



INDEPENDENT AUDITOR'S REPORT

To the Members of **M/s Akara Capital Advisors Private Limited**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of "**M/s Akara Capital Advisors Private Limited**" ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and Changes in Equity for the year then ended and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 the financial statements.

Information other than the financial statements and auditors' report thereon

The Company's board of directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

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

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



Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

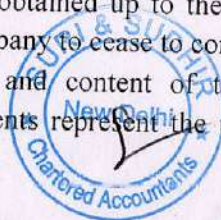
Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal & Regulatory Requirements

1. Based on our audit, we report that the provisions of section 197 read with Schedule V of the Act are not applicable to the company since the company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
2. 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 A**, a statement on the matters specified in the paragraphs 3 and 4 of the Order.
3. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (Including Other Comprehensive Income), the statement of changes in equity and the standalone statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e. On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
 - g. With respect to the other matters included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit & Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company as detailed in Note No38 to the Standalone Financial Statements, has disclosed the impact of pending litigations on its financial position as at 31st March 2023.
 - (ii) The company had not entered into any long term contracts including derivative contracts as on 31st March 2023.
 - (iii) There were no amounts which are required to be transferred to Investor Education and &



Protection Fund by the company during the year ended 31st March 2023.

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

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

(v) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

(vi) The Company has not declared or paid any dividend during the year ended 31st March 2023.

For Suri & Sudhir
Chartered Accountants
FRN: 000601N



Sudhir Kumar Arora
(Partner)
Membership. No.: 080338

Date: 29-05-2023
Place: New Delhi

UDIN No.23080338BGUCZC8926

Annexure 'A' to the Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report to the Members of Akara Capital Advisors Private Limited

- (i)
- (a)(A). The company do not possess any property, plant or equipment as on 31st March 2023. Hence para (i)(a)(A) is not applicable.
- (B). The company has maintained proper records showing full particulars of intangible assets.
- (b)The company do not possess any property, plant or equipment as on 31st March 2023. Hence para (i)(b) is not applicable.
- (c) Since the company is not in the possession of any immovable property hence this clause is not applicable.
- (d) The Company has not revalued it's intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
- (a) As the Company does not possess any Inventory therefore Para (ii) do not apply.
- (b) That the company has sanctioned a working capital limit (WCDL) of Rs 2500 lakhs from financial institution on the basis of security of current assets i.e., book debts of the company and corporate guarantee by the holding company on 28th February 2023. Quarterly Returns/Statements, in respect of book debts have been filed by the company with the financial institution.
- (iii)
- (a) Since, the principal business of the Company is to give loans and hence, clause (iii)(a)(A) and (iii)(a)(B) are not applicable.
- (b) The loans granted by the company to parties covered under section 189 are repayable on demand or without specifying any terms or period of repayment. Hence para (iii)(b), is not applicable.
- (c) The loans granted by the company to parties covered under section 189 are repayable on demand or without specifying any terms or period of repayment. Hence para (iii)(c) is not applicable.
- (d) The loans granted by the company to parties covered under section 189 are repayable on demand or without specifying any terms or period of repayment. Hence para (iii)(d) is not applicable.
- (e) Since, the principal business of the Company is to give loans and hence, clause (iii)(e) is not applicable.
- (f) The company has granted loans that do not carry any stipulated repayment terms and are repayable on demand of which details are as under:



Annexure 'A' to the Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report to the Members of Akara Capital Advisors Private Limited

Particulars (Amount in INR Lakhs)	All Parties	Promotors	Related Parties
Aggregate outstanding amount of loans/advances in nature of	1,06,809.47	Nil	9,833.60
- loans repayable on demand			
Percentage of loans/advances in nature of loans to the total loans	100%	Nil	9.20%

Amount of loan has been repaid excluding the interest amount of Rs 10.37 Lakhs as on 31st March 2023.

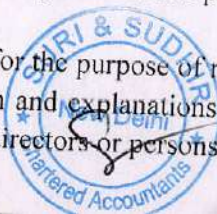
- (iv) The company has given loans & advances to parties covered under section 185 and 186 as provided in para (iii)(f) of the order for its principal business activities. The company has complied with the provisions of Companies act 2013 in respect to this.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits covered under Sections 73 to 76 of the Companies Act, 2013. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, in our opinion the maintenance of cost records has not been prescribed for the company by the Central Government under subsection (1) of section 148 of the Companies Act. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- (vii)
- (a) In our opinion and according to the information and explanation given to us, the company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Goods and Service Tax, Cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, duty of customs, Goods & Services Tax (GST), cess and other statutory dues were in arrears as at 31st March, 2023 for a period of more than six months from the date they become payable. There are no dues of Goods and service tax, income tax, cess and other statutory dues, which have not been deposited on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix)
- (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
- (b) That no instance or information has come on our records in context to the Company been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.



Annexure 'A' to the Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report to the Members of Akara Capital Advisors Private Limited

- (e) According to the information and explanation given to us, and on overall examination of the standalone financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligation of its Associate or Subsidiary or Joint Venture.
- (f) According to the information and explanation given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiary.
- (x)
- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) (a) of the Order is not applicable.
- b) According to the information and explanations given the company has raised funds by issuing non-convertible debentures through private placement. The funds have been utilised for the purpose for which they were raised.
- (xi)
- (a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given the details are mentioned in note no 38 of notes to accounts.
- (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 up to the date of this report.
- (c) As represented by the management, there are no whistle blower complaints received by the company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) Based on audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to financial statements, as required by the applicable Indian accounting standards.(Ind As 24), Related party disclosures specified in companies (Indian accounting standards) Rules 2015 as prescribed in section 133 of the act. Further, according to the information and explanations given to us, the company has constituted an audit committee under section 177 of the Act.
- (xiv)
- (a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 as on 31st March 2023. The same will be applicable from FY 2023-24 as the turnover of the company has exceeded 200 Crores in FY 2022-23.
- (b) The company did not have an internal audit system for the period under audit.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into non-cash transactions with directors or persons connected with them.



Annexure 'A' to the Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report to the Members of Akara Capital Advisors Private Limited

(xvi)

(a) The company is required to hold Certificate of Registration under section 45-IA of the Reserve Bank of India Act 1934, and they hold a Certificate of Registration under section 45-IA of the Reserve Bank of India Act 1934 vide certificate no. RBI Reg No. NBFC LC N- 14.03354 / 16/01/2017.

(b) The Company has a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 and hence the company has conducted all Activities with a valid Certificate.

(c) According to the information and explanations given to us and on an overall examination of the balance sheet, during the year, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence clause (xvi) (c) is not applicable.

(d) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence clause (xvi)(d) is not applicable.

(xvii) The company has not incurred cash losses in the current financial year as well as immediately preceding financial year

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)

(a) The company has transferred the amount remaining unspent in respect of other than ongoing projects, to a Special Account till the date of our report. However, the time period for such transfer i.e., six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report.

(b) There are no unspent amounts in respect of ongoing projects for the financial year ended 31st March 2023.



(xxi) The reporting under clause 3(xxii) of the order is not applicable in respect of audit of standalone financial statements of the company. Accordingly, no Comments has been included in respect of said clause under the report.

Annexure 'A' to the Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report to the Members of Akara Capital Advisors Private Limited

**For Suri & Sudhir
Chartered Accountants
FRN: 000601N**

Sudh



**Sudhir Kumar Arora
(Partner)
Membership Number: 080338**

**Date: 29/05/2023
Place: New Delhi**

UDIN No. 23080338BGUCZC8926

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Akara Capital Advisors Private Limited of even date)

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

We have audited the internal financial controls over financial reporting of **Akara Capital Advisors Private Limited** (the “Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential 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 (the “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 respective 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.

Auditor’s Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For Suri & Sudhir
Chartered Accountants
FRN: 000601N

Sudhir

Sudhir Kumar Arora
(Partner)

Membership. No.: 080338

UDIN No.23080338BGUCZC8926



Date-29-05-2023

Place- New Delhi

Akara Capital Advisors Private Limited
Balance Sheet as at March 31, 2023
(All amounts in Lakhs of ₹ unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
A ASSETS				
Non-current assets				
Property, plant and equipment	1	-	0.13	0.2
Intangibles Under Development	1	49.87	34.99	-
Intangible assets	1	1,503.49	589.56	388.25
Financial assets				
-Investments	2	82.04	-	-
-Loans	3	18,471.57	16,095.24	-
-Others	4	286.18	705.56	-
Income tax assets (net)		-	-	-
Other non-current assets		-	-	-
Deferred tax Assets (net)	5	-	41.52	-
Total non-current assets		20,393.15	17,467.00	388.45
Current assets				
Inventories		-	-	-
Financial assets				
-investments	2	-	-	-
-Loans	3	88,470.99	35,421.04	9364.72
-Trade receivables	6	3,294.07	2,324.31	2112.67
-Cash and cash equivalents	7	17,737.13	5,438.16	628.83
-Bank balances other than cash and cash equivalents	8	10,974.70	219.80	-
-Others	4	696.23	640.77	-
Current tax assets	9	445.73	1.66	8.89
Other current assets	10	1,339.37	1,784.80	519.97
Total current assets		1,22,958.22	45,830.54	12635.08
Total assets		1,43,351.37	63,297.54	13,023.53
B EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	27,055.93	21,119.05	5906.91
Other equity	12	14,083.88	6,976.33	1746.86
Total equity		41,139.81	28,095.38	7653.77
Share Application Money Pending Allotment		-	-	0.73
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	13	63,844.63	16,869.65	2,087.13
Others	14	-	-	-
Provisions	15	44.17	16.13	18.90
Deferred tax liabilities (net)	9	290.38	-	14.13
Total non-current liabilities		1,05,318.99	44,981.16	9,774.66
Current liabilities				
Financial liabilities				
Borrowings	13	34,874.00	16,872.34	2697.77
Trade payables		-	-	-
- Total outstanding dues of micro enterprises and small enterprises	16	39.68	71.50	63.76
- Total outstanding dues of creditors other than micro enterprises and small enterprises	16	473.98	172.08	71.72
Others	14	639.43	891.64	183.5
Other current liabilities	17	626.40	29.45	65.03
Provisions	15	316.50	106.24	118.2
Current tax liabilities	18	1,062.39	173.13	48.89
Total current liabilities		38,032.38	18,316.38	3,248.87
Total Liabilities		1,43,351.37	63,297.54	13,023.53

See accompanying notes forming part of the Ind AS financial statements

As per our report of even date attached
For SURI & SUDHIR
Chartered Accountants
Firm Registration No. 000601N

Sudhir Kumar Arora
Partner
Membership No: 080338
UDIN: 23080338BUGCZC8926

Place : Delhi
Date : 29-05-2023

For and on behalf of the Board of Directors of
Akara Capital Advisors Private Limited

Shruti Aggarwal
Director
DIN: 06867269

Sonia Thakur
Company Secretary
M.No.: A40393
Place: Delhi
Date : 29-05-2023

Tushar Aggarwal
Managing Director
DIN: 01587360

Akara Capital Advisors Private Limited
Statement of Profit and Loss for the period ended March 31, 2023
(All amounts in Lakhs of ₹ unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
(a) Revenue from operations			
(i) Interest income	19	18,673.64	4,821.76
(ii) Fee and commission income	20	2,641.62	3.78
(b) Other income	21	377.04	117.71
I Total Income (a+b)		21,692.30	4,943.25
Expenses			
(a) Finance costs	22	7,623.09	2,109.55
(b) Impairment on financial instruments	23	4,718.57	105.43
(c) Employees benefit expenses	24	680.20	276.07
(d) Depreciation and amortisation expense	25	223.34	113.53
(e) Other expenses	26	4,465.41	1,542.92
II Total expenses		17,710.61	4,147.50
III Profit / (Loss) before exceptional items and tax from continuing operations (I-II)		3,981.69	795.75
Exceptional items		-	-
Profit / (Loss) before extraordinary items and tax from continuing operations		3,981.69	795.75
Extraordinary Items		-	-
Prior Period items		-	-29.70
Profit Before Tax		3,981.69	766.05
IV Tax expense			
(a) Current tax	27	1,062.39	173.13
(b) Deferred tax charge/(benefits)	27	331.90	(55.65)
Total tax expense		1,394.29	117.48
V Profit for the year (III-IV)		2,587.40	648.57
VI Other comprehensive income, net of tax			
(a) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plans		4.07	9.59
Income tax benefit/ (charge) on above	28	-1.02	-2.41
Sub total (a)		3.05	7.18
(b) Items that will be reclassified to profit or loss			
Movement in cash flow hedge reserve		-	-
Income tax benefit/ (charge) on above		-	-
Sub total (b)		-	-
Other comprehensive income/(loss) for the year		4.07	7.18
VII Total comprehensive profit for the year (V+VI)		2,591.47	655.75
Earnings per equity share:	31		
Basic		1.11	0.63
Diluted		1.11	0.63

See accompanying notes forming part of the Ind AS financial statements

As per our report of even date attached

For Suri & Sudhir
Chartered Accountants
Firm Registration No. 000601N

Sudhir Kumar Arora
Partner
Membership No: 080338
UDIN: 23080338BGUCZC8926



For and on behalf of the Board of Directors of
Akara Capital Advisors Private Limited

Shruti Aggarwal
Director
DIN: 06867269

Tushar Aggarwal
Managing Director
DIN: 01587360

Sonia Thakur
Company Secretary
M.No.: A40393
Place: Delhi
Date: 29-05-2023



Place : Delhi
Date : 29-05-2023

Akara Capital Advisors Private Limited
Statement of Cash Flows for the year ended March 31, 2023
 (All amounts in Lakhs of ₹ unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,981.69	795.75
Adjustments for:		
Remeasurement gain/(loss) on defined benefit plans		
Depreciation and amortisation expense	223.34	113.53
Finance Cost	7,929.98	2,338.18
Interest Received	(247.88)	(16.75)
Other Inflows / (Outflows) of cash	(2,993.25)	4,560.85
Operating profit before working capital changes	8,893.88	7,791.56
<i>Changes in working capital</i>		
Increase/(decrease) in trade payables	270.08	(30.79)
Increase/(decrease) in current liabilities	591.55	1,114.84
Increase/(decrease) in Other financial liabilities	-	-
Increase/(decrease) in provisions	-	-
Increase/(decrease) in Other non-financial liabilities	-	-
(Increase)/decrease in Short term Loans and advances	(53,049.95)	(42,173.25)
(Increase)/decrease in Other Current assets	(445.43)	(1,546.85)
(Increase)/decrease in trade Receivables	(969.76)	(62.32)
(Increase)/decrease in Other non-financial assets	-	-
Cash flow from operating activities post working capital changes	(44,709.63)	(34,906.81)
Income - tax paid	(1,062.39)	(71.85)
Net cash flow from operating activities before extraordinary items	(45,772.02)	(34,980.45)
Payment for extra Ordinary items		(1.79)
Net cash flow from operating activities (A)	(45,772.02)	(34,980.45)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment		(34.99)
Purchase of Intangible assets	(14.88)	(314.90)
Proceeds from sale of Investment property	-	-
Interest received	247.88	16.75
Cash Advances and loans made to other parties	-2,376.33	(1,307.15)
Other Inflows / (Outflows) of cash	8,271.35	(272.42)
Net cash used in investing activities (B)	6,128.02	(1,912.71)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Finance Cost	-7,929.98	-2,338.18
Increase in / (Repayment) of Short term Borrowings	18,001.66	14,606.77
Increase in / (Repayment) of Long term borrowings	46,974.98	14,442.29
Increase / (Decrease) in share capital	5,936.88	15,212.14
Increase / (Decrease) in share application money pending allotment		(0.73)
Repayments of other borrowings		
Proceeds from issue of share capital including share premium		
Net cash flow from financing activities (C)	62,983.54	41,922.29
Increase in cash and cash equivalents (A+B+C)	23,339.54	5,029.14
Cash and cash equivalents at the beginning of the year	5,657.96	628.83
Cash and cash equivalents at the end of the year	28,997.50	5,657.96
Cash and cash equivalents consist of:		
Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.30	0.30
Balance with banks		
-In current accounts	13,922.49	5,437.85
-In deposit accounts	15,060.04	219.81
Accrued interest	14.67	-
	28,997.50	5,657.96

See accompanying notes forming part of the Ind AS financial statements

As per our report of even date attached

For Suri & Sudhir
 Chartered Accountants
 Firm Registration No. 090601N

Sudhir Kumar Arora
 Partner
 Membership No: 080338
 UDIN: 23080338BGUCZC8926



Place : Delhi
 Date : 29-05-2023

For and on behalf of the Board of Directors of
 Akara Capital Advisors Private Limited

Shruti Aggarwal
 Director
 DIN: 06887269

Sonia Vaswani
 Company Secretary
 M.No.: A40393
 Place: Delhi
 Date : 29-05-2023



Akara Capital Advisors Private Limited
Statement of changes in equity for the period ended March 31, 2023
 (All amounts in Lakhs of ₹ unless otherwise stated)

A Equity share capital

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting Period
21,119.05	-	21,119.05	5,936.88	27,055.93

(2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting Period
5,906.91	-	5,906.91	15,212.14	21,119.05

B Other equity

Particulars	Reserves and Surplus				Other Comprehensive Income (OCI)	Total
	Securities premium reserve	Reserve u/s 45-IC of Reserve Bank of India Act, 1934	Employee Stock Options Outstanding Account	Retained Earnings- Other than Remeasurement of Post Employment Benefit Obligations		
Balance at April 1, 2021	1,472.07	85.73	-	205.21	-	1,763.01
Add: Profit for the period	-	-	-	432.62	-	432.62
Add [Less]: Other comprehensive income (net of tax)	-	-	-	-	7.18	7.18
Total comprehensive income for the year	-	-	-	432.62	-	439.80
Transfer to statutory reserve	-	109.99	-	(109.99)	-	-
Employee stock options	-	-	-	-	-	-
Premium on issue of equity shares	4,563.65	-	-	-	-	4,563.65
Share issue expenses	-	-	-	-	-	-
Balance at March 31, 2022	6,035.72	195.72	-	527.84	-	6,976.33



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Balance at March 31, 2022									
Add: Profit for the period			195.72	-		527.84	-		6,976.33
Add [Less]: Other comprehensive income (net of tax)			-	-		1,903.85	-		1,903.85
Total comprehensive income for the year		6,035.72					3.05		3.05
Transfer to statutory reserve						1,903.85			1,906.90
Employee stock options			659.62			(659.62)			-
Securities premium on issue of equity shares									-
Share issue expenses		4,516.08							4,516.08
Balance at March 31, 2023		10,551.80	855.34			1,772.07	3.05		14,083.88

See accompanying notes forming part of the Ind AS financial statements

As per our report of even date attached

For Suri & Sudhir

Chartered Accountants

Firm Registration No. 000601N



Sudhir

Sudhir Kumar Arora
Partner

Membership No: 080338

UDIN: 23080338BGUCZC8926

Place : Delhi

Date : 29-05-2023

For and on behalf of the Board of Directors of
Akara Capital Advisors Private Limited



Shruti Aggarwal

Director

DIN: 06867269

Sojita Thakur

Company Secretary

M.No.: A40393

Place: Delhi

Date : 29-05-2023



Tushar Aggarwal

Managing Director

DIN: 01587360

Akara Capital Advisors Private Limited
Notes to the Special Purpose Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Indian Rupees, unless otherwise stated)

1. Property, plant and equipment

Assets	Gross block			Accumulated depreciation/amortisation			Net block		
	As at 31 March 2022	Additions	Adjustments/ (disposals)	As at 31 Mar 2023	As at 31 March 2022	For the year	Adjustments/ (disposals)	As at 31 Mar 2023	As at 31 March 2022
Tangible Assets									
Office Equipment	0.42	-	-0.42	-	0.40	-	-0.40	-	0.02
Computers	2.11	-	-2.11	-	1.93	-	-1.93	-	0.18
Sub-total (A)	2.53	-	(2.53)	-	2.33	-	(2.33)	-	0.20
Previous year	2.53	-	-	2.53	2.33	0.07	-	2.40	0.20
Intangible assets									
Sub-total (B)	787.87	1,200.81	(122.59)	1,866.09	198.31	223.34	(59.05)	1,503.49	589.56
Previous year	787.87	1,200.81	(122.59)	1,866.09	198.31	223.34	(59.05)	1,503.49	589.56
	472.97	314.90	-	787.87	84.71	113.60	-	589.56	388.26
Capital work in progress (C)*									
Intangible Assets under Progress	34.99	49.87	34.99	49.87	-	-	-	49.87	34.99
Sub-total (C)	34.99	49.87	34.99	49.87	-	-	-	49.87	34.99
Previous year	-	34.99	-	34.99	-	-	-	34.99	-
Total (A+B+C)	825.39	1,250.68	(90.13)	1,915.96	200.64	223.34	(61.38)	1,553.36	624.75

Intangibles Under Development Ageing Schedule

Projects in process	Amount in IA under development for a period of			Total
	Less than 1 year	1-2 Years	More than 3 Years	
31-03-2023				
IA under Development	4.99	.00	.00	.00
Total 31-03-2023	4.99	.00	.00	.00
31-03-2022				
IA under Development	3.50	.00	.00	.00
Total 31-03-2022	3.50	.00	.00	.00



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

2. Investments	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Particulars				
Investments at amortised Cost:				
Investment in pass through certificates (PTC)	82.04	-	-	-
Investment in pass through certificates (PTC)				
Total	82.04	-	-	-
(i) Investment outside India	-	-	-	-
(ii) Investment in India	82.04	-	-	-
Total	82.04	-	-	-
Less: Impairment loss allowance on pass through certificates	-	-	-	-
Total	82.04	-	-	-

3. Loans	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
At amortised cost				
(A) Loans				
(i) Term Loans	18,471.57	16,095.24	88,337.98	35,262.32
(ii) Loan against property (LAP) and machinery finance	-	-	-	-
(iii) Working capital demand loan	-	-	-	-
(iv) Loan to Related Parties	-	-	-	-
(v) Others (Staff Loans)	-	-	-	-
(vi) Interest accrued on loans*	-	-	838.12	287.11
Total (A) - Gross	18,471.57	16,095.24	89,176.10	35,549.43
Less: Impairment loss allowance	-	-	-839.28	128.39
Less: Revenue received in advance	-	-	1,544.39	-
Total (A) - Net	18,471.57	16,095.24	88,470.99	35,421.04
(B)				
(i) Secured by tangible assets (includes advances against book debts)	-	-	-	-
(ii) Secured by fixed deposits	-	-	-	-
(iii) Covered by bank guarantee	-	-	-	-
(iii) Unsecured	18,471.57	16,095.24	89,176.10	35,549.43
Total (B) - Gross	18,471.57	16,095.24	89,176.10	35,549.43
Less: Impairment loss allowance	-	-	-839.28	128.39
Less: Revenue received in advance	-	-	1,544.39	-
Total (B) - Net	18,471.57	16,095.24	88,470.99	35,421.04
(C) Loans in India**				
(i) Public sector	-	-	-	-
(ii) Others	18,471.57	16,095.24	89,176.10	35,549.43
Total (C) - Gross	18,471.57	16,095.24	89,176.10	35,549.43
Less: Impairment loss allowance	-	-	-839.28	128.39
Less: Revenue received in advance	-	-	1,544.39	-
Total (C) - Net	18,471.57	16,095.24	88,470.99	35,421.04

* The Company does not hold any loans outside India

**Interest Accrued on loans is inclusive of loans to related parties.

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

Type of Borrower	Amount of loans or advance in the nature of loan outstanding as on March 2023	Percentage of total loans and advances in the nature of loans	Amount of loans or advance in the nature of loan outstanding as on March 2022	Percentage of total loans and advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	10.38	0.01%	-	0.00%

The related party loans as on 31st March 2023 is nil. The o/s balance only pertains to interest on such loans.

4. Other financial assets - Current	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Margin money against borrowings	-	425.00	475.00	565.00
Interest accrued on margin money against borrowings	-	-	-	-
Other recoverable from related party	-	-	-	10.60
Security Deposits	0.51	8.14	221.23	65.17
Balances with banks	285.67	272.42	-	-
- in deposits with maturity of more than 12 months *	-	-	-	-
Total	286.18	705.56	696.23	640.77



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

5	Deferred tax	As at March 31, 2023	As at March 31, 2022
	Deferred tax Assets (net)	-	41.52
	Total	-	41.52
	Deferred tax Liability (net)	290.38	-
	Total	290.38	-

6.	Trade Receivable	As at March 31, 2023	As at March 31, 2022
	Considered Good – Secured	-	-
	Considered Good – Unsecured (Refer Note-5a)	3,294.07	2,314.80
	Trade Receivables which have significant increase in credit risk	-	9.51
	Trade Receivables- credit impaired	-	-
	Total	3,294.07	2,324.31

Trade receivable aging schedule for the year ending March 31, 2023 summarized as below:

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	3,294.07	-	-	-	-	3,294.07
(ii) Undisputed trade receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-
(iv) Disputed trade receivables – considered doubtful	-	-	-	-	-	-

Trade receivable aging schedule for the year ending March 31, 2022 summarized as below:

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	2,314.80	-	-	-	-	2,314.80
(ii) Undisputed trade receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-
(iv) Disputed trade receivables – considered doubtful	-	-	9.51	-	-	9.51

7.	Cash and cash equivalents	As at March 31, 2023	As at March 31, 2022
	Cash on hand	0.30	0.30
	Balances with banks:		
	- in Current accounts	13,636.82	5,437.86
	- balance with banks with original maturity of 3 months or less	4,085.34	-
	Cheques or drafts on hand	-	-
	Accrued interest on deposits with bank	14.67	-
	Total	17,737.13	5,438.16

This includes deposit of INR 436.31 Lakhs (31 March 2022: INR 0) pledged with banks and financial institutions

8.	Bank balance other than cash and cash equivalents	As at March 31, 2023	As at March 31, 2022
	Other bank deposits		
	- deposits with original maturity more than three months but remaining maturity of less than twelve months	10,974.70	219.80
	Accrued interest on deposits with bank	-	-
	Total	10,974.70	219.80

This includes deposit of INR 1852.74 Lakhs (31 March 2022: INR 219.80 lakhs) pledged with banks and financial institutions

9.	Current tax assets (Net)	As at March 31, 2023	As at March 31, 2022
	Current tax assets	445.73	1.66
	Total	445.73	1.66

10.	Other Current assets	Non Current		Current	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
	Prepaid expenses	-	-	132.17	142.67
	Other Advances and Recoverables	-	-	39.58	86.59
	Other Receivables	-	-	1,167.62	1,310.62
	Statutory remittances	-	-	-	244.92
	Total	-	-	1,339.37	1,784.80



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

11 Equity

(a) Equity Share Capital

(i) Share capital authorised, issued, subscribed and paid-up

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)
Authorised Equity share capital				
Equity shares of Rs.10 each	40,00,00,000	40,000.00	40,00,00,000	40,000.00
Total	40,00,00,000	40,000.00	40,00,00,000	40,000.00

Issued, subscribed and paid up Equity share capital

Equity shares of Rs.10 each	27,05,59,331	27,055.93	21,11,90,519	21,119.05
	27,05,59,331	27,055.93	21,11,90,519	21,119.05

(ii) Terms/rights attached to equity shares

Each holder of equity shares is entitled to one vote per share and ranks pari passu. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)
At the beginning of the year	21,11,90,519	21,119.05	5,90,69,103	5,906.91
Issued during the year:-				
Morus Technologies Pte. Ltd.				
- On right issue basis	5,93,68,812	5,936.88	15,21,21,416	15,212.14
Outstanding at the end of the period^	27,05,59,331	27,055.93	21,11,90,519	21,119.05

(iv) Equity shares in the Company held by the holding company & beneficiaries

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Shruti Aggarwal (Beneficial Owner- Morus Technologies Pte. Ltd.)	1000	0.00037	1000	0.00047
Morus Technologies Pte. Ltd. (holding company)	27,05,58,331	99.99963	21,11,89,519	99.99953

(v) Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Morus Technologies Pte. Ltd. (holding company)	27,05,58,331	100.00	21,11,89,519	100.00



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

12 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium reserve	10,551.80	6,035.72
Statutory reserve (in terms of Section 45-IC of the Reserve Bank of India Act, 1961)	855.34	195.72
Retained earnings - Other than remeasurement of post employment benefit obligations	2,676.74	744.89
Total	14,083.88	6,976.33

(i) Securities premium reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	6,035.72	1,472.07
Add: Amount received pursuant to issue of equity shares	4,516.08	4,563.65
Less: Share issue expenses	-	-
Less: Stamp duty on issue of equity shares	-	-
Closing balance	10,551.80	6,035.72

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Statutory reserve (in terms of Section 45-IC of the Reserve Bank of India Act, 1934)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	195.72	85.73
Add: Transferred from retained earnings	659.62	109.99
Closing balance	855.34	195.72

This reserve is maintained in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934 wherein every non-banking financial company shall create a reserve fund the transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of profit and loss and before any dividend is declared.

(vii) Retained earnings - Other than remeasurement of post employment benefit obligations

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	744.89	205.21
Add: Profit for the year	2,591.47	649.67
Less: Transferred to statutory reserve u/s 45-IC of the Reserve Bank of India Act, 1934 [^]	(659.62)	(109.99)
Closing balance	2,676.74	744.89

[^] Transfer to statutory reserve u/s 45-IC of the reserve bank of india act, 1934 calculated on the total comprehensive income for the current year and previous year



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Borrowings-Debt securities				
At amortised cost				
Unsecured				
Total	-	-	-	-
Secured				
Debentures (Refer note 16a)	20,359.60	5,200.00	11,950.00	800.00
Accrued interest on debentures	-	-	172.53	-
Total	20,359.60	5,200.00	12,122.53	800.00
Less: Unamortised processing fees on borrowings	-	-	-	-
Total	20,359.60	5,200.00	12,122.53	800.00
Debt securities in India	20,359.60	5,200.00	12,122.53	800.00
Debt securities outside India	-	-	-	-
Total	20,359.60	5,200.00	12,122.53	800.00

13A Security and terms of repayment for redeemable non-convertible debenture (NCD)*

Repayment Terms	Tenure	Interest Range (At March 31, 2022)	Interest Range (At March 31, 2021)	As at March 31, 2023	As at March 31, 2022
Listed NCD:					
690 NCD's of ₹10,00,000/- each (Previous year NIL)	Upto 2	12.55%	-	6,900.00	-
300 NCD's of ₹10,00,000/- each (Previous year NIL)	Upto 2	11.75%	-	2,500.00	-
1800 NCD's of ₹100,000/- each (Previous year Nil)	Upto 2	11.04%	-	1,800.00	-
				11,200.00	-
Unlisted NCD:					
200 NCD's of ₹1,000,000/- each (Previous year 200 NCD's of ₹1,000,000/- each)	Upto 2	14.55%	14.55%	2,000.00	2,000.00
400 NCD's of ₹10,00,000/- each (Previous year NIL)	Upto 2	14.00%	-	3,810.00	-
40,000 NCD's of ₹10,000/- each (Previous Year NIL)	Upto 2	13.17%	13.17%	800.00	4,000.00
750 NCD's of ₹10,00,000/- each (Previous year NIL)	Upto 3	11.04%	-	7,500.00	-
250 NCD's of ₹10,00,000/- each (Previous year NIL)	Upto 2	14.00%	-	2,500.00	-
2700 NCD's of ₹1,00,000/- each (Previous year NIL)	Upto 2	13.05%	-	2,250.00	-
30,000 NCD's of ₹10,000/- each (Previous year NIL)	Upto 2	13.05%	-	2,250.00	-
Total				21,110.00	6,000.00
				32,310.00	6,000.00

*Non-convertible debentures of are secured by first and exclusive charge over the specific identified book debts/ loan receivables of the Company and by corporate guarantee from the Holding and Associate Company,



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

Borrowings (other than debt securities)	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
At amortised cost				
Secured				
External commercial borrowings (Refer note 18a)	24,193.19	-	-	-
Term loans from banks (Refer note 18b)	-	-	4,666.67	250.00
Term loans from financial institutions (Refer note 18c)	16,369.11	11,060.69	15,748.74	13,844.68
ICD'S	2,922.73	608.96	66.66	2,057.34
WCDC	-	-	2,500.00	-
Accrued Interest on ECB	-	-	144.89	-
Accrued interest on Loans	-	-	147.35	136.27
Accrued interest on WCDC	-	-	-	-
	43,485.03	11,669.65	23,274.31	16,288.29
Loans repayable on demand (secured)				
Cash credit and bank overdraft (Refer note 18d)	-	-	-	-
	43,485.03	11,669.65	23,274.31	16,288.29
Less: Unamortised processing fees on borrowings	-	-	522.84	215.95
	43,485.03	11,669.65	22,751.47	16,072.34
Borrowings (other than debt securities) in India	19,291.84	11,669.65	22,606.58	16,072.34
Borrowings (other than debt securities) outside India	24,193.19	-	144.89	-
Total	43,485.03	11,669.65	22,751.47	16,072.34

13B Security and terms of repayment of External commercial borrowings in foreign currency ^

Repayment Terms	Tenure	Interest Range (At March 31,2023)	Interest Range (At March 31,2022)	As at March 31, 2023	As at March 31,2022
Bullet	Upto 3 Years	8.5% to 10.35%	-	24,193.19	-
Total				24,193.19	

^ The company had availed total External Commercial Borrowing (ECBs) for financing prospective borrowers as per the ECB guidelines issued by Reserve Bank of India ("RBI") from time to time. The borrowing had a maturity of three years in terms of RBI guidelines.

13C Security and terms of repayment for secured term loans from banks ^^

Repayment Terms	Tenure	Interest Range (At March 31,2022)	Interest Range (At March 31,2021)	As at March 31, 2023	As at March 31,2022
Monthly	Upto 2 Years	8.05% to 13.00%	11.50% to 13.53%	4,666.67	250.00
Total				4,666.67	250.00

^^ Term loans from bank are secured by first and exclusive charge on specific identified receivables of the Company and corporate guarantee by holding Company.

13D Security and terms of repayment for secured term loans from financial institutions #

Repayment Terms	Tenure	Interest Range (At March 31,2022)	Interest Range (At March 31,2021)	As at March 31, 2023	As at March 31,2022
Monthly	Upto 2 Years	11.50% to 15%	12.25% to 15%	32,117.85	24,905.37
Total				32,117.85	24,905.37

Term loans from financial institutions are secured by first and exclusive charge on specific identified receivables of the Company and corporate guarantee by holding Company.

13E Security and terms of repayment ICD*

Repayment Terms	Tenure	Interest Range (At March 31,2022)	Interest Range (At March 31,2021)	As at March 31, 2023	As at March 31,2022
Monthly	Upto 1 Year	13.50%	9.25% to 11.95%	2,989.39	2,666.30
Total				2,989.39	2,666.30

* ICD are secured by first and exclusive charge on specific identified receivables of the Company and corporate guarantee by holding Company.

13F Security and terms of repayment-WCDC^^^

Repayment Terms	Tenure	Interest Range (At March 31,2022)	Interest Range (At March 31,2021)	As at March 31, 2023	As at March 31,2022
Monthly	Upto 1 Year	13% to 13.89%	13% to 14.95%	25.00	-
Total				25.00	-

^^^ WCDC are secured by first and exclusive charge on specific identified receivables of the Company and corporate guarantee by holding Company.



AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

14 Other financial liabilities	Non Current		Current	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Loans pending disbursement	-	-	115.08	461.77
Collections from Customers	-	-	360.06	34.72
Payable to Related Parties (Refer Note no 39)	-	-	-	10.32
PTC Payable	-	-	164.29	384.83
Total	-	-	639.43	891.64

15 Provision	Non Current		Current	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Provision for gratuity	23.99	16.13	1.03	0.40
Provision for compensated absences	-	-	6.61	7.26
Provision for Expenses	20.18	-	303.46	93.18
Provision for Audit Fee	-	-	5.40	5.40
Total	44.17	16.13	316.50	106.24

16 Trade payables	As at	As at
	March 31, 2023	March 31, 2022
	Trade creditors other than MSME creditors	473.98
Trade creditors-MSME creditors	39.68	71.50
Total	513.66	243.58

Trade Payable aging schedule for the year ending March 31, 2023 summarized as below:

Particulars	Outstanding for following periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	39.58	0.10	-	-	39.68
(ii) Others	472.71	0.45	-	-	473.16
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	5.85	-	5.85
Total	512.29	0.55	5.85	-	518.69

Trade Payable aging schedule for the year ending March 31, 2022 summarized as below:

Particulars	Outstanding for following periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	71.50	-	-	-	71.50
(ii) Others	159.92	6.43	-	-	166.35
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	5.85	-	-	5.85
Total	231.42	12.28	-	-	243.70

17 Other Current Liabilities	As at	As at
	March 31, 2023	March 31, 2022
	Employee related payable	65.07
Statutory remittances	561.00	-
Total	626.07	29.45

18 Current tax liabilities	As at	As at
	March 31, 2023	March 31, 2022
	Provision for Tax	1,062.39
Total	1,062.39	173.13



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

19	Revenue From Operations	As at March 31, 2023	As at March 31,2022
	Interest on Loans (on financial assets measured at amortised cost)	17,008.34	4,821.76
	Processing Fee on loans to customers	1,665.30	-
	Total	18,673.64	4,821.76
20	Fee and commission income	As at March 31, 2023	As at March 31,2022
	Service and other fees	2,641.62	3.78
	Total	2,641.62	3.78
21	Other income	As at March 31, 2023	As at March 31,2022
	Interest Income on Cash Margin to Lender	6.61	1.07
	Interest Income on deposits with banks	241.27	15.67
	Interest Income on loans to Related Parties	32.40	-
	Income on sale of Bonds	30.37	-
	Miscellaneous Income	2.66	-
	Bad debts recovered	63.73	92.96
	Liabilities no longer required written back		5.57
	Excess Provision Reversed		2.44
	Total	377.04	117.71
22	Finance costs (on financial liabilities measured at amortised cost)	As at March 31, 2023	As at March 31,2022
	Interest expenses on:		
	Borrowings:		
	-On Loans from banks	1.56	2.59
	-On Loans from financial institutions	3,821.37	1,423.01
	-On Foreign Loans from holding company (ECB)	1,022.12	-
	-On WCDL	105.41	-
	-On ICD's	219.35	244.62
	Debt securities		
	-On Debentures	1,554.32	40.96
	Other Borrowing Cost	898.96	398.37
	Total	7,623.09	2,109.55



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

23	Impairment on financial instruments	As at March 31, 2023	As at March 31,2022
	Impairment on financial instruments measured at amortised cost		-
	Impairment allowance on loans	-	105.43
	Impairment allowance on Assets	101.22	-
	Loss on loans & advances written off	4,617.35	-
	Total	4,718.57	105.43
24	Employees benefit expense	As at March 31, 2023	As at March 31,2022
	Salaries and wages	568.23	206.95
	Director Remuneration	60.55	54.87
	Contribution to provident and other funds	19.84	3.30
	Gratuity	4.42	-
	Leave Encashment	24.26	10.89
	Staff welfare expense	2.90	0.06
	Total	680.20	276.07
25	Depreciation and Amortisation Expenses	As at March 31, 2023	As at March 31,2022
	Depreciation on tangible assets	-	-
	Amortisation on intangible assets	223.34	113.53
	Total	223.34	113.53
26	Other expenses	As at March 31, 2023	As at March 31,2022
	Rates and taxes	40.12	76.83
	Communication costs	0.16	0.14
	Printing and stationery	1.26	0.31
	Auditor remuneration:		-
	-For Statutory Audit, Tax Audit and Limited Review	10.40	7.00
	-For Other Professional Services	1.30	4.59
	- For other certification and reporting	8.98	-
	Legal and professional	181.05	100.22
	Insurance	0.23	0.43
	Travelling and conveyance	21.53	6.23
	Electricity and Telephone Expenses	2.82	-
	Corporate social responsibility expenses (refer note 50)	6.28	-
	Direct Expense	3,526.51	936.34
	Rent and Facility Fee	55.98	40.68
	Business auxiliary services	61.37	71.18
	Bank charges	49.57	37.83
	Directors' sitting fees	39.75	15.00
	Miscellaneous	458.10	244.35
	MSME Expenses	-	1.79
	Total	4,465.41	1,542.92



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

27 Income tax expense

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax		
In respect of the current year	1,062.39	173.13
	1,062.39	173.13
Deferred tax charge/ (benefits)		
In respect of the current year	331.90	(55.65)
	331.90	(55.65)

28 Income tax expense recognized in other comprehensive income

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax relating to remeasurement gains/(losses) on defined benefit plans	-1.02	-2.41
	(1.02)	(2.41)



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

29 Earnings per share

Particulars	As at March 31, 2023	As at March 31, 2022
a) Basic earnings per share	1.11	0.63
b) Diluted earnings per share	1.11	0.63

c) Reconciliations of earnings used in calculating earnings per share

Particulars	As at March 31, 2023	As at March 31, 2022
Basic earnings per share		
Profits attributable to the equity holders of the company used in calculating basic earnings per share	2,591.47	655.75
Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	2,591.47	655.75

d) Weighted average number of shares used as the denominator

Particulars	As at March 31, 2023	As at March 31, 2022
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	23,37,55,497	10,38,11,983
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	23,37,55,497	10,38,11,983

30 Disclosures under Ind AS 19 (Employee benefits)

(a) Defined contribution plans:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Employees' Provident Fund and Employees' State Insurance schemes, which are defined contribution plans. The Company has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

Amount recognized as an expense towards defined contribution plans

Particulars	As at March 31, 2023	As at March 31, 2022
Contribution to employees provident fund	19.69	3.16
Contribution to employee state insurance schemes	0.15	0.14
Total	19.84	3.30

(b) Defined benefit plans:

The Company operates a funded gratuity benefit plan wherein every employee is entitled to a benefit equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death, whichever is earlier. The benefit vests after five years of continuous service. Gratuity benefits are valued in accordance with the Payment of Gratuity Act, 1972.

The gratuity plan of the company is funded gratuity plan. These plans typically expose the Company to actuarial risks such as: Interest rate risk, Liquidity risk, Salary escalation risk, demographic risk, regulatory risk

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary escalation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at March 31, 2023 by Independent Valuer, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

Principal assumptions:	Gratuity	
	As at March 31, 2023	As at March 31,2022
Discount rate (per annum)	7.50%	7.25%
Salary growth rate (per annum)	5.00%	5.00%
Retirement age	60 Years	60 Years
Withdrawal rate (per annum)	5.00%	5.00%
In service mortality	IALM 2012-14	IALM 2012-14

Reconciliation of present value of defined benefit obligation

Particulars	Gratuity	
	As at March 31, 2023	As at March 31,2022
Present value of the obligation at the beginning of the period	16.53	18.97
Interest cost	1.20	1.38
Current service cost	7.29	5.77
Past service cost	-	-
Benefits paid (if any)	-	-
Actuarial (gain)/loss	-4.07	-9.59
Present value of the obligation at the end of the period	20.95	16.53

Expense recognized in statement of profit and loss

Particulars	As at March 31, 2023	As at March 31,2022
Current service cost	1.20	1.38
Net interest on net defined benefit liability / (asset)	7.29	5.77
Total Expense to be recognised in Profit & Loss Account	8.49	7.15

Remeasurements recognized in other comprehensive income

Particulars	As at March 31, 2023	As at March 31,2022
Actuarial (gain)/ loss on defined benefit obligation	-4.07	-9.59
Amount to be recognised in Other Comprehensive Income	-4.07	-9.59

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	31-Mar-23		31-Mar-22	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	23.47	18.83	18.63	14.78
(% change compared to base due to sensitivity)	12.00%	-10.00%	13.00%	-11.00%
Salary Growth Rate (-/+ 1%)	18.77	23.50	14.73	18.66
(% change compared to base due to sensitivity)	-12.00%	12.00%	-11.00%	13.00%
Withdrawal Rate (-/+ 1%)	20.51	21.29	16.24	16.75
(% change compared to base due to sensitivity)	-2.00%	2.00%	-2.00%	1.00%

Sensitivity Analysis

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur

in isolation of one another as some of the assumptions may be correlated. There is no change in the method of valuation for the prior period.



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

31 During the previous year the company has securitized its book debts for asset reconstruction. The details of the transaction are here under:-

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
1. No. of accounts	11290	7886
2. Aggregate value (net of provisions) of accounts sold to SC/RC	2,050.98	1,047.28
3. Aggregate consideration	1845.88 [^]	973.97
4. Additional consideration realized in respect of accounts transferred in earlier years	-	-
5. Aggregate gain / loss over net book value	_*	_*

[^] The aggregate consideration of Rs 1845.88 consists series A Pos of Rs 1763.84 and equity tranche of Rs 82.04

*The differential amount of Rs 205.10 (Rs 73.31 for the year ended 31st March 2022) is kept as collateral with the SC/RC

32 Expenditure in Foreign Currency:

Company has incurred the following expenses in foreign currency

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Expenditure in Foreign Currency	1022.12	Nil

Out of the total foreign currency expenditure of Rs851.65 is paid in the year ended 31.03.2023

33 Income in Foreign Currency:

Company has earned the following incomes in foreign currency

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Income in Foreign Currency	Nil	Nil

34 Payments to Auditors:-

Auditors Remuneration	For the year ended 31.03.2023	For the year ended 31.03.2022
Audit Fees	10.40	7.00
Certification Fees	8.98	3.78
Other Professional Services	1.3	0
GST	3.72	1.94
Total	24.40	12.72

35 Details of assets pledged/ hypothecated as security:

The carrying amounts of assets pledged/ hypothecated as security for current and non-current borrowings are:

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Non-current assets		
Property, plant and equipment	-	-
Loans	1,07,647.67	51,644.67
Trade receivables	-	-



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

36 Segment reporting

The Company's main business is to provide financing to its Customers to cater their cash flow requirements. All other activities revolve around the main business. The Company does not have any geographic segments. The Company does not derive revenues, from any single customer, amounting to 10 percent or more of Company's revenues. As such, there are no separate reportable segments as per IND AS 108 "Segment Reporting".

37 Disclosure as required by Ind AS -24 on "Related Party Disclosure" notified under the companies (Indian Accounting Standard) Rules, 2015:

List of related parties and relationship:

Name of related party	Nature of Relationship
Morus Technologies Pte Ltd	Holding company
EQX Analytics Private Limited	Fellow subsidiary company
Titanium Fortune Financial Services Private Limited	Fellow subsidiary company
Santra Digital Services Private Limited	Common Control
Vishuv Invest Private Limited	Common Control
Stash Payments Private Limited	Common Control (Strike off Status as on date)

Key management personnel

Name	Designation
Tushar Aggarwal	Managing director
Shruti Aggarwal	Director
Satish Chandra Sinha	Independent director
Radhakrishnan Ramachandra Iyer	Independent director
Vijay Jasuja	Independent director (w.e.f 17-08-2022)
Vijay Ronjan	Independent director
Paveet Dhaiya	Company Secretary (till 02-08-2022)
Sonia Rakesh Thakur	Company Secretary (w.e.f 03-08-2022)

Transactions with the related parties during the year:

Particulars	Nature of transaction	As at	As at
		March 31, 2023	March 31, 2022
Morus Technologies Pte Ltd	Issue and allotment of equity share capital	5,936.88	15,212.14
	Foreign Loan received from Holding Company (ECB)	24,193.19	-
	Interest Payment on Foreign Loan	798.27	-
	Amount received for Expense Reimbursement incurred in PFY	10.60	-
	Expenses Incurred on behalf of Morus	-	10.60
EQX Analytics Private Limited	Lead Generation Expenses	3,103.38	-
	Loan Disbursements and Collections through Intermediary	4,486.88	211.65
	Employee costs and reimbursements-Infra Sharing Expenses Payable	33.61	18.54
	Employee costs and reimbursements-Infra Sharing Expenses Paid	18.54	-
Titanium Fortune Financial Services Private Limited	Loan Given	9,833.60	-
	Loan Payment Received Back	9,833.60	-
	Interest Income on Loan Given	32.40	-
	Loan Taken	1,348.00	-
	Loan Repaid	1,348.00	-
	Interest Payment on Loan Given	10.80	-
Stash Payments Private Limited	Reimbursement of Expenses	10.32	-

*The payment amounts mentioned above are inclusive of TDS but the same are made net of TDS



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AKARA CAPITAL ADVISORS PRIVATE LIMITED
Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

Transactions with the key management personnel during the year:

Particulars	Nature of transaction	As at	As at
		March 31, 2023	March 31, 2022
Shruti Aggarwal	Managerial remuneration	33.69	47.37
	Reimbursement of Expenses	9.60	13.84
		43.29	61.21
Tushar Aggarwal	Managerial remuneration	-	-
		-	-
Satish Chandra Sinha	Director Sitting	1.50	7.50
	Other Professional Fees	0.75	
Radhakrishnan Ramachandra Iyer	Managerial Remuneration	1.50	7.50
	Reimbursement of Expenses	15.00	7.50
		0.03	-
Vijay Jasuja	Directors sitting fees	9.00	-
	Reimbursement of Expenses	0.36	-
Vijay Ronjan	Directors sitting fees	9.00	-
		14.25	-
Paveet Dhaiya	Managerial remuneration	14.25	-
		0.69	2.04
Sonia Rakesh Thakur	Managerial remuneration	0.69	2.04
	Reimbursement of Expenses	11.17	-
		0.12	-
		11.29	-

Balance outstanding at year end

Name of related party	Nature	As at	As at
		March 31, 2023	March 31, 2022
Morus Technologies Pte Ltd	Foreign Loan received from Holding Company (ECB)	24,193.19	-
	Interest Payable on Foreign Loan	144.89	-
	Amount Receivable for Expense incurred on behalf of Morus		10.60
EQX Analytics Private Limited	Lead Generation Expenses Payable	-	-
	Loan Disbursements and Collections through Intermediary Receivable	1,846.89	2,314.81
	Employee costs and reimbursements-Infra Sharing Expenses Payable	33.61	18.54
Titanium Fortune Financial Services Private Limited	Interest on Loan Receivable	10.38	-
Stash Payments Private Limited	Amount Payable to Stash Payments Private Limited	-	10.32




AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

38. Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the Reserve Bank of India (RBI) of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period.

38.1 Capital management

The capital management objectives of the Company are:

- to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios
- to ensure the ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of debt less cash and bank balances as presented on the face of balance sheet.

Management assesses the capital requirements of the Company in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

38.2 Regulatory capital

As contained in RBI Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (hereinafter referred to as "RBI Master Directions"), the Company is required to maintain a capital ratio consisting of Tier I and Tier II capital not less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. Out of this, Tier I capital shall not be less than 10%. The BoDs regularly monitors the maintenance of prescribed levels of Capital Risk Adjusted Ratio (CRAR).

Capital Adequacy Ratio (CAR) and other key financial parameters as at 31 March 2023 of the Company are as under:

Capital Adequacy ratio - Tier I	34.66%
Capital Adequacy ratio - Tier II	-0.74%
	33.92%

39. Categories of financial instruments

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

As at March 31, 2023

	Fair value through P&L	Fair value through OCI	Amortised cost	Total
Financial Assets				
Cash and cash equivalents	-	-	17,737.13	17,737.13
Bank balances other than above	-	-	10,974.70	10,974.70
Trade Receivables	-	-	3,294.07	3,294.07
Loans	-	-	1,06,942.56	1,06,942.56
Investments	-	-	82.04	82.04
Other financial assets	-	-	982.41	982.41
Total financial assets	-	-	1,40,012.91	1,40,012.91
Financial liabilities				
Trade payables	-	-	513.66	513.66
Other payables	-	-	-	-
Debt Securities	-	-	66,236.50	66,236.50
Borrowings (Other than debt securities)	-	-	32,482.13	32,482.13
Other financial liabilities	-	-	639.43	639.43
Total financial liabilities	-	-	99,871.72	99,871.72



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

As at March 31, 2022

	Fair value through P&L	Fair value through OCI	Amortised cost	Total
Financial Assets				
Cash and cash equivalents	-	-	5,438.16	5,438.16
Bank balances other than above	-	-	219.80	219.80
Trade Receivable	-	-	2,324.31	2,324.31
Loans	-	-	51,516.28	51,516.28
Investments	-	-	-	-
Other financial assets	-	-	1,346.33	1,346.33
Total financial assets	-	-	60,844.88	60,844.88
Financial liabilities				
Trade payables	-	-	243.58	243.58
Other payables	-	-	-	-
Debt Securities	-	-	6,000.00	6,000.00
Borrowings (Other than debt securities)	-	-	27,741.99	27,741.99
Other financial liabilities	-	-	891.64	891.64
Total financial liabilities	-	-	34,877.21	34,877.21

40. Fair value measurement of financial assets and liabilities

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed out in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Particulars	Level	As at March 31, 2023		As at March 31, 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets					
Cash and bank balances	1	17,737.13	17,737.13	5,438.16	5,438.16
Bank balances other than above	1	10,974.70	10,974.70	219.80	219.80
Trade Receivables	3	3,294.07	3,294.07	2,324.31	2,324.31
Loans	3	1,06,942.56	1,06,942.56	51,516.28	51,516.28
Investments	3	82.04	82.04	-	-
Other financial assets	2	982.41	982.41	1,346.33	1,346.33
Total financial assets		1,40,012.91	1,40,012.91	60,844.88	60,844.88
Financial liabilities					
Trade payables	2	513.66	513.66	243.58	243.58
Other payables	2	-	-	-	-
Debt Securities	3	66,236.50	66,236.50	6,000.00	6,000.00
Borrowings (Other than debt securities)	3	32,482.13	32,482.13	27,741.99	27,741.99
Other financial liabilities	3	639.43	639.43	891.64	891.64
Total financial liabilities		99,871.72	99,871.72	34,877.21	34,877.21

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



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

41 Financial risk management**i) Risk Management**

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial company, the Company is exposed to risks that are

Risk	Exposure arising from	Measurement	Management
Credit risk	Loan receivables, Cash and bank	Expected loss analysis	Credit risk analysis, diversification of customers/asset
Liquidity risk	Borrowings and other liabilities	Rolling cash flow	Availability of committed credit lines and borrowing
Market risk- interest rate	non-current borrowings at variable	Sensitivity analysis	Change in interest rates

A) Credit risk

Credit risk arises from loans, cash and cash equivalents, bank balance other than cash and cash equivalents, investments and other financial assets. Credit risk is the risk
Credit risk arises from loans financing, cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as shown

Particulars	Balance as at March 31,2023	Balance as at March 31,2022
Loans	1,06,942.56	51,516.28
Investments	82.04	-
Trade Receivables	3,294.07	2,324.31
Cash and cash equivalents	17,737.13	5,438.16
Other bank balances	10,974.70	219.80
Other financials asset	982.41	1,346.33

The Company splits its exposure into smaller homogeneous portfolios, based on shared credit risk characteristics, as described below in the following order:

The credit risk management policy of the Company seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Maintain an appropriate credit administration and loan
- Establish metrics for portfolio monitoring
- Minimize losses due to defaults or untimely payments by borrowers
- Design appropriate credit risk mitigation techniques

Expected credit loss for loans

In order to mitigate the impact of credit risk in the future profitability, the Company makes reserves basis the expected credit loss (ECL) model for the outstanding loans
The below discussion describes the Company's approach for assessing impairment as stated in the significant accounting policies.

Expected credit loss measurement

In determining whether credit risk has increased significantly since initial recognition, the institution uses the days past due data and forecast information to assess deterioration in credit quality of a financial asset for all the portfolios. The Company considers its historical loss experience and adjusts this for current observable data. Ind AS 109 requires the use of macroeconomic factors.

Definition of default

The Company defines a financial instrument as in default, any borrower whose contractual payments are due for more than 90 days is termed as default, which is in line with RBI guidelines.



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023
(All amounts in Lakhs of ₹ unless otherwise stated)

- 47 The Company has any pending litigations filed by borrowers which would impact its financial position.
- 48 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 49 Loans or Advances in the nature of Loans to specified persons (promoters, directors, KMPs, related parties) that are repayable on demand or without specifying any terms or period of repayment has been listed

S.No.	Type of Borrower	As at March 31, 2023		As at March 31, 2022	
		Amount of loans or advances in the	Percentage to the total	Amount of loans or	Percentage to the
1.	Promoters	-	-	-	-
2.	Directors	-	-	-	-
3.	Key Management Personnel	-	-	-	-
4.	Related parties	10.38	0.01%	-	-

The related party loans as on 31st March 2023 is nil. The o/s balance only pertains to interest on such loans.

- 50 There were no disputed dues in respect of Goods and Services Tax and Income tax which have not been deposited.
- 51 The Code on Social Security 2020 has been notified in the Official Gazette on September 29, 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period in which said code becomes effective and the rules formed thereunder are published.
- 52 Figures for the previous year have been regrouped/re-classified to confirm to the figures of the current year.
- 53 The company does not possess any immovable property in the books. Hence there are no title deeds of immovable property held in the name of Company.
- 54 As the company does not possess any plant, property and equipment in the books. Hence revaluation of plant, property or equipment and right to use has not been revalued.
- 55 The company does not possess any capital work in progress during the year.
- 56 The company possess intangible assets under development amounting to Rs. 49.87 Lakhs (31-03-2022: Rs. 34.99 Lakhs) as disclosed in note no 1
- 57 No proceedings have been initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.
- 58 The company has sanctioned a working capital limit (WCDL) of Rs 2500 lakhs from financial institution on the basis of security of current assets i.e., book debts of the company and corporate guarantee by the holding company on 28th February 2023. Quarterly Returns/Statements, in respect of book debts have been filed by the company with the financial institution
- 59 The Company has timely repaid the installments due from Banks and Financial Institutions.
- 60 The Company has made reimbursement of Expenses of Rs 10.32 with Company which went in the process of struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.
- 61 The Company has no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- 62 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with Companies (Restriction on number of layers) Rules, 2017 during the year.
- 63 During the year, the Company has no Scheme of Arrangements approved by the Competent Authority to be implemented in the books of accounts.
- 64 During the year, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 65 During the year, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 66 There were no transactions of crypto currency during the year ended 31-03-2023.
- 67 There were no undisclosed income for the year ended 31-03-2023.
- 68 The above financial statements have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 29-05-2023



Sudhir Kumar Arora
Partner
Membership No: 080338
UDIN: 23080338BGUCZC8926

For and on behalf of the Board of Directors
Akara Capital Advisors Private Limited

Sirati Aggarwal
Sirati Aggarwal
Director
DIN: 06867269



Tushar Aggarwal
Tushar Aggarwal
Managing Director
DIN: 01587300

Smita Thakur
Smita Thakur
Company Secretary
M.No.: A40393



Place : Delhi
Date : 29-05-2023

Place : Delhi
Date : 29-05-2023

AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

Probability of Default ('PD')

PD is defined as the probability of whether the borrower will default on their obligation in the future. For assets which are in Stage 1, a 12-month PD is required. For Stage 2 a lifetime PD is required (equivalent to 12-month PD in the given case) while Stage 3 assets are considered to have a 100% PD. The loans have been segmented into three stages based on the risk profiles which reflect the general pattern of credit deterioration of a loan. The Company categories loans at the reporting date into stages based on the days past due ('DPD') status as under: -

Stage 1: Low credit risk, i.e. 0 to 30 days past due

Stage 2: Significant increase in credit risk, i.e. 31 to 90 days past due

Stage 3: Impaired assets, i.e. more than 90 days past due

The company considered other variables such as Gross Domestic Product, Core Inflation and PMI index, however all these factors were found to be an aggregate of

Loss Given Default ('LGD')

Loss given default (LGD) represents estimated financial loss the Company is likely to suffer in the event of default. LGD is calculated using recovery pattern and value of collateral (if applicable) in default accounts.

The company has added all costs incurred on actuals basis for recovery in all default cases to arrive at final LGD. The recovered amount in all default cases has been discounted for the weighted average of the number of days of default in all such cases to compute the final LGD.

Exposure at Default ('EAD')

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

The company has considered cross default criteria while computing EAD i.e. If any customer defaults on one active loan then the customer has been marked as default on other loan (if any) as well.

While computing EAD for stage 1 accounts, the company has considered 75% commitments as per FIRB guidelines which are contractual on undrawn lines as the same does not require any pre-approval at the time of disbursement. For stage 2 and 3 accounts, the Company has not considered any commitment on the undrawn lines for EAD as the policy does not allow for any disbursement in case of any overdue.

The ECL is computed as a product of PD, LGD and EAD.

Quantitative and qualitative factors considered along with quantification i.r.t loss rates

Impact of specific risk factors was taken into account while staging of accounts and computation of PD. The forecasted point in time (PIT) PDs have been estimated by establishing a link between through the cycle (TTC) PDs and macroeconomic variables i.e. growth rate prescribed by Index of Industrial Production ('IIP'). The macro-economic variables were regressed using a logical regression against systemic default ratio out of the impact of macro-economic variables on the system wide default rates.

As per the guidelines laid under the standard, the company has done probability weighted scenarios to arrive at the final ECL. These scenarios reflect a baseline, upturn and downturn in economic activity basis which ECL requirements could vary. The final ECL has subsequently been discounted.



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

Forward looking information incorporated in ECL models

The data source for macroeconomic variable is website of Ministry of Statistics and Programme Implementation, which has then been further forecasted using excel's
Credit risk exposure and impairment loss allowance

	As at March 31, 2023		As at March 31, 2022	
	Exposure	Impairment allowance	Exposure	Impairment allowance
Credit impaired loan assets (Default event triggered) (Stage 3)	4,301.41	1,505.49	2,066.90	46.96
Loan assets having significant increase in credit risk (Stage 2)	8,604.16	1,928.55	2,922.08	35.06
Other loan assets (Stage 1)	93,903.90	1,183.00	46,368.59	46.37
Total	1,06,809.47	4,617.04	51,357.57	128.39

An analysis of Expected credit loss rate* :

	As at March 31, 2023	As at March 31, 2022
Stage-1	1.26%	0.10%
Stage-2	22.41%	1.20%
Stage-3	35.00%	2.27%
Total	4.32%	0.25%

* Expected credit loss rate is computed ECL divided by EAD

Write off policy

Financial assets are written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when, as at the reporting date, financial asset is overdue for 12 months or more and the Company determines that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write off.

Any subsequent recoveries are credited to impairment on financial instrument on statement of profit and loss.

The Company has written off financial assets amounting to Rs 5584.70. Hence the ECL provision has been adjusted against it.

B) Liquidity risk

Liquidity risk arises as Company has contractual financial liabilities that is required to be serviced and redeemed as per committed timelines and in the business of lending where money is required for the disbursement and creation of financial assets to address the going concern of Company. Liquidity risk management is imperative to Company as this allows covering the core expenses, market investment / creation of financial assets, timely repayment of debt commitments and continuing with their operations.

Management of the Company monitors forecast of liquidity position and cash and cash equivalents on the basis of expected cash flows. The Asset Liability Management Policy aims to align market risk management with overall strategic objectives, articulate current interest rate view and determine pricing, mix and maturity profile of assets and liabilities. The asset liability management policy involves preparation and analysis of liquidity gap reports and ensuring preventive and corrective measures. It also addresses the interest rate risk by providing for duration gap analysis and control by providing limits to the gaps.

C) Market Risk

Market risk is the risk that the fair value or future cash flow of financial instrument will fluctuate due to changes in market variables such as interest rates, foreign exchange rates etc. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while maximising the return.

D) Foreign currency risk

There are un-hedged liability denominated in foreign currency with the Company as at March 31, 2023 of Rs 170.46 (Previous year ₹ Nil).



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AKARA CAPITAL ADVISORS PRIVATE LIMITED
Notes forming part of the Ind AS financial statements for the period ended March 31, 2023
(All amounts in Lakhs of ₹ unless otherwise stated)

42. Financial ratios

Ratio	Measurement unit	Numerator	Denominator	As at		Change	Remarks
				31 March 2023	31 March 2022		
Current ratio	Times	Current assets	Current liabilities	3.23	2.50	29%	Refer Note (a)
Debt-equity ratio	Times	Total debt [Non-current borrowings + Current borrowings]	Total equity	2.40	1.20	120%	Refer Note (b)
Debt service coverage ratio	Times	Earnings available for debt service [Profit/(loss) after tax + Depreciation and amortisation+impairment + finance cost+ loss on sale of property, plant and equipment]	Debt service (Interest and lease payments+ principal repayments)	1.63	1.43	14%	NA
Return on equity ratio	Percentage	Net profit after tax	Average shareholder's equity [(opening shareholder's equity + closing shareholder's equity) /2]	0.07	0.04	106%	Refer Note (c)
Inventory turnover ratio	Times	Costs of materials consumed+Purchases of stock-in-trade	Average inventories	NA	NA	NA	Refer Note (d)
Trade receivables turnover ratio	Times	Revenue from operations	[opening inventories + closing inventories] /2]	NA	NA	NA	Refer Note (e)
Trade payables turnover ratio	Times	Purchases + other expenses (excluding non cash expenses)	Average trade receivables [(opening trade receivables +closing trade receivables) /2]	NA	NA	NA	Refer Note (e)
Net capital turnover ratio	Times	Revenue from operations	Average trade payables [(opening trade payables +closing trade payables) /2]	NA	NA	NA	Refer Note (e)
Net profit ratio	Percentage	Net profit after tax	Working capital	0.25	0.18	43%	Refer Note (h)
Return on capital employed	Percentage	Earnings before interest and taxes (excluding interest on lease liabilities)	[Current assets - Current liabilities]	0.12	0.14	-11%	NA
Return on investment	Percentage	Interest income on bank deposits	Net worth + Total debt - Deferred tax asset	0.08	0.05	63%	Refer Note (f)
			Current and non-current bank deposits	0.02	0.03	-48%	Refer Note (g)

Remarks

- (a) There has been increase in Current assets(FDRS) as compared to Previous Financial Year.
 (b) The company has raised more debt as compared to Previous Financial Year.
 (c) With the increase in Business Operations there has been increase in profits as compared to Previous Financial Year.
 (d) As the company is involved in service sector, it possess nil inventory. Hence the inventory turnover ratio is NA.
 (e) The Company has not incurred credit sales or credit purchases during FY 22-23 and FY 21-22. Hence this ratio is not being computed.
 (f) With the increase in Business Operations there has been increase in profits as compared to Previous Financial Year.
 (g) There has been a significant increase in FDR in current Financial Year as compared to Previous Financial Year.
 (h) There has been increase in revenue as compared to previous year



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

Notes forming part of the Ind AS financial statements for the period ended March 31, 2023

(All amounts in Lakhs of ₹ unless otherwise stated)

43 Expenditure on Corporate Social Responsibility

Particulars	31-Mar-23	31-Mar-22
(a) Gross amount required to be spent	7.50	-
(b) Amount spent:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	6.28	-
(c) Shortfall at the end of the year	1.22	-
(d) Total of previous years shortfall	-	-
(e) Administrative expenses	-	-

Nature of CSR activities:

Social welfare activities such as free education for unprivileged children; adult education and job placements, protection, promotion & advancement of women, children, old-aged, handicapped, orphans and widows.

The company has transferred the amount remaining unspent in respect of other than ongoing projects, to a Special Account till the date of our report.

However, the time period for such transfer i.e., six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report.

44 Commitments and Contingencies

1) Claims against the Company not acknowledged as debts

	As at 31 March 2023	As at 31 March 2022
i) In respect of demands contested by the Company:		
-Legal cases in respect of compensation demanded by the customers/employees	15.00	-

Basis the management's assessment, the Company has not made any provision for the said amount, in anticipation of the impact not being significant on financial performance of the Company.

The above matters are subject to legal proceedings in the ordinary course of business. The legal proceedings when ultimately concluded will not, in the opinion of management, have a material effect on the result of operations or the financial position of the Company. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/forums.

Instances of fraudulent representations by the customers i.e. frauds are committed by unscrupulous borrowers. As confirmed by the management there are 49 such fraud cases amounting to Rs 171.02 lakhs which have been reported during the year ended 31st March 2023.

The Management also confirms that out of the above cases 7 of them amounting to Rs 7.55 lakhs of fraudulent borrowers have been reported to RBI and they are in process of reporting the remaining frauds to RBI.

We have also come across instances of employee frauds in collusion with vendors amounting to Rs 112.16 lakhs. The company has lodged a complaint against them for cheating. Such complaint culminated in the registration of an FIR.

45 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:-

Particulars	As at	
	March 31, 2023	March 31, 2022
(a) The principal amount remaining unpaid to any supplier as at the end of the year;	39.68	71.50
(b) The interest due on principal amount remaining unpaid to any supplier as at the end of the year;	-	-
(c) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year;	-	-
(d) 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;	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the year; and	-	1.79
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act.	-	-

46 Disclosure in compliance with amendment in Schedule III (Division III) to the companies act, 2013 dated 24th March 2021

Particulars	Computation	As at
		March 31, 2023
(a) Capital to risk-weighted assets ratio (CRAR)	Total Net owned funds / Adjusted value of funded risk assets on balance sheet	33.92%
(b) Financial Assets to Total Assets	Total Financial Assets/ Total Assets	74.60%
(c) Financial Income to Total Income	Total Financial Income/Total Income	98.26%



Akara Capital Advisors Private Limited
Notes to standalone financial statements for the year ended 31 March 2023
CIN No.: - U74110DL2016PTC290970

1. Corporate Information

Akara Capital Advisors Private Limited ('the Company') is a company domiciled in India, with its registered office situated at 60, Third Floor, Arjun Nagar Kotla Mubarakpur, Delhi-110003. The company was registered as a Non-Deposit taking Non-Banking Financial Company under section 45IA of the Reserve Bank of India (RBI) Act 1934.

The Authorized Share Capital of the company is Rs. 40,000.00 divided into 40,00,00,000 ordinary equity shares of Rs. 10/- carrying one voting right per shares at all times. The Subscribed Share Capital of the company is Rs. 27,055.93 divided into 2,70,55,93,31 ordinary equity shares of Rs. 10/- carrying one voting rights per shares at all times.

The company is a wholly owned subsidiary of Morus Technologies Pte Ltd having a shareholding of Rs. 27,055.92.00 in the entire share capital of Akara Capital Advisors Private Limited.

2. Basis of preparation of standalone financial statements

(i) Statement of compliance

These standalone financial statements ('financial statements') have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 29th May 2023.

Details of the Company's accounting policies are included in Note 3.

(ii) Functional and presentation currency

These standalone financial statements are prepared in INR lakhs, which is the Company's functional and presentation currency. All amounts have been rounded-off to the nearest lakhs and two decimals thereof except share data and per share data, unless otherwise stated.

(iii) Basis of measurement

These standalone financial statements have been prepared on the historical cost basis, except for the following items:

Items	Measurement basis
Net defined benefit (asset)/ liability	Present value of defined benefit obligations
Other financial assets and liabilities	Amortised cost

(iv) Amended Accounting Standards (Ind AS) and interpretations effective during the year

a. Ind AS 109 Financial Instruments; Ind AS 107 Financial Instruments: Disclosures

The amendment to Ind AS 109, provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

The amendment to Ind AS 107, clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform:

- (i) the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;
- (ii) the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition;
- (iii) the instruments exposed to benchmark reform disaggregated by significant interest rate benchmark along with qualitative information about the financial instruments that are yet to transition to alternative benchmark rate;
- (iv) changes to entity's risk management strategy.

The amendments introduced a similar practical expedient in Ind AS 116. Accordingly, while accounting for lease modification i.e. remeasuring the lease liability, in case this is required by interest rate benchmark reform, the lessee will use a revised discount rate that reflects the changes in the interest rate.

These amendments did not have any material impact on the financial statements of the Company.



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Akara Capital Advisors Private Limited
Notes to standalone financial statements for the year ended 31 March 2023
CIN No.: - U74110DL2016PTC290970

b. Amendments consequent to issue of Conceptual Framework for Financial reporting under Ind AS (Conceptual Framework)

- (i) Ind AS 102 Share Based Payments - Amended the definition of 'liabilities' to 'a present obligation of the entity to transfer an economic resource as a result of past events'.
- (ii) Ind AS 103 Business Combinations - The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definitions of an asset and a liability given in the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards rather than the Conceptual Framework.
- (iii) Ind AS 114 Regulatory Deferral Accounts - The amendment added a footnote against the term 'reliable' used in the Ind AS 114. The footnote clarifies that term 'faithful representation' used in the Conceptual Framework encompasses the main characteristics that the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards called 'reliability'. However, for the purpose of this Ind AS, the term 'reliable' would be based on the requirements of Ind AS 8.
- (iv) Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - The MCA clarified that the definition of term 'liability' in this Ind AS is not being revised following the revision of the definition of liability in the Conceptual Framework.
- (v) Ind AS 38 Intangible Assets - The MCA clarified that the definition of an 'asset' in this Ind AS is not being revised following the revision of the definition of asset in the Conceptual Framework.
- (vi) Ind AS 1 Presentation of Financial Statements; Ind AS 8 Accounting policies, Changes in Accounting Estimates and Errors and Ind AS 34 Interim Financial Reporting - The reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards has been substituted with reference to the Conceptual Framework.

The above amendments did not have any material impact on the financial statements of the Company.

(v) Use of estimates and judgements

The preparation of these financial statements in conformity with recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses as well as disclosures. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods prospectively.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amount recognised in the financial statements pertains to :

a) Useful lives and recoverable amount of property, plant and equipment and intangible assets:

The estimated useful lives and recoverable amounts of property, plant and equipment and intangible assets are based on estimates and assumptions regarding the expected market outlook, expected future cash flows, growth rates, obsolescence, demand, competition, and known technological advances. The charge in respect of periodic depreciation/ amortisation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The Company reviews the useful lives and recoverable amounts of property, plant and equipment and intangible assets at the end of each reporting period.

b) Impairment assessment:

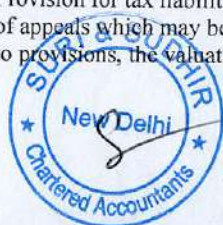
Property, plant and equipment, right-of-use assets and intangible assets that are subject to depreciation/ amortisation are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic, fair value and market conditions.

c) Income taxes:

Recognition of deferred tax assets/ liabilities involves making judgements and estimations about the availability of future taxable profit against which tax losses carried forward can be used. A deferred tax asset is recognised for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised.

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 realized.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets and therefore the tax charge in the Statement of Profit and Loss.



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d) Litigations

From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

e) Employee benefit obligations:

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making appropriate assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(vi) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

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

Further information about the assumptions made in measuring fair values is included in Note 46- financial instruments.

(vii) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

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

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

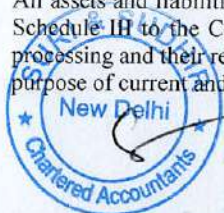
All other assets are classified as non-current.

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

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products/ services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle to be within 12 months for the purpose of current and non-current classification of assets and liabilities.



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Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. Significant accounting policies

A. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Gains or losses arising from the retirement or disposal of a property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the statement of profit and loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their useful lives mentioned in Schedule II to the Companies Act, 2013, using the Straight Line Method and is recognised in the statement of profit and loss.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

B. Intangible assets

Intangible assets are self generated and stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Amortization method, estimated useful life and residual value

Intangible assets are amortized at straight line method over the period of their life. The amortisation period, residual value and the amortisation method are reviewed at least at each balance sheet date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the statement of profit and loss.

C. Intangible Assets under Development

The intangible assets which are in the process of development are recognised as intangibles assets under development. Once developed they are recognised as intangible assets.

D. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

E. Financial instruments

(i) Recognition and initial measurement

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



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entity. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

(ii) Classification and subsequent measurement

Financial assets

On Initial recognition, a financial asset is classified as measured at:

- Amortised cost
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

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

A financial asset is measured at the amortised cost if both of the following conditions are met and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

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

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- a) the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- b) how the performance of the portfolio is evaluated and reported to the Company's management;
- c) the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- d) how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- e) the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.



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In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- a) contingent events that would change the amount or timing of cash flows;
- b) terms that may adjust the contractual coupon rate, including variable interest rate features;
- c) prepayment and extension feature; and
- d) terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

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

Financial assets at amortised cost

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

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

(iii) Derecognition

Financial asset

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

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

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liability

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this



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case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

(iv) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

F. Financial instrument classified as financial liability

Financial instrument which requires the Company to deliver cash or another financial asset, or otherwise to settle it in such a way that it would be a financial liability, and where Company does not have an unconditional right to avoid such obligation, are classified as financial liability. Such classification is in substance of the contractual arrangement and as per the definitions of the financial liability. Such financial instruments are recognized as financial liability at the full amount, without taking into account the timing of the contingent event. This is as per the rules of contingent settlement provisions. The equity component for such financial instruments will be nil.

Initial recognition of such financial instrument as financial liability will be at fair value and subsequent changes in fair value is recognized in profit or loss (i.e. FVTPL).

G. Impairment

(i) Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk for individual customers. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates and delays in realisations over the expected life of the trade receivable and is adjusted for forward looking estimates. At every balance sheet date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets

(ii) Impairment of non- financial assets

The Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

H. Provisions, contingent liabilities and contingent assets



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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 probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Contingent assets

Contingent assets are not recognised but disclosed in the standalone financial statements when an inflow of economic benefits is probable.

I. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for rendering of services in the ordinary course of the Company's activities. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, Revenue is presented net of returns, trade allowances, discounts, value added taxes, goods and service taxes (GST). Revenue is recognised as follows:

- I. Interest income on all loans upto 90 days is recognized under accrual basis. Beyond that or in case of any default on loan repayment interest income is recognized only when realized.
- II. Processing fees on loans are recognized on upfront basis in the books of IT Service Provider as platform fees.(The IT Service Company provides a customer interface with Akara Capital Advisors Private Limited).
- III. In the cases the loans falls due over 150 days, the principal outstanding and interest received as and when are transferred to the books of IT service provider.
- IV. Interest income on deposits with banks is recognized on an accrual basis taking into account the amount outstanding and rate applicable.
- V. Interest on term deposits has been accrued on the time proportion basis, using the underlying interest rates.
- VI. Dividend income is accounted when the right to receive dividend is established

All other income is recognized on an accrual basis.

The company has reported accrued interest income on loans amounting to **Rs 838.12 lakhs**. The Revenue is recognized for Interest Accrued but not received on Standard Asset up to 90 days till the period ended 31st March 2023.

J. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in statement of profit and loss.

K. Employee benefits

The Company's obligation towards various employee benefits has been recognised as follows:

(i) Short term employee benefits

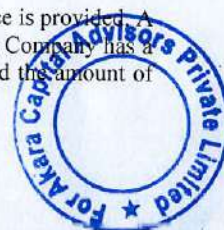
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., wages and salaries, short-term cash bonus, etc., if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of



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obligation can be estimated reliably.

(ii) Long term employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Provident fund, employee's state insurance scheme and labour welfare fund are defined contribution plans. These contributions are recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related services.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company has defined benefit plan, Gratuity.

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets, if any.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in other comprehensive income (OCI). The Company determines the net interest expense/(income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability, taking into account any changes in the net defined benefit liability 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 statement of profit and loss.

The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date.

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

(iii) Other long term employee benefits – compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the Projected Unit Credit Method. Re-measurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

L. Income tax

Income tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) 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 corresponding amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is



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probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

M. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payment or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

N. Earnings per share

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

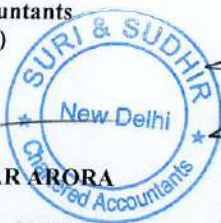
For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For SURI & SUDHIR
Chartered Accountants
(FRN: 000601N)

Sud



SUDHIR KUMAR ARORA
PARTNER
Membership No.: 080338
Place: NEW DELHI
Date: 29-05-2023
UDIN: 23080338BGUCZC8926



TUSHAR AGGARWAL
Director
DIN: 01587360



SHRUTI AGGARWAL
Director
DIN: 06867269

For and on behalf of the Board of Directors



SONIA THAKUR
Company Secretary
Membership No-A40393