matters	-	-
d) For other services	-	-
e) For reimbursement of expenses	-	-
<b>Total</b>	<b>11.50</b>	<b>11.50</b>

34 Expenditure incurred for corporate social responsibility

Particulars	Year ended March 31 2022	Year ended March 31 2021
Gross amount required to be spent	18.09	26.00
Donation to trust carrying out CSR activities	20.00	44.00
<b>CSR amount unspent / (set off)</b>	<b>-</b>	<b>-</b>

Note 1 : Nature of amount spent towards CSR activities -

Particulars	Year ended March 31 2022	Year ended March 31 2021
Promoting healthcare	20.00	40.00
Promotion of education to children	-	2.00
Eradicating hunger	-	1.00
Old age home & other facilities to senior citizens	-	1.00
<b>Donation to trust carrying out CSR activities</b>	<b>20.00</b>	<b>44.00</b>

35 The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been

Particulars	As at March 31 2022	As at March 31 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the year	-	-
(iii) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) 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	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, 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 Micro, small and Medium Enterprises Development Act, 2006	-	-

**Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022**  
**(Currency : Indian Rupees in lakhs)**

**Contingent liabilities and commitments**

**36 Contingent liabilities:**

- a) Income tax demand is being contested by the company at Commissioner Income Tax Appeals Rs. 128.26 lakhs. The Company has been legally advised that it has a good case and the demand by the authority is not tenable. Amount of Rs. 25.65 lakhs is paid under protest. Future cash flows in respect of these are determinable only on receipt of judgments / decisions pending with appropriate authority. (March 31 2021: Rs. 128.26 lakhs)
- b) Company does not have any pending litigations which will have impact on its financial position.
- c) Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

**Commitments**

Estimated amount of loans (assets) undrawn as at year end is Nil (March 31 2021: Nil).

**37 Code on social security**

The Code on Social Security, 2020 ("Code") relating to employee benefits during the employment and post-employment benefits has been published in the Gazette of India on 28th September, 2020. The Ministry of Labour and Employment has released draft rules for the Code on 13th November, 2020. The effective date from which these changes are applicable is yet to be notified. The Company will assess and record the impact, if any when the rules are notified and the Code becomes effective.

**38 Segment reporting**

The Company is in the business of providing financial services. As such, all activities undertaken by the Company are incidental to the main business segment based on the reporting to key managerial persons (KMPs).

**39 Capital management**

The Company is registered as Non Deposit Non-Banking Finance Company (ND- NBFC) with Reserve Bank of India. The Company is required to maintain regulated Capital Adequacy Ratio (CRAR) of minimum 15% with minimum Tier I Capital of 10%. Tier I Capital [also referred as Net Owned Fund ("NOF")] is computed as Owned Fund (refer footnote) reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.

Further the Company is required to have minimum NOF of Rs 200 Lakhs to be eligible to hold registration as Non-Banking Finance Company.

Particulars	As at March 31 2022	As at March 31 2021
(i) Capital adequacy ratio (CRAR)	55.83%	47.80%
(ii) Tier I capital	53.23%	44.57%
(iii) Tier II capital (shall not exceed Tier I capital)	2.60%	3.23%

Note: As per RBI notification DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019, Company is not covered by

	Ratio	Numerator	Denominator	As at March 31 2022	As at March 31 2021	% Variance	Reason for Variance (If above 25%)
1	Capital to risk weighted assets ratio (CRAR)	17,589.59	31,504.16	55.83%	47.80%	8.03%	-
2	Tier I CRAR	16,770.81	31,504.16	53.23%	44.57%	8.66%	-
3	Tier II CRAR	818.78	31,504.16	2.60%	3.23%	-0.63%	-

Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

40 Related party disclosures

In accordance with the requirement of IND AS - 24 "Related Party Disclosures", following are the details of the transactions during the year

(A) Related parties and nature of relationship :

Nature of relationship	Name of the related Party
A. Holding company	Star Agriwarehousing And Collateral Management Limited
B. Fellow subsidiaries	Star Agri Logistics Private Limited Farmers Fortune (India) Private Limited Star Agriinfrastructure Private Limited
C. Key management personnel with whom transactions have taken place	Suresh Goyal (Managing Director) Amit Kumar Goyal (Non executive director Director) Chandrashekhar Guruswamy Aiyar- Independent Director Mangala Radhakrishna Prabhu - Independent Director Gurinder Sehmbey (Chief executive officer upto 22 May 2020) Vipin Maheshwari (Chief Financial Officer upto 16 Oct 2020) Fredrick Pinto (Company Secretary upto 29 July 2020) Shankari Murtharaj (Company Secretary from 31 August 2020) Amith Agarwal (Executive director from 1 July 2021) Kalpesh Ojha (Chief Financial Officer from 14 October 2021)
D. Enterprises owned by directors with whom transactions have taken place	Shri Krishna Motor Company
E. Enterprises in which KMP has significant influence	Star Agribazaar Technology Limited
F. Relative of Key management personnel	Pramod Agarwal

(B) Details of related party transactions

Particulars	March 31 2022	March 31 2021
<b>Transactions</b>		
<b>Inter-corporate loan given</b>		
Star Agriwarehousing & Collateral Management Limited	575.00	4,560.00
Farmers Fortune (India) Private Limited	-	500.00
Star Agri Infrastructure Private Limited	-	3,700.00
	<b>575.00</b>	<b>8,760.00</b>
<b>Inter-corporate loan repayment from</b>		
Star Agriwarehousing & Collateral Management Limited	575.00	4,560.00
Farmers Fortune (India) Private Limited	-	540.00
Star Agri Infrastructure Private Limited	-	3,700.00
	<b>575.00</b>	<b>8,800.00</b>
<b>Loan given to</b>		
Shri Krishna Motor Company	-	873.84
Pramod Agarwal	-	585.06
	<b>-</b>	<b>1,458.90</b>
<b>Loan repayment from</b>		
Farmers Fortune (India) Private Limited	-	159.85
Shri Krishna Motor Company	189.91	683.94
Pramod Agarwal	511.65	7.57
	<b>701.56</b>	<b>851.36</b>
<b>Interest received on inter-corporate loan</b>		
Star Agriwarehousing & Collateral Management Limited	0.96	177.77
Farmers Fortune (India) Private Limited	-	14.71
Star Agri Infrastructure Private Limited	-	182.42
	<b>0.96</b>	<b>374.90</b>
<b>Interest received on loan</b>		
Shri Krishna Motor Company	61.76	84.29
Pramod Agarwal	10.20	84.96
	<b>71.96</b>	<b>169.25</b>
<b>Misc income - late payment fees/ other charges</b>		
Star Agriwarehousing & Collateral Management Limited	0.04	-
Farmers Fortune (India) Private Limited	-	10.53
	<b>0.04</b>	<b>10.53</b>
<b>Processing fees</b>		
Pramod Agarwal	-	5.17
Shri Krishna Motor Company	-	3.00
	<b>-</b>	<b>8.17</b>
<b>Collateral management fees expenses</b>		
Star Agriwarehousing & Collateral Management Limited	12.19	6.41
	<b>12.19</b>	<b>6.41</b>
<b>Reimbursement of expense</b>		
Star Agriwarehousing & Collateral Management Limited	-	5.22
	<b>-</b>	<b>5.22</b>

Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

40 Related party disclosures (Continued)

(B) Details of related party transactions

Particulars	March 31 2022	March 31 2021
<b>Rent income</b>		
Star Agriwarehousing & Collateral Management Limited	0.60	0.60
Farmers Fortune (India) Private Limited	0.60	0.60
Star Agri Infrastructure Private Limited	0.60	0.60
Star Agribazaar Technology Limited	0.60	0.60
Star Agrilogistics Private Limited	0.60	0.60
	<b>3.00</b>	<b>3.00</b>
<b>Rent expense</b>		
Shri Krishna Motor Company	41.14	40.16
Prashant Agarwal	3.30	3.06
Vidhya Prakash Vinodkumar	-	0.92
	<b>44.44</b>	<b>44.14</b>
<b>Remuneration paid</b>		
Suresh Goyal	26.45	26.45
Amit Kumar Goyal	-	26.45
Amith Agarwal	56.25	-
Gurinder Sehmbe	-	76.25
Vipin Maheshwari	-	47.72
Fredrick Pinto	-	8.15
Sankari Muthuraj	10.87	9.20
Kalpesh Ojha	45.80	-
	<b>139.37</b>	<b>194.22</b>
<b>Claim received from collateral manager</b>		
Star Agriwarehousing & Collateral Management Limited	-	57.38
	<b>-</b>	<b>57.38</b>

(C) Outstanding balances

Particulars	March 31 2022	March 31 2021
<b>Trade and other receivables</b>		
Farmers Fortune (India) Private Limited	2.27	1.56
Star Agri Infrastructure Private Limited	0.71	-
Star Agribazaar Technology Limited	0.06	-
Star Agrilogistics Private Limited	2.27	1.56
	5.31	3.12
Less : impairment loss	(2.67)	(1.57)
	<b>2.64</b>	<b>1.55</b>
<b>Trade payables</b>		
Star Agriwarehousing & Collateral Management Limited	2.61	1.54
	<b>2.61</b>	<b>1.54</b>
<b>Loan given</b>		
Shri Krishna Motor Company	-	189.91
Pramod Agarwal	103.38	686.09
	24,300.78	32,529.98
Less : impairment loss		
	<b>24,404.16</b>	<b>33,405.98</b>
<b>Security deposit</b>		
Shri Krishna Motor Company	18.00	18.00
	<b>18.00</b>	<b>18.00</b>
<b>Other financial assets (accrued interest)</b>		
Star Agriwarehousing & Collateral Management Limited	0.20	-
Star Agri Infrastructure Private Limited	15.22	15.22
Farmers Fortune (India) Private Limited	16.31	16.31
Shri Krishna Motor Company	0.95	-
	<b>32.68</b>	<b>31.53</b>

Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

#### 41 Maturity Analysis

Particulars	As at March 31 2022			As at March 31 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	509.04	-	509.04	1,120.38	-	1,120.38
Bank balances other than cash & cash equivalents	-	487.89	487.89	-	383.63	383.63
Trade receivables	-	-	-	56.47	-	56.47
Other receivable	609.91	-	609.91	-	-	-
Loans	8,357.71	15,943.07	24,300.78	7,343.58	25,186.40	32,529.98
Investments	493.08	3,196.18	3,689.26	500.83	-	500.83
Other financial assets	632.30	260.43	892.73	571.15	236.39	807.54
<b>Non-financial assets</b>						
Current tax assets (net)	177.82	-	177.82	56.20	-	56.20
Deferred tax assets (net)	-	429.81	429.81	-	699.87	699.87
Investment Property	596.77	-	596.77	684.95	-	684.95
Property, plant and equipment	-	43.04	43.04	-	58.15	58.15
Other intangible assets	-	387.77	387.77	-	465.64	465.64
Right of use assets	-	184.95	184.95	-	98.02	98.02
Other non- financial assets	106.07	140.86	246.93	45.96	103.70	149.66
<b>Total assets</b>	<b>11,482.70</b>	<b>21,074.00</b>	<b>32,556.70</b>	<b>10,379.52</b>	<b>27,231.80</b>	<b>37,611.32</b>
<b>Financial liabilities</b>						
Trade payables	107.71	-	107.71	92.84	-	92.84
Debt securities	-	1,000.00	1,000.00	-	1,000.00	1,000.00
Borrowings (other than debt securities)	7,098.56	6,096.48	13,195.04	11,694.21	7,424.73	19,118.94
Deposits	-	-	-	-	-	-
Subordinated liabilities	-	-	-	-	-	-
Lease liability	-	198.52	198.52	-	100.47	100.47
Other financial liabilities	371.64	-	371.64	123.48	-	123.48
<b>Non-financial liabilities</b>						
Provisions	-	51.17	51.17	44.19	47.33	91.52
Other non-financial liabilities	44.23	-	44.23	24.52	-	24.52
<b>Total liabilities</b>	<b>7,622.14</b>	<b>7,346.17</b>	<b>14,968.31</b>	<b>11,979.24</b>	<b>8,572.53</b>	<b>20,551.77</b>
<b>Net</b>	<b>3,860.56</b>	<b>13,727.83</b>	<b>17,588.39</b>	<b>-1,599.72</b>	<b>18,659.27</b>	<b>17,059.55</b>

#### 42 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

##### (A) Defined contribution plans:

##### (i) Contribution to provident fund

The Company's provident fund scheme (including pension fund scheme for eligible employees) is a defined contribution plan. The expense charged to the statement of profit and loss is Rs. 27.45 lakhs (March 31 2021: Rs 30.38 lakhs).

##### (ii) Contribution to employees' state insurance

The Company is contributing towards Employees State Insurance Contribution Scheme in pursuance of Employee state insurance Act,1948 (as amended). The expense charged to the Statement of Profit and Loss is Rs 2.41 lakhs (March 31 2021: Rs 2.58 lakhs).

##### (B) Defined benefit plan:

##### (i) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The Company during the year provided Rs 16.28 lakhs (March 31 2021: Rs 19.52 lakhs) towards gratuity.

The following table summarizes the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Particulars	March 31 2022	March 31 2021	April 01 2019
<b><u>I. Changes in defined benefit obligations</u></b>			
Opening defined benefit obligation	51.52	64.30	25.26
Interest cost	3.25	3.99	2.08
Current service cost	13.03	15.53	16.8
Benefits paid	(3.85)	(26.64)	-
Actuarial (gains) / loss on obligation	(12.78)	(5.66)	(3.52)
Effect of transfer in/ (out)	-	-	2.86
Closing defined benefit obligation	<b>51.17</b>	<b>51.52</b>	<b>43.48</b>
<b><u>II Net liability recognised in the balance sheet</u></b>			
Liability at the year end	51.17	51.52	43.48
Fair value of plan assets at the year end	-	-	-
Amount recognised in the Balance sheet	<b>51.17</b>	<b>51.52</b>	<b>43.48</b>
<b><u>III Expense recognised in the statement of profit and loss</u></b>			
Current service cost	13.03	15.53	16.80
Interest costs	3.25	3.99	2.08
Expected return on plan assets	-	-	-
Expense recognised in the Statement of profit and loss	<b>16.28</b>	<b>19.52</b>	<b>18.88</b>

Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

42 Employee benefits (Continued)

(B) Defined benefit plan: (Continued)

(i) Gratuity (Continued)

Particulars	March 31 2022	March 31 2021
<b>IV Recognised in other comprehensive income for the year</b>		
Re-measurement of defined benefit obligation	(12.78)	(5.66)
Re-measurement of plan asset	-	-
<b>Recognised in other comprehensive income</b>	<b>(12.78)</b>	<b>(5.66)</b>
<b>V Actuarial assumptions</b>		
Discount rate	6.30%	6.30%
Expected rate of return on Plan assets	0.00%	0.00%
Expected salary increase rate	8.00%	8.00%
Attrition rate	10% to 20%	10% to 20%
Mortality rate	Indian assured lives (2012-14)	Indian assured lives (2012-14)
Retirement age	60 Years	60 Years

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligation. Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Sensitivity analysis**

Year ended March 31 2022	Increases 1%	Decreases 1%
Salary growth rate	DBO increases by Rs 4.74 lakhs	DBO decreases by Rs 4.20 lakhs
Discount rate	DBO decreases by Rs 4.21 lakhs	DBO increases by Rs 4.84 lakhs
Withdrawal rate	DBO decreases by Rs 0.74lakhs	DBO increases by Rs 0.79 lakhs
Mortality ( increase in expected lifetime by 1 year)	DBO Increases by Rs 0.01 lakhs	
Mortality ( increase in expected lifetime by 3 year)	DBO Increases by Rs 0.02 lakhs	

Year ended March 31 2021	Increases 1%	Decreases 1%
Salary growth rate	DBO increases by Rs 4.83 lakhs	DBO decreases by Rs 4.26 lakhs
Discount rate	DBO decreases by Rs 4.29 lakhs	DBO increases by Rs 4.96 lakhs
Withdrawal rate	DBO decreases by Rs 1.11lakhs	DBO increases by Rs 1.19 lakhs
Mortality ( increase in expected lifetime by 1 year)	DBO Increases by Rs 0.01 lakhs	
Mortality ( increase in expected lifetime by 3 year)	DBO Increases by Rs 0.04 lakhs	

Note: The Sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameter constant. There are no changes from previous period to the methods and assumptions underlying the sensitivity analyses.

(ii) **Compensated absences other long-term employee benefits:**

Company does not provide for the encashment of leave or leave with pay. Accordingly for the current year, Company has not recognised any expense in the Statement of Profit and Loss on account of provision for compensated absences.



Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

43 Employee stock option plans

The Company has currently one Employee Stock Option Plan (ESOP - 2015) and Four Employee Stock Option Scheme under the said plan in force. The Plan provides that the Company's employees and those of its Holding are granted an option to acquire equity shares of the Company that vest in a graded manner. The Option may be exercised within a specified period.

The fair value of the employee share options granted during the year was determined using the black-scholes- merton formula. Service and nonmarket performance condition attached to the arrangement were not taken into account in measuring fair value The total amount amortized for the Year ended 31 March 2022 is Rs. (92.82) Lakhs (Previous year: Rs. (5.30) lakhs).

The Plan was approved by Board of Directors on May 29, 2015 and by the shareholders in EGM dated 1 June 2015 for issue of 11,25,00,000 options representing 1,12,50,000 Equity shares of Rs. 10 each. Pursuant to the said approvals and authority delegated by the Board and Shareholders of the Company, the Nomination and Remuneration Committee had made various grants, the details of the same are produced in the below table.

Details of ESOP Plan and its various schemes are stated below:

As on March 31 2022:

ESOP Plan	ESOP - 2015							
ESOP Schemes	Scheme I			Scheme II		Scheme III	Management Scheme	
Date of Grants	02 June 2015	30 October 2015	20 May 2016	24 May 2017	25 October 2017	24 May 2017	27 July 2015	20 May 2016
Exercise Price	10	10	10	11	11	11	10	10
Option outstanding at the beginning of the year.	1,00,000	-	-	1,70,000	-	-	9,20,000	5,80,000
Add: Granted	-	-	-	-	-	-	-	-
Less: Exercised	-	-	-	-	-	-	-	-
Less: Lapsed	-	-	-	1,70,000	-	-	9,20,000	5,80,000
Option outstanding, end of the year	1,00,000	-	-	-	-	-	-	-
Exercisable at the end of the year	1,00,000	-	-	-	-	-	-	-

As on March 31 2021:

ESOP Plan	ESOP - 2015							
ESOP Schemes	Scheme I			Scheme II		Scheme III	Management Scheme	
Date of Grants	02 June 2015	30 October 2015	20 May 2016	24 May 2017	25 October 2017	24 May 2017	27 July 2015	20 May 2016
Exercise Price	10	10	10	11	11	11	10	10
Option outstanding at the beginning of the year.	1,00,000	-	-	2,90,000	-	-	9,20,000	5,80,000
Add: Granted	-	-	-	-	-	-	-	-
Less: Exercised	-	-	-	-	-	-	-	-
Less: Lapsed	-	-	-	1,20,000	-	-	-	-
Option outstanding, end of the year	1,00,000	-	-	1,70,000	-	-	9,20,000	5,80,000
Exercisable at the end of the year	1,00,000	-	-	1,70,000	-	-	9,20,000	5,80,000

The Key terms of the Employee Stock Option Plan (ESOP - 2015) and various Notified Scheme(s) therein are summarised below:

ESOP Plan	ESOP - 2015							
ESOP Schemes	Scheme I			Scheme II		Scheme III	Management Scheme	
Date of Grants	02 June 2015	30 October 2015	20 May 2016	24 May 2017	25 October 2017	24 May 2017	27 July 2015	20 May 2016
Date of board approval	29 May 2015	29 May 2015	29 May 2015	24 May 2017	25 October 2017	24 May 2017	29 May 2015	29 May 2015
Date of shareholders' approval	01 June 2015	01 June 2015	01 June 2015	01 June 2015	01 June 2015	01 June 2015	01 June 2015	01 June 2015
Number of options outstanding as on 31 March 2020	1,00,000	0	0	0	0	0	0	0
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period	1) End of 1st year from the date of grant 2) End of 2nd year from the date of grant 3) End of 3rd year from the date of grant 4) End of 4th year from the date of grant	1) End of 1st year from the date of grant 2) End of 2nd year from the date of grant 3) End of 3rd year from the date of grant 4) End of 4th year from the date of grant	1) End of 1st year from the date of grant 2) End of 2nd year from the date of grant 3) End of 3rd year from the date of grant 4) End of 4th year from the date of grant	1) End of 1st year from the date of grant 2) End of 2nd year from the date of grant 3) End of 3rd year from the date of grant 4) End of 4th year from the date of grant	1) End of 1st year from the date of grant 2) End of 2nd year from the date of grant 3) End of 3rd year from the date of grant 4) End of 4th year from the date of grant	1) End of 1st year from the date of grant 2) End of 2nd year from the date of grant 3) End of 3rd year from the date of grant	Refer 'Note A' below.	Refer 'Note A' below.
Vesting pattern	1) 20% of total number of options granted 2) 20% of total number of options granted 3) 30% of total number of options granted 4) 30% of total number of options granted	1) 20% of total number of options granted 2) 20% of total number of options granted 3) 30% of total number of options granted 4) 30% of total number of options granted	1) 20% of total number of options granted 2) 20% of total number of options granted 3) 30% of total number of options granted 4) 30% of total number of options granted	1) 20% of total number of options granted 2) 20% of total number of options granted 3) 30% of total number of options granted 4) 30% of total number of options granted	1) 20% of total number of options granted 2) 20% of total number of options granted 3) 30% of total number of options granted 4) 30% of total number of options granted	1) 1/3 <sup>rd</sup> of total number of options granted 2) 1/3 <sup>rd</sup> of total number of options granted 3) 1/3 <sup>rd</sup> of total number of options granted	Refer 'Note A' below.	Refer 'Note A' below.
Weighted average remaining contractual life of outstanding options (in years):								
Granted but not vested (in years)	-	-	-	-	-	-	-	-
Vested but not exercised (in years)	3.18	-	-	-	-	-	-	-
Weighted average share price at the date of exercise for stock options exercised during the year	NA	NA	NA	NA	NA	NA	NA	NA
Exercise period	7 years	7 years	7 years	7 years	7 years	7 years	Upto 31 March 2022	Upto 31 March 2022
Vesting conditions	Options shall be vested subject to continued employment of the participant.	Options shall be vested subject to continued employment of the participant.	Options shall be vested subject to continued employment of the participant.	Options shall be vested subject to continued employment of the participant.	Options shall be vested subject to continued employment of the participant.	Options shall be vested subject to continued employment of the participant.	Options shall be vested subject to continued employment of the participant for Vesting of Time Options and Refer 'Note A' below for Vesting of Performance Options.	Options shall be vested subject to continued employment of the participant for Vesting of Time Options and Refer 'Note A' below for Vesting of Performance Options.

Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

Note A: Vesting Period and Vesting Pattern for Management ESOP Scheme are as follows:

1) Vesting of Time Options

Options granted anytime during the period (A)	Percentage of Options vesting as on (B)						
	30-Sep-16	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22
Anytime up to 30 September 2015	20%	20%	30%	30%	-	-	-
1 October 2015 to 31 March 2016	-	20%	20%	30%	30%	-	-
1 April 2016 to 31 March 2017	-	-	40%	30%	30%	-	-
1 April 2017 to 31 March 2018	-	-	-	70%	30%	-	-
1 April 2018 to 31 March 2019	-	-	-	-	100%	-	-
1 April 2019 to 31 March 2020	-	-	-	-	-	100%	-
1 April 2020 to March 31 2022	-	-	-	-	-	-	100%

2) Vesting of Performance Options

Subject to continued employment and the Company achieving 15% or more ROE in the financial year 2021-22 as per the audited and approved financial statements, the Performance Options shall vest as under:

- (i) First tranche - 50% of the Performance Options shall Vest on the date the financial statements of financial year 2021-22 are audited and approved or on the first anniversary of the latest grant whichever is later.  
(ii) Second Tranche - Balance 50% of the Performance Options shall Vest after one year from the date of vesting of the First tranche.

Fair Value Methodology:

The fair value of options have been estimated on the date of each grant using Black-Scholes model are as under:

Weighted average fair value of options as on grant date (net of tax)	₹ 5.22	₹ 5.57	₹ 5.57	₹ 5.69	₹ 5.69	₹ 5.63	₹ 5.57	₹ 5.57
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The key assumptions used in Black-Scholes model for calculating fair value of options under each grants are as under:

As on March 31 2022:

ESOP Plan	ESOP - 2015							
	Scheme I			Scheme II		Scheme III	Management Scheme	
Date of Grants	02 June 2015	30 October 2015	20 May 2016	24 May 2017	25 October 2017	24 May 2017	27 July 2015	20 May 2016
Risk-free interest rate	6.86%	6.86%	6.86%	6.86%	6.86%	6.86%	6.86%	6.86%
Expected volatility of share price	1%	1%	1%	1%	1%	1%	1%	1%
The weighted average price of equity share as on grant date	10	10	10	11	11	11	10	10

Expense recognised in the statement of profit and loss

Particulars	For the Year ended	For the Year ended
	March 31 2022	March 31 2021
Agriwise Finserv limited (formally know as Staragri Finance Limited) - Employee Stock Option Plan (ESOP - 2015)	(92.82)	(5.30)

**Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022**  
**(Currency : Indian Rupees in lakhs)**

**44 Financial risk management objectives and policies**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposed to credit risk, market risk and liquidity risk.

**a) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Credit risk managed by

1. All underlying transactions must be authorized by the relevant Credit delegation holder.
2. Quality of Legal documentation- Legal Department confirms the documentation and transactions concerned comply with prevailing local

Loans and advances

Concentrations of credit risk with respect to loans and advances are limited, due to the Company's borrower base being large and diverse. All trade receivables are reviewed and assessed for default on a regular basis. Credit evaluations are performed on all major borrowers requiring credit over a certain amount. The credit risk is monitored on a continuous basis. In about 93% of the cases, the loans and advances are secured based on a collateral.

Particulars	Staragri Group entities	Non Staragri entities	Total
<b>As at March 31 2022</b>			
Cash and cash equivalents	-	509.04	<b>509.04</b>
Other Bank balances	-	487.89	<b>487.89</b>
Trade receivables	-	-	<b>-</b>
Other Receivable	2.64	607.27	<b>609.91</b>
Loans	-	24,300.78	<b>24,300.78</b>
Investments at fair value	-	3,689.26	<b>3,689.26</b>
Other financial assets	-	892.73	<b>892.73</b>
<b>Total</b>	<b>2.64</b>	<b>30,486.97</b>	<b>30,489.61</b>
<b>As at March 31 2021</b>			
Cash and cash equivalents	-	1,120.38	<b>1,120.38</b>
Other Bank balances	-	383.63	<b>383.63</b>
Trade receivables	1.55	54.92	<b>56.47</b>
Loans	-	32,529.98	<b>32,529.98</b>
Investments at fair value	-	500.83	<b>500.83</b>
Other financial assets	-	807.54	<b>807.54</b>
<b>Total</b>	<b>1.55</b>	<b>35,397.28</b>	<b>35,398.83</b>
<b>As at March 31 2019</b>			
Cash and cash equivalents	-	1,796.60	<b>1,796.60</b>
Other Bank balances	-	234.50	<b>234.50</b>
Trade receivables	60.81	26.23	<b>87.04</b>
Loans	-	45,441.39	<b>45,441.39</b>
Investments at fair value	-	-	<b>-</b>
Other financial assets	-	993.79	<b>993.79</b>
<b>Total</b>	<b>60.81</b>	<b>48,492.51</b>	<b>48,553.32</b>

**Item exposed to Credit Risk**

Financial Assets Components	Risk Mitigation Measures
Cash and cash equivalents	Instruments carrying low probability of default
Other bank balances	Instruments carrying low probability of default
Trade receivables	Fee based receivable on services provided. Unsecured in nature
Loans	Cash Deposit, Listed Shares, Real Estate, Hypothecation of receivable, unlisted instruments
Investments at amortised cost	Mainly unsecured in nature
Other financial assets	Mainly unsecured in nature

Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

b) **Liquidity Risk**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company approach to The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the years ended March 31 2022 and March 31 2021. The following table shows the maturity analysis of the Company's financial Assets and liabilities based on contractually agreed undiscounted cash

As at March 31 2022						
Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
<b>Financial Assets</b>						
Cash and cash equivalents	509.04	-	-	-	-	509.04
Other Bank Balance	-	-	-	487.89	-	487.89
Derivative financial instruments	-	-	-	-	-	-
Securities held for trading	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-
Other Receivable	-	609.91	-	-	-	609.91
Loans	-	4,791.44	3,566.26	10,241.75	5,701.32	24,300.78
Investments	25.76	108.56	358.76	2,132.81	1,063.37	3,689.26
Other financial assets	-	632.30	-	260.43	-	892.73
<b>Total undiscounted financial assets</b>	<b>534.80</b>	<b>6,142.21</b>	<b>3,925.02</b>	<b>13,122.88</b>	<b>6,764.69</b>	<b>30,489.61</b>
<b>Financial Liabilities</b>						
Trade payables	-	107.71	-	-	-	107.71
Debt securities	-	-	-	1,000.00	-	1,000.00
Borrowings	-	1,836.31	5,261.68	5,592.62	504.43	13,195.04
Other Financial Liabilities	-	371.64	-	-	-	371.64
<b>Total undiscounted financial liabilities</b>	<b>-</b>	<b>2,315.66</b>	<b>5,261.68</b>	<b>6,592.62</b>	<b>504.43</b>	<b>14,674.39</b>
<b>Total net financial assets / (liabilities)</b>	<b>534.80</b>	<b>3,826.55</b>	<b>(1,336.66)</b>	<b>6,530.26</b>	<b>6,260.26</b>	<b>15,815.22</b>

As at March 31 2021						
Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 Years	Total
<b>Financial Assets</b>						
Cash and cash equivalents	1,120.38	-	-	-	-	1,120.38
Other Bank Balance	-	-	-	383.63	-	383.63
Derivative financial instruments	-	-	-	-	-	-
Securities held for trading	-	-	-	-	-	-
Trade receivables	-	56.47	-	-	-	56.47
Loans	-	826.71	6,516.87	14,850.27	10,336.13	32,529.98
Investments	500.83	-	-	-	-	500.83
Other financial assets	-	531.07	-	276.47	-	807.54
<b>Total undiscounted financial assets</b>	<b>1,621.21</b>	<b>1,414.25</b>	<b>6,516.87</b>	<b>15,510.37</b>	<b>10,336.13</b>	<b>35,398.83</b>
<b>Financial Liabilities</b>						
Trade payables	-	92.84	-	-	-	92.84
Debt securities	-	-	-	1,000.00	-	1,000.00
Borrowings	-	2,015.00	9,967.03	7,136.91	-	19,118.94
Other Financial Liabilities	-	123.48	-	-	-	123.48
<b>Total undiscounted financial liabilities</b>	<b>-</b>	<b>2,231.32</b>	<b>9,967.03</b>	<b>8,136.91</b>	<b>-</b>	<b>20,335.26</b>
<b>Total net financial assets / (liabilities)</b>	<b>1,621.21</b>	<b>(817.07)</b>	<b>(3,450.16)</b>	<b>7,373.46</b>	<b>10,336.13</b>	<b>15,063.57</b>

c) **Market risk**

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument.

(i) **Market risk sensitivity analysis**

Particulars		As at March 31 2022	Sensitive	Non Sensitive	As at March 31 2021	Sensitive	Non Sensitive	As at April 01 2019	Sensitive	Non Sensitive
<b>Financial assets</b>										
Cash and cash equivalents		509.04	-	509.04	1,120.38	-	1,120.38	1,796.60	-	1,796.60
Bank balance other than (a) above		487.89	-	487.89	383.63	-	383.63	234.50	-	234.50
Receivables		-	-	-	56.47	-	56.47	87.04	-	87.04
Other receivable		609.91	-	609.91	-	-	-	-	-	-
Loans	Interest Rate	24,300.78	24,300.78	-	32,529.98	32,529.98	-	45,441.39	45,441.39	-
Investments	NAV	3,689.26	0.00	3,689.26	500.83	-	500.83	-	-	-
Other financial assets		892.73	-	892.73	807.54	-	807.54	993.79	-	993.79
<b>Financial liabilities</b>										
Derivative financial instruments		-	-	-	-	-	-	-	-	-
Trade payables		107.71	-	107.71	92.84	-	92.84	69.23	-	69.23
Debt securities		1,000.00	-	1,000.00	1,000.00	-	1,000.00	-	-	-
Borrowings	Interest Rate	13,195.04	13,195.04	-	19,118.94	19,118.94	-	32,774.81	32,774.81	-
Other financial liabilities		371.64	-	371.64	123.48	-	123.48	50.97	-	50.97

(ii) **Interest rate sensitivity**

Following change is estimated on the profits / (loss) in the event of change in interest rates.

(a) **On borrowing**

Particulars	Increase in Interest	Decrease in Interest Rate by
As at March 31 2022	(131.95)	131.95
As at March 31 2021	(191.19)	191.19

(b) **On loans**

Particulars	Increase in Interest	Decrease in Interest Rate by
As at March 31 2022	114.44	(114.44)
As at March 31 2021	176.14	(176.14)

Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

d)

**Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Fair valuation techniques**

The Company has identified the appropriate valuation technique in each of the above financial assets and liabilities set out as per the table below:

Particulars	Valuation Technique
<b>Financial Assets</b>	
- Cash & cash equivalent	Fair value approximate to current value
- Bank balance other than above	Fair value approximate to current value
- Receivables	Fair value approximate to current value
- Loans & advances	Yield to maturity (YTM)
- Investments	Level 2- Yield to Maturity (YTM), Book value multiple, EV/EBITDA
- Other financial assets	Level 3- At Cost
	Fair value approximate to current value
<b>Financial Liabilities</b>	
- Payables	Fair value approximate to current value
- Borrowings	Yield to maturity (YTM)
- Other financial liabilities	Fair value approximate to current value

**The carrying value of financial instruments by categories As at March 31 2022 is as follows:**

Particulars	Amortised cost	Fair value through profit or loss	Fair Value through other comprehensive income	Total
<b>As at 31/03/2022</b>				
<b>Financial assets</b>				
- Cash & cash equivalent	509.04	-	-	509.04
- Bank balance other than above	487.89	-	-	487.89
- Receivables	-	-	-	-
- Other receivables	609.91	-	-	609.91
- Loans & advances	24,300.78	-	-	24,300.78
- Investments	-	3,689.26	-	3,689.26
- Other financial assets	892.73	-	-	892.73
	<b>26,800.35</b>	<b>3,689.26</b>	<b>-</b>	<b>30,489.61</b>
<b>Financial liabilities</b>				
- Payables	107.71	-	-	107.71
- Borrowings	14,195.04	-	-	14,195.04
- Lease liabilities	198.52	-	-	198.52
- Other financial liabilities	371.64	-	-	371.64
	<b>14,872.91</b>	<b>-</b>	<b>-</b>	<b>14,872.91</b>
<b>As at 31/03/2021</b>				
<b>Financial Assets</b>				
- Cash & cash equivalent	1,120.38	-	-	1,120.38
- Bank balance other than above	383.63	-	-	383.63
- Receivables	56.47	-	-	56.47
- Loans & advances	32,529.98	-	-	32,529.98
- Investments	-	500.83	-	500.83
- Other financial assets	807.54	-	-	807.54
	<b>34,898.00</b>	<b>500.83</b>	<b>-</b>	<b>35,398.83</b>
<b>Financial Liabilities</b>				
- Payables	92.84	-	-	92.84
- Borrowings	20,118.94	-	-	20,118.94
- Lease liabilities	100.47	-	-	100.47
- Other financial liabilities	123.48	-	-	123.48
	<b>20,435.73</b>	<b>-</b>	<b>-</b>	<b>20,435.73</b>
<b>As at 31/03/2019</b>				
<b>Financial Assets</b>				
- Cash & Cash Equivalent	1,796.60	-	-	-
- Bank Balance Other Than Above	234.50	-	-	-
- Receivables	87.04	-	-	-
- Loans & Advances	45,441.39	-	-	-
- Investments	-	-	-	-
- Other Financial Assets	993.79	-	-	-
	<b>48,553.32</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>				
- Payables	69.23	-	-	-
- Borrowings	32,774.81	-	-	-
- Other Financial Liabilities	50.97	-	-	-
	<b>32,895.01</b>	<b>-</b>	<b>-</b>	<b>-</b>

The following table summarises financial assets and liabilities measured at fair value on a recurring basis :

Particulars	Level 1	Level 2	Level 3	Total
<b>As at 31/03/2022</b>				
<b>Financial assets</b>				
- Investments	3,689.26	-	-	3,689.26
	<b>3,689.26</b>	<b>-</b>	<b>-</b>	<b>3,689.26</b>
<b>As at 31/03/2021</b>				
<b>Financial assets</b>				
- Investments	500.83	-	-	500.83
	<b>500.83</b>	<b>-</b>	<b>-</b>	<b>500.83</b>

There were no transfers between Level 1 and Level 2 and Level 3 of the fair value hierarchy in the year.

Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

45 Asset liability management

Maturity pattern of certain items of Assets and Liabilities.

As at March 31 2022

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Borrowings	Advances*	Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	177.25	103.87	-	2,999.20	60.19	-
Over One months to 2 months	320.60	105.12	-	1,812.31	37.77	-
Over 2 months upto 3 months	1,025.00	104.47	-	227.59	36.36	-
Over 3 months to 6 months	1,633.77	601.88	-	1,236.45	114.04	-
Over 6 months to 1 year	2,058.90	967.13	-	2,550.76	244.72	-
Over 1 year to 3 years	3,086.72	2,247.44	-	7,642.04	1,058.99	-
Over 3 years to 5 years	718.68	539.77	-	3,129.10	1,073.82	-
Over 5 years	-	504.43	-	5,959.41	1,063.37	-
<b>Total</b>	<b>9,020.92</b>	<b>5,174.11</b>	<b>-</b>	<b>25,556.86</b>	<b>3,689.26</b>	<b>-</b>

\* Advances does not includes cash and bank balances of Rs 509.04 lakhs and other receivables.

Assets and liabilities bifurcation into various buckets is based on RBI guidelines.

As at March 31 2021

Particulars	Liabilities			Assets		
	Borrowings from Banks	Market Borrowings	Foreign Currency Borrowings	Advances*	Investments	Foreign Currency Assets
1 day to 30/31 days (One month)	221.85	161.22	-	424.80	500.83	-
Over One months to 2 months	299.60	283.13	-	205.79	-	-
Over 2 months upto 3 months	889.25	159.95	-	196.12	-	-
Over 3 months to 6 months	1,254.45	608.03	-	807.93	-	-
Over 6 months to 1 year	7,382.61	721.94	-	5,708.95	-	-
Over 1 year to 3 years	4,785.18	1,588.14	-	7,897.96	-	-
Over 3 years to 5 years	-	806.04	-	6,952.30	-	-
Over 5 years	-	957.55	-	12,916.92	-	-
<b>Total</b>	<b>14,832.94</b>	<b>5,286.00</b>	<b>-</b>	<b>35,110.77</b>	<b>500.83</b>	<b>-</b>

\* Advances does not includes cash and bank balances of Rs 1120.38 lakhs and other receivables.

Assets and liabilities bifurcation into various buckets is based on RBI guidelines.

46 Exposure to real estate sector

Category	March 31 2022	March 31 2021
Direct exposure		
(i) <b>Residential mortgages -</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	8,755.96	15,219.13
(ii) <b>Commercial real estate -</b> Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	6,132.07	10,025.11
(iii) <b>Investments in Mortgage Backed Securities (MBS) and other securitised exposures -</b>		
a. Residential	-	-
b. Commercial Real Estate	-	-
<b>Total exposure to real estate sector</b>	<b>14,888.03</b>	<b>25,244.24</b>

47 Exposure to capital market :-

Particulars	March 31 2022	March 31 2021
(i) 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; (Refer note (c) below)	-	-
(ii) 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; (Refer notes (a) and (b) below)	-	-
(iii) 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;	-	-
(iv) 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;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) 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;	-	-
(vii) Bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-

Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

48 As per RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, additional disclosures

(i) The company has following registrations effective as on March 31 2022:

Issuing authority	Registration No., if any	Date of registration	Valid upto	Registered as
Reserve Bank of India	B-13.02107	09-Dec-15	NA	NBFC-ND-SI
Insurance regulatory and development authority of India	CA0427	17-Oct-19	16-Oct-22	Corporate agent

(ii) Ratings assigned by credit rating agencies and migration of ratings during the year

Instrument category	Care	Infomeries
i) Long term instruments		
Rating	CARE BB+ (Outlook Positive)	IVR BBB-
Amount in lakhs	65000	30,000
ii) Short term instruments		
Rating	CARE A4+	IVR BBB-
Amount in lakhs	5000	5,000
iii) Market linked debentures		
Rating		IVR BBB-
Amount in lakhs		5,000

Note : During the year the care rating agency has reviewed company financial and changed the

(iii) RBI has not levied any penalties on the Company during the year.

(iv) Concentration of advances & exposures stood as follows:

Advances#

Particulars	As at March 31 2022	As at March 31 2021
Total advances to twenty largest borrowers	11,846.85	14,123.97
Percentage of advances to twenty largest borrowers to total	46.35%	40.23%

# Includes loans and advances

Exposure \*

Particulars	As at March 31 2022	As at March 31 2021
Total exposure to twenty largest borrowers	12,833.16	14,193.64
Percentage of exposure to twenty largest borrowers to total	49.18%	39.83%

\* Includes loans, advances and receivables

\*\* Total exposure includes off balance sheet exposure

(v) The Company does not have any joint ventures and subsidiaries abroad. Company has not sponsored any SPVs.

(vi) The status of the customer complaints during the year is as follows :

Sr No	Particulars	As at March 31 2022	As at March 31 2021
(a)	No. of complaints pending at the beginning of the year	Nil	Nil
(b)	No. of complaints received during the year	Nil	Nil
(c)	No. of complaints redressed during the year	Nil	Nil
(d)	No. of complaints pending at the end of the year	Nil	Nil

\* Complaints related to March 2019 outstanding as on the date of signing of Balance Sheet :- 154 (Previous year : NIL)

(ix) The Company has not done any Securitisation during the financial year. ( Previous Year: Nil)

(vii) Since the company does not have significant uncertainties pending resolutions As at March 31 2022, revenue

(viii) No drawdown of reserves made during current year (Previous year : Nil)

Drawdown of reserves made in financial year 2016-17 of Rs. 40,635 lakh includes Rs. 40,558 lakh on account of

(ix) The disclosure of the concentration of deposits taken is not applicable since the company is not in the business of

Notes forming a part of the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

48 As per RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016, additional disclosures are required in the Annual Financial Statements as follows (Continued)

(x) Concentration of NPAs

Particulars	March 31 2022	March 31 2021
Total exposure to top four NPA accounts	107.54	716.46

(xi) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances March 31 2022	Percentage of NPAs to Total Advances March 31 2020
1	Agriculture & allied activities	0.69%	3.44%
2	MSME (refer Note 1)	-	3.88%
3	Corporate borrowers (refer Note 2)	-	-
4	Services (refer Note 3)	-	-
5	Unsecured personal loans	-	-
6	Auto loans	-	-
7	Other personal loans (refer Note 4)	0.21%	0.15%

Note:

- includes borrowers classified as per the Master Direction FIDD.MSME & NFS.3/06.02.31/2016-17 dated July 21, 2016.
- includes borrowers classified as Industry excluding the MSME.
- includes borrowers classified as Services excluding the MSME.
- other Personal Loans include : Loan against Property, Loan against Shares and Consumer Durables.

(xii) The Exposure to a single borrower does not exceed the limit stipulated by the RBI Concentration norms applicable to NBFCs for the current year.

(xiii) Details of Non performing assets sold during the year

Particulars	March 31 2022	March 31 2021
Number of accounts	355 Loans	NA
Aggregate Principle outstanding of loans transferred	5,432.49 Lakhs	NA
Weighted average residual tenor of the loans transferred	98 Months	NA
Net book value of loans transferred (at the time of transfer)	2,554.53 Lakhs	NA
Aggregate consideration	4,800.00 Lakhs	NA
Additional consideration realized in respect of accounts transferred in earlier years	-	NA
Amount of Excess provision reversed on account of stressed loans.	Nil	NA

(xiv) Movement NPA (Stage 3)

Particulars	March 31 2022	March 31 2021
(i) Net NPAs to net advances (%)	0.44%	4.17%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	2,828.57	2,796.54
(b) Additions during the year	66.47	1,489.43
(c) Reductions during the year	2,668.11	1,457.40
(d) Closing balance	226.93	2,828.57
(iii) Movement of provisions for NPAs (excluding provision on standard assets)		
(a) Opening balance	1,423.82	1,677.93
(b) Additions during the year	31.01	620.33
(c) Write-off / write-back of excess provisions	1,340.14	874.44
(d) Closing balance	114.69	1,423.82
(iv) Movement of net NPAs		
(a) Opening balance	1,404.75	1,118.61
(b) Additions during the year	35.46	869.10
(c) Reductions during the year	1,327.97	582.96
(d) Closing balance	112.24	1,404.75

Note:

The movement of Gross NPA, Provisions for NPA and Net NPA presented above excludes NPA identified and regularised in the same financial year.



Notes to accounts to the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

49  
(A) Disclosure of Restructured Accounts

Sr No	Type of Restructuring Asset Classification Details		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total					
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	
1	Restructured accounts as on 1st April, 2021 (Opening figures)*	No. of borrowers	-	-	-	-	-	92	-	-	-	-	92	-	-	-	-	-	92	-	-	-	92
		Amt. outstanding	-	-	-	-	-	1,201	-	-	-	-	1,201	-	-	-	-	-	1,201	-	-	-	1,201
		Provision thereon	-	-	-	-	-	32	-	-	-	-	32	-	-	-	-	-	32	-	-	-	32
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		5% new provision on standard assets																					
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Restructured accounts as on 31st March 2022 (Closing figures)*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)																							

\* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)

(B) MSME Accounts restructured  
Accounts restructured under DBR.No.BP.BC.18/21.04.048/2018-19 dated 1st January 2019

No. of Accounts restructured	Amount (In INR)
92	

Note: Increase in amount outstanding is on account of EMIs due but remaining unpaid by the borrower

(A) Disclosure of Restructured Accounts

Sr No	Type of Restructuring Asset Classification Details		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total					
			Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	
1	Restructured accounts as on 1st April, 2020 (Opening figures)*	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	1	-	-	-	1	
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	-	91.23	-	-	-	91.23	-	91.23	-	-	91.23
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	9.12	-	-	-	9.12	-	9.12	-	-	9.12
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	92	-	-	-	-	92	-	-	-	-	-	92	-	-	92	
		Amt. outstanding	-	-	-	-	-	1,201.17	-	-	-	-	1,201.17	-	-	-	-	-	1,201.17	-	-	1,201.17	
		Provision thereon	-	-	-	-	-	31.94	-	-	-	-	31.94	-	-	-	-	-	31.94	-	-	31.94	
3	Upgradations of restructured accounts to Standard category	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		5% new provision on standard assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
4	Restructured advances which ceases to attract higher provisioning and/ or additional risk weight at the end of the	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amt. outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Restructured accounts as on 31st March 2021 (Closing figures)*	No. of borrowers	-	-	-	-	-	92	-	-	-	-	92	-	-	-	-	92	-	-	-	92	
		Amt. outstanding	-	-	-	-	-	1,201.17	-	-	-	-	1,201.17	-	-	-	-	1,201.17	-	-	-	1,201.17	
		Provision thereon	-	-	-	-	-	31.94	-	-	-	-	31.94	-	-	-	-	31.94	-	-	-	31.94	
* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)																							

\* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable)

(B) MSME Accounts restructured  
Accounts restructured under DBR.No.BP.BC.18/21.04.048/2018-19 dated 1st January 2019

No. of Accounts restructured	Amount (In INR)
92	1,201.17

Note: Increase in amount outstanding is on account of EMIs due but remaining unpaid by the borrower

Notes to accounts to the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

50 DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA CIRCULAR NO. RBI/2019-20/170 DOR(NBFC) CC.PD.NO.109/22.10.106/2019-20 DATED MARCH 13,2020

As at March 31 2022

Asset classification as per RBI norms	Asset Classification as per IND AS 109	Gross Carrying Amount as per IND AS	Loss Allowance (Provisions) as required under IND AS	Net Carrying Amount	Provision required as per ARACP Norms	Difference between IND AS 109 provision and ARACP norms
(1)	(2)	(3)	(4)	(5)= (3)-(4)	(6)	(7)= (4)-(6)
<b>Performing assets</b>						
Standard assets	Stage 1	19,717.97	1,135.42	18,582.55	760.84	374.58
	Stage 2	5,611.97	5.98	5,605.99	22.56	(16.58)
Sub total		<b>25,329.93</b>	<b>1,141.40</b>	<b>24,188.53</b>	<b>783.40</b>	<b>358.00</b>
<b>Non- performing assets (NPA)</b>						
Substandard	Stage 3	55.17	27.78	27.38	5.55	22.23
Doubtful -upto 1 year	Stage 3	99.29	50.23	49.05	19.96	30.27
1 to 3 year	Stage 3	72.47	36.67	35.80	21.85	14.82
more than 3 year	Stage 3	-	-	-	-	-
Sub total of Doubtful		171.76	86.90	84.86	41.81	45.09
Loss	Stage 3	-	-	-	-	-
Sub total of NPA		<b>226.93</b>	<b>114.68</b>	<b>112.24</b>	<b>47.36</b>	<b>67.32</b>
Other Items such as guarantees, loan commitment, ICD etc. which are in the scope of IND AS 109 but not covered under current income recognition, assets Classification and provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub total		-	-	-	-	-
	Stage 1	19,717.97	1,135.42	18,582.55	760.84	374.58
	Stage 2	5,611.97	5.98	5,605.99	22.56	(16.58)
	Stage 3	226.93	114.68	112.24	47.36	67.32
<b>Total</b>	<b>Total</b>	<b>25,556.86</b>	<b>1,256.08</b>	<b>24,300.78</b>	<b>830.76</b>	<b>425.32</b>

As at March 31 2021

Asset classification as per RBI norms	Asset Classification as per IND AS 109	Gross Carrying Amount as per IND AS	Loss Allowance (Provisions) as required under IND AS	Net Carrying Amount	Provision required as per ARACP Norms	Difference between IND AS 109 provision and ARACP norms
(1)	(2)	(3)	(4)	(5)= (3)-(4)	(6)	(7)= (4)-(6)
<b>Performing assets</b>						
Standard assets	Stage 1	26,602.91	1,151.15	25,451.76	177.77	973.38
	Stage 2	5,679.28	5.82	5,673.46	27.20	(21.38)
Sub total		<b>32,282.19</b>	<b>1,156.97</b>	<b>31,125.22</b>	<b>204.97</b>	<b>952.00</b>
<b>Non- performing assets (NPA)</b>						
Substandard	Stage 3	2,024.42	1,019.03	1,005.39	179.96	839.07
Doubtful -upto 1 year	Stage 3	804.15	404.78	399.37	127.33	277.45
1 to 3 year	Stage 3	-	-	-	-	-
more than 3 year	Stage 3	-	-	-	-	-
Sub total of Doubtful		<b>804.15</b>	<b>404.78</b>	<b>399.37</b>	<b>127.33</b>	<b>277.45</b>
Loss	Stage 3	-	-	-	-	-
Sub total of NPA		<b>2,828.57</b>	<b>1,423.81</b>	<b>1,404.76</b>	<b>307.29</b>	<b>1,116.52</b>
Other Items such as guarantees, loan commitment, ICD etc. which are in the scope of IND AS 109 but not covered under current income recognition, assets Classification and provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub total		-	-	-	-	-
	Stage 1	26,602.91	1,151.15	25,451.76	177.77	973.38
	Stage 2	5,679.28	5.82	5,673.46	27.20	(21.38)
	Stage 3	2,828.57	1,423.81	1,404.76	307.29	1,116.52
<b>Total</b>	<b>Total</b>	<b>35,110.76</b>	<b>2,580.78</b>	<b>32,529.98</b>	<b>512.26</b>	<b>2,068.52</b>

Notes to accounts to the Ind AS financial statements for the Year ended March 31 2022  
(Currency : Indian Rupees in lakhs)

51 Lease accounting

During the Year ended March 31 2022, the Company has recognized depreciation/amortization on right-of-use asset Rs. 87.99 lakhs along with interest on lease liability of Rs. 14.63 lakhs respectively.

Right of use assets

(I) Right of use assets

Particulars	Year ended March 31 2022	Year ended March 31 2021
Balance at the beginning of the year	98.02	144.35
Additions during the year	174.92	30.49
Deletion during the year	-	-
Depreciation charge for the year	87.99	76.82
Balance at end of the year	184.95	98.02

(II) Lease liability

Particulars	Year ended March 31 2022	Year ended March 31 2021
Balance at the beginning of the year	100.47	140.11
Additions during the year	178.21	30.49
Deletion during the year	-	-
Finance cost for the year	14.63	10.82
Payment of lease liabilities for the year	94.79	80.95
Balance at end of the year	198.52	100.47

(III) Future minimum lease payments under non-cancellable operating leases were payable as follows:

Particulars	Year ended March 31 2022	Year ended March 31 2021
Less than 1 year	18.14	12.21
1 to 5 year	15.44	7.17
More than 5 year	-	-

(IV) Amounts recognized in the statement of profit and Loss

Particulars	Year ended March 31 2022	Year ended March 31 2021
Depreciation expenses on right of use of asset	87.99	76.82
Interest Expense on lease liability	14.63	10.82

(V) Amounts recognised in statement of cash flows

Particulars	Year ended March 31 2022	Year ended March 31 2021
Total cash outflow for leases	94.79	80.95

52 The movement of borrowings as per Ind AS 7 is as follows:

Particulars	31 March 2022	31 March 2021
<b>Opening balances</b>		
Debt securities	1,000.00	-
Long-term borrowing	14,244.90	19,282.85
Short-term borrowing	4,874.04	4,878.27
<b>Movements</b>		
Debt securities	-	1,000.00
Long-term borrowing	(5,145.85)	(5,037.95)
Short-term borrowing	(778.05)	(4.23)
<b>Closing balances</b>		
Debt securities	1,000.00	1,000.00
Long-term borrowing	9,099.05	14,244.90
Short-term borrowing	4,095.99	4,874.04

**Notes to accounts to the Ind AS financial statements for the Year ended March 31 2022**

- 53 The name of the company has been changed from "Staragri Finance Limited" to "Agriwise Finserv Limited" w.e.f. 15th October 2020.
- 54 In accordance with the Board approved moratorium policy read with the Reserve Bank of India(RBI) guidelines dated 27th March 2020, 17th April 2020 and 23rd May 2020 relating to 'COVID-19-Regulatory Package', the Company had granted moratorium upto six months on the payment of instalments which became due between 1st March 2020 and 31st August 2020 to all eligible borrowers. This relaxation did not automatically trigger a significant increase in credit risk. The Company continued to recognize interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period did not result in accounts becoming past due and automatically triggering Stage2 or Stage3 classification criteria.
- 55 The impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgments and estimates. In relation to COVID-19, judgements and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries, along with the associated impact on the global economy. The Company has separately incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic and the associated support packages in the measurement of impairment loss allowance. The Company's impairment loss allowance estimates are inherently uncertain and, as a result, actual results may differ from these estimates.
- 56 The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, announced a scheme for COVID-19 Relief for grant of ex-gratia payment of difference between compound interest and simple interest for six Months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether moratorium as per RBI regulatory package was availed or not. The Company has implemented the Scheme and credited the accounts of or remitted amounts to the eligible borrowers as per the Scheme, amounting to Rs. 60.56 lakhs. The Company has filed its claim for the ex-gratia with State Bank of India as per the Scheme and has received an amount of Rs. 55.64 lakhs as on March 31 2021.
- 57 In view of the Honourable Supreme Court of India interim order dated September 3, 2020 (Public Interest Litigation (PIL) by Gajendra Sharma Vs Union of India & ANR), no additional borrower accounts were classified as impaired non-performing assets (NPA) (stage3)), which were not declared non-performing till August 31, 2020. Basis the said interim order the Company had not classified any additional borrower account as NPA as per the Reserve Bank of India or other Regulatory prescribed norms, after August 31, 2020 which were not NPA as of August 31, 2020. The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Company has complied with the asset classification of borrower accounts as per the ECL model under Ind AS financial statements for Year ended March 31 2022.
- 58 There is only one segment in which company is operating i.e. lending and hence there is no separate reportable segment as per Ind AS 108 on 'Operating Segment' in respect of the company.
- 59 The disclosure on the following matters required under Schedule III as amended are given as follows :
- The Company has not traded or invested in crypto currency or virtual currency during the financial year.
  - 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.
  - The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
  - The Company has not entered into any scheme of arrangement.
  - No satisfaction of charges are pending to be filed with ROC.
  - There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
  - The Company does not have any relationship with Struck off Companies.
- 60 The corresponding figures of the previous years' have been reclassified and represented in accordance with the current period presentation wherever necessary

Signature to Notes to Accounts

As per our report of even date  
**For S. N. Kulkarni & Co.**  
 Chartered Accountants  
 Firm Registration No: 105441W

**G.V. Samant**  
 Partner  
 Membership No: 14802  
 Mumbai  
 May 19, 2022

**Sureshchandra Goyal**  
 Managing Director  
 DIN: 02018073

**Kalpesh Ojha**  
 Chief Financial Officer

**For and on behalf of the Board of Directors of  
 Agriwise Finserv Limited**

**Amith Agarwal**  
 Executive Director  
 DIN: 01140768

**Sankari Muthuraj**  
 Company Secretary  
 Membership No. A25427  
 Mumbai  
 May 19, 2022