PROTIUM BUSINESS SERVICES PRIVATE LIMITED

CIN: U72900MH2021PTC356128

Board of Directors:

Mr. Yogendra Singh	(DIN: 00709744)
Mr. Amit Vinodkumar Garg	(DIN: 08506756)
Mr. Souvik Sengupta	(DIN: 07716597)
Mr. Padmanabhan Balasubramanian	(DIN: 07519213)

Statutory Auditors:

M/s. Khandelwal Jain & Co.,
Chartered Accountants

Firm Registration No. 105049W

6-B&C, Pil Court, 6th Floor, 111, M. Karve Road,
Churchgate, Mumbai 400020

Registered Office:

Nirlon Knowledge Park (NKP) B6, 2nd Floor, Pahadi Village,
Off. Western Express Highway, Goregaon (E) Mumbi 400063

Boards' Report

To
The Members,

Your directors have pleasure in submitting **Third** Annual Report of the Company **Protium Business Services Private Limited** on the business and operations along with the audited financial statements for the financial year ended on March 31, 2023.

1. Financial summary or highlights/performance of the company:

The Company's financial performance for the period April 1, 2022 to March 31, 2023 is summarized as follows:

(Rs. in Lakhs)

Particulars	**For the year ended on March 31, 2023 (Rs.)**	**For the year ended on March 31, 2022 (Rs.)**
Revenue from Operations	2641.82	1046.46
Other Income	214.44	-
Total Revenue	**2856.26**	**1046.46**
Total Expenses	**2712.43**	**1102.16**
Profit/Loss Before Extraordinary Items & Tax	143.83	(55.70)
Less: Extraordinary Items	-	-
Less: Tax	-	-
Current Tax	10.31	-
Deferred Tax Charge / (Credit)	25.90	(28.86)
Profit/ (Loss) After Tax	**107.62**	**(26.84)**
Other Comprehensive Income	3.63	(2.24)
Total Comprehensive Income	**111.25**	**(29.08)**

2. Dividend:

The Board of Directors does not recommend any dividend for the financial year 2022-2023.

3. Transfer to Reserves:

During the year under review the company has transferred Rs. **107.62 Lakhs** to reserves & surplus.

4. **Brief description of the Company's working during the year/State of Company's affair:**

   The Company is primarily engaged in the business of outsourcing and origination of leads for lending opportunities to consumer or business lending.

   During the financial year ended March 31, 2023, the Company has earned revenue of Rs. 2641.82 Lakhs & earned profit of Rs. 107.62 Lakhs.

5. **Change in nature of business, if any:**

   During the Financial Year under review there was no change in the nature of the business carried out by the Company.

   The Company carried out the same business mentioned in the memorandum of association of the Company.

6. **Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:**

   The Company has amended its Memorandum of Association by incorporating new clause to the existing main object w.r.t. carrying on the business of acting in any capacity as corporate agents for various service industry including but not limited to financial, insurance companies and to carry out all incidental & allied activities related thereto.

7. **Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:**

   No such orders have been passed in relation with your company.

8. **Details in respect of adequacy of internal financial controls with reference to the Financial Statements:**

   The Company has in place proper and adequate internal financial control systems commensurate with the size of the Company and nature of its business and ensures the reliability of financial reporting and the controls are operating effectively for ensuring the accuracy.

9. **Details of Subsidiary/Joint Ventures/Associate Companies:**

   The Company does not have subsidiaries and associates within the meaning of Section 2(87) and 2(6) respectively of the Companies Act, 2013 ("Act") as on March 31, 2023. The company has not entered into any joint venture during the year.

10. **Holding Company**

Protium Finance Limited is the Holding Company pursuant to Section 2(46) of the Act and holds 100% of the shareholding of the company.

11. **Deposits under Chapter V of the Companies Act, 2013:**

The Company has neither accepted nor renewed any deposits during the year under review which falls under the purview of Section 73 read with Chapter V of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

12. **Auditors and Auditors Report:**

a) **Statutory Auditors:**

The Board has received consent and eligibility certificate from **M/s. Khandelwal Jain & Co., Chartered Accountants** (Firm Registration No. 105049W) to be appointed as Statutory Auditors for a term of 5 year commencing from conclusion of 2nd Annual General Meeting till the conclusion of Annual General Meeting to be held in 2026-2027.

b) **Cost Auditors:**

The provisions of Section 148 of the Companies Act, 2013 are not applicable to your Company.

c) **Secretarial Audit:**

The provisions of Section 204 of the Companies Act, 2013 are not applicable to your Company.

d) **Internal Audit:**

The provisions of Section 138 of the Companies Act, 2013 are not applicable to your Company.

e) **Statutory Auditor's Report:**

The Auditor's Report for the year ended March 31, 2023 does not contain any qualification, reservation or adverse remark.

13. **Share Capital:**

During the period under review, the authorized share capital of the company has increased from Rs. 5,10,00,000 (Rupees Five Crores Ten Lacs Only) divided into 51,00,000 (Fifty One Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 7,60,00,000/- (Rupees Seven Crores Sixty Lacs Only) divided into 76,00,000 (Seventy-Six Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

a) **Issue of equity shares without any differential rights:**

The Company has issued Equity Shares by way of right issues as per the details mentioned as follows:

Sr. No.	Date of Allotment	Number of shares	Name of Allottees
1.	July 18, 2022	25,00,000	Protium Finance Limited (Erstwhile Growth Source Financial Technologies Limited) (Erstwhile Growth Source Financial Technologies Private Limited)

b) **Issue of equity shares with differential rights:**

The Company has not issued equity shares with differential rights during the financial year and hence the disclosure requirements in this connection will not apply to the Company accordingly.

c) **Issue of sweat equity shares:**

During the financial year ended on March 31, 2023, no sweat equity shares were issued by the Company.

d) **Issue of employee stock options:**

During the financial year ended on March 31, 2023, no Employee Stock Options were issued by the Company.

e) **Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees:**

Not applicable on your company.

14. **Annual return:**

The Company doesn't have website and therefore, the web link for Annual Return as required under Section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014 has not been provided.

15. Conservation of energy and technology absorption:

I. Conservation of Energy

Since the Company is not an energy intensive industry, the particulars as prescribed under Section 134(3)(m) read with sub-rule 3 or rule 8 of Companies (Accounts) Rules, 2014, are not set out in this Report of Board of Directors, Nevertheless, the Company is taking adequate steps to conserve and minimize the use of energy wherever it is possible.

II. Technology Absorption

a. The efforts made towards technology absorption: Not applicable in view of the nature of activities carried on by the Company.

b. Benefits derived like product improvement, cost reduction, product development or import substitution: Not applicable

c. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable.

d. Expenditure incurred on Research and Development: The Company has not obtained any technology from outside parties and not entered into any technical collaboration agreement with any party from abroad. Company has not incurred any expenditure on research and development.

16. Foreign exchange earnings and outgo:

During the year under review Company has not entered into any transactions involving foreign exchange: -

Foreign exchange earnings and outgo	2022-23 (In Rs.)	2021-22 (In Rs.)
a. Foreign exchange earnings	-	-
b. CIF Value of imports	-	-
c. Expenditure in foreign currency	-	-

17. Directors:

Following is the composition of Board of Directors as on March 31, 2023:

Name	Designation	DIN
Mr. Yogendra Singh	Director	00709744
Mr. Amit Vinodkumar Garg	Director	08506756
Mr. Souvik Sengupta *	Director	07716597
Mr. Padmanabhan Balasubramanian	Director	07519213

* Resigned w.e.f. May 8, 2023

Pursuant to Section 152, Mr. Padmanabhan Balasubramanian (DIN: 07519213) is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offered himself for re-appointment.

a) Changes in Directors and Key Managerial Personnel:

There were no changes in the constitution of the Board of Directors of the Company.

b) Declaration by an Independent Director(s) and re- appointment, if any:

The provisions of Section 149 of the Act with respect to appointment of Independent Directors are not applicable to the company and therefore the requirement of obtaining the declaration from the Independent Director, is not applicable to the Company.

c) Statement on Opinion of Board of Directors With Regard To Integrity, Expertise and Experience of Independent Directors appointed

The provisions of Section 149 of the Companies Act, 2013 with respect to appointment of Independent Directors are not applicable to your Company. Therefore, the disclosure requirement of opinion of the Board of Directors with regards to integrity, expertise and experience of Independent Directors, is not applicable to the Company.

d) Formal Annual Evaluation:

Not applicable on your company.

18. **Number of meetings of the Board of Directors of the Company:**

Board Meeting details are given below

1. June 15, 2022
2. July 18, 2022
3. November 10, 2022
4. February 28,2023

19. **Particulars of loans, guarantees or investments under section 186:**

During the financial year under review the company has not entered into any transactions covered under section 186 of the Companies Act, 2013.

20. **Particulars of contracts or arrangements with related parties:**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

All related party transactions are mentioned in the notes to accounts which sets out related party disclosures.

The details of transactions as covered under Section 188 of the Companies Act, 2013 as entered with related parties have been attached in Form AOC-2 in **Annexure-I**.

21. **Particulars of Employees:**

There were no employees who have worked throughout the year or a part of the Financial Year 2022-23, getting remuneration in excess of the threshold mentioned under Section 197(12) of the Act read with rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

22. **Audit Committee**

The provisions of Section 177 of the Act read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 for Audit Committee are not applicable to the company.

23. **Nomination and Remuneration Committee**

The provisions of Section 178 of the Act for Nomination and Remuneration Committee and Stakeholder Relationship Committee are not applicable to the company.

24. **Company's Policy on Directors' Appointment and Remuneration including Criteria for determining Qualifications, Positive Attributes, Independence of a Director and other matters provided under Sub-Section (3) Of Section 178:**

The provisions of Section 178 of the Act read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 for Nomination and Remuneration Committee and Section 178(5) of the Act for Stakeholders Relationship Committee are not applicable to the company.

25. **Vigil Mechanism**

The provisions of Section 177(9) of the Companies Act, 2013 with respect to establishment of Vigil Mechanism is not applicable to the Company.

26. **Corporate Social Responsibility:**

The provisions of section 135 of the Companies Act, 2013 are not applicable to your Company.

27. **Director's Responsibility Statement:**

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2023 and of the profit and loss of the Company for the financial year ended March 31, 2023;

c) Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) Company has prepared the annual accounts on a 'going concern' basis;

e) Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. Statement Concerning Development and Implementation of Risk Management Policy of The Company:

The Company has adequate checks and balances, within the operating process for its functioning. The Company has put in place a policy which identifies the elements of risk associated with the business, if any, which in the opinion of Board may threaten the existence of the company. The Risk Management policy will assist the management to identify, evaluate business risks, if any. This policy seeks to identify, minimize any adverse impact on the business operations or mission and ensure that the company's operations are not hampered. Policy also provides measures for avoiding completely or mitigating the impact of risk associated with the business of the company.

29. Cost Records:

The maintenance of cost records as specified by the Central Government under Section 148 of the Companies Act, 2013, are not applicable to the Company.

30. Secretarial Standards:

The Directors have devised a proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. The company has complied with applicable Secretarial Standards.

31. Frauds Reported by Auditors:

There were no frauds reported by auditors under section 143(12) of the Companies Act, 2013 and rules made thereunder.

32. Details of Application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status

There was no application made and proceedings initiated /pending under the Insolvency and Bankruptcy Code, 2016.

33. Details of difference between the amount of valuation at the time of one-time settlement and the valuation done at the time of taking a loan from the banks or financial institutions along with the reasons thereof

The Company has not made any borrowings during the period under review.

34. **Disclosure under the sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013:**

Your directors state that the Company has in place anti-Sexual Harassment Policy & Internal Complaints Committee to define and prohibit any inappropriate behavior, as per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) read with the Sexual Harassment of Women (Prevention, Prohibition and Redressal) Rules 2013 (Rules). The Company provides a conducive work environment in terms of anti-sexual harassment and has sufficient checks to provide protection against sexual harassment of women at workplace. Your directors further state that there were no cases filed with the Company pursuant to the said Act.

35. **Acknowledgements:**

Your directors appreciate and value the contributions made by every member of the Company and extend their sincere appreciation for their assistance.

On behalf of the Board of Directors
For **Protium Business Services Private Limited**

Name: Amit Vinodkumar Garg	**Name:** Yogendra Singh
Designation: Director	**Designation:** Director
DIN: 08506756	**DIN:** 00709744

Date: 08th May, 2023
Place: Mumbai

Annexure-I

FORM- AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1. **Details of contracts or arrangements or transactions not at arm's length basis: NIL**

   a) Name(s) of the related party and nature of relationship:
   b) Nature of contracts/arrangements/transactions:
   c) Duration of the contracts / arrangements/transactions:
   d) Salient terms of the contracts or arrangements or transactions including the value, if any:
   e) Justification for entering into such contracts or arrangements or transactions:
   f) date(s) of approval by the Board:
   g) Amount paid as advances, if any:
   h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Name(s) of the related party and nature of relationship:	**Protium Finance Limited (Holding Company)**
Nature of contracts/arrangements/transactions:	**Payment made by Holding Company:** • Management fees paid (including Other reimbursements/subscription of equity/ cross charge for other expense) • Commission and fees income
Duration of the contracts / arrangements/transactions:	**Ongoing**
Salient terms of the contracts or arrangements or transactions including the value, if any:	**As per the agreement between the parties**

Date(s) of approval by the Board, if any:	**N.A.**
Amount paid as advances, if any:	**N.A.**

On behalf of the Board of Directors
For **Protium Business Services Private Limited**

Name: Amit Vinodkumar Garg
Designation: Director
DIN: 08506756

Name: Yogendra Singh
Designation: Director
DIN: 00709744

Date: 08th May, 2023
Place: Mumbai

KHANDELWAL JAIN & CO.
CHARTERED ACCOUNTANTS
Website: www.kjco.net • E-mail: kjco@kjco.net

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Fax : 4311 5050

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117, M. Karve Road, Churchgate,
Mumbai - 400 020.
Tel.: (+91-22) 4311 6000
Fax : 4311 6060

INDEPENDENT AUDITOR'S REPORT

To the Members of
Protium Business Services Private Limited

Report on the Audit of Financial Statements

1. Opinion

We have audited the accompanying Ind AS financial statements of **Protium Business Services Private Limited ('Company'),** which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Change in Equity, the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2021, as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

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3. Information Other than the Ind AS Financial Statements and Auditor's Report thereon

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

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

4. Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

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

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

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

5. Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 Ind AS financial statements.

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

a) Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

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

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d) Conclude on the appropriatenessof 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 reporttothe related disclosures in thefinancial statementsor, 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.

e) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether theInd AS financial statements represent the underlying transactions and events in a manner thatachieves 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 duringour audit.

We also provide those charged with governance with 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.

6. Report on Other Legal and Regulatory Requirements

a) As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act,2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

b) As required by Section 143(3) of the Act, we report that:

   i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   ii) Inour opinion, proper books of account as required by law have been kept by theCompany so far as it appears from our examination of those books;

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iii) TheBalance Sheet, the Statement of Profit and Loss including OtherComprehensive Income, Statement of Changes in Equity and theCash Flow Statement dealt with by this Report are in agreement with the books of account;

iv) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (India Accounting Standards) Rules, 2021, as amended;

v) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors isdisqualified as on March31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

vi) In accordance with paragraph 5 of the notification no. G.S.R. 583(E) dated June 13, 2017 issued by Government of India, the provisions of section 143(3)(i) is not applicable to the Company;

vii) With respect to the matter to be included in the Auditor's Report under section 197(16)of the Act, as amended.

In ouropinion and to the bestof our information and according to the explanations given to us,the provisions of section 197 are not applicable to the Company;

viii) According to the information and explanations given to us and based on our review of the books of accounts, there are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the Company;

ix) With respect to the other matters to be included in the Auditor's Report in accordance with Rule11 of theCompanies (Audit and Auditors) Rules, 2014, in our opinion and to the bestof our information and according to the explanations given to us:

a) The Company has disclosed the impact of the pending litigations on its financial position in its Ind AS financial statement (Refer Note 26of the Ind AS financial statement)

b) The Company did not have any long-term contracts including derivative contract forwhich there wereany material foreseeable losses.

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c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d) The management has represented that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(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;

e) The management has represented that to the best of its knowledge or belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company to or in any other 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;

f) Based on the audit procedures considered reasonable and appropriate in the circumstances carried out by us, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e) as provided under clause (d) and (e) above contain any material misstatements.

g) The Company has not declared or paid any dividend during the year.

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h) No comments have been offered as regards the maintenance of books of account using accounting software which has a feature of recording audit trail (edit log) facility under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 since the said requirements under proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 are not applicable to the Company for the financial year ended on March 31, 2023.

For KHANDELWAL JAIN & CO.
CHARTERED ACCOUNTANTS
ICAI Firm Registration No.: 105049W

ALPESH WAGHELA
PARTNER
Membership No. 142058

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

Place – Mumbai
Date –May8, 2023

UDIN –23142058BGYMXL1924

Annexure A to the Independent Auditor's Report

The annexure referred to in para 6(a) of the Independent Auditor's Report of even date to the members of **Protium Business Services Private Limited** ('the Company') on the financial statement for the year ended March 31, 2023, we report that;

i) In respect of Company's Property, Plant and Equipment:

a) The Company is maintaining proper records showing full particulars including quantitative details and situation of its intangible assets.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company does not have any Property, Plant and Equipment. Accordingly, sub-clause (b), (c), (d) and (e) of clause (i) of paragraph 3 of the order are not applicable to the Company.

ii)

a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not availed working capital limits from banks or financial institutions in excess of Rs. 5 crores. Accordingly, reporting under clause (ii) (b) of paragraph 3 of the Order is not applicable to the Company.

iii) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not made investments in, provided guarantee or security or granted any loans or advances in the nature of loans to Companies, Firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause(iii) of paragraph 3 of the Order is not applicable to the Company.

iv) According to the information and explanations given to us and based on the audit procedures performed by us, Company has not granted any loans, made investments, given any guarantees and securities. Accordingly, provisions of section 185 and 186 of the Act are not applicable.

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

v) According to the information and explanation given to us, the Company has not accepted any deposits which are covered under the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act. 2013.Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable to theCompany.

vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act for the business activities carried out by the Company. Accordingly, reporting under clause (vi) of paragraph 3 of the Order is not applicable to the Company.

vii) According to the information and explanations given to us, in respect of statutory dues:

a) TheCompany has been generally regular in depositing its undisputed statutory dues (withrespect to amounts deducted / accrued in the books of account) including Provident fund,Employees State insurance, income-tax, goods and services tax, cess and other material statutory dues (where applicable) to the appropriate authorities. There were no material undisputed dues payable, outstanding as on March 31,2023 for a period of more than six months from the date they became payable.

b) There are no amountsin respect of income tax, service tax, goods and service tax, duty of customs, duty of excise or value added tax that have not been deposited with the appropriate authorities on account of any dispute.

viii) According to the information and explanations given to us and based on the records of the Company examined by us and management representation which we have relied upon, there are no unrecorded transactions in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not availed any loans or borrowings from financial institutions, banks, government or any other lender. Accordingly, reporting under clause (ix) of paragraph 3 of the order is not applicable to the Company.

x)

a) According to the information and explanation given to us, during the year, the Company has not raised money by way of initial public offer or further public offer and hence, reporting under clause (x) (a) of paragraph 3 of the order is not applicable.

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

b) During the year, the Company has made private placement of equity shares during the year to its existing shareholder(viz. Holding Company) and according to the information, explanations given to us and on the basis of our examination of books of accounts and records of the Company, provisions of section42 and 62 of the Companies Act, 2013 have been complied by the Company. Also, in our opinion and according to the information and explanations given to us, the Company has utilized funds raised by way of private placement of equity shares for the purposes for which they were raised, though surplus funds which were not required for immediate utilization were invested in liquid assets.

xi)

a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

b) In our opinion and according to the information and explanations given to us, report under section 143(12) of the Companies Act, 2013 as prescribed under rule 13 of the Companies(Audit and Auditors) Rules, 2014 with Central Government has not been filed by the Auditors in form ADT-4.

c) According to the information and explanations given to us and representation given by management which we have relied upon, we report that no whistle-blower complaints were received during the year by the Company.

xii) According to the information and explanations given to us and on the basis of examination of books of account and records of the Company, we report that the Company is not a Nidhi Company within the meaning of Section 406 of the Act. Accordingly, reporting under clause (xii)(a) to (c) of paragraph 3 of the Order is not applicable to the Company.

xiii) As per the information and explanations given by the management and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with Section 177 and 188 of Act and the details have been disclosed in the financial statements, asrequired by the applicable accounting standards.

xiv)

a) As per the information and explanations given by the management and on the basis of our examination of the records of the Company, the Company has an internal audit system commensurate with the size and nature of its business;

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

b) The Company is not required to appoint an internal auditor in terms of Section 138 of the Companies Act, 2013 and hence, reporting under clause (xv)(b) of paragraph 3 of the Order is not applicable to the Company.

xv) As per the information and explanations given by the management and management representation which we have relied upon, the Company has not entered into any non-cash transaction with directors or persons connected with him during the year and hence the provision of Section 192 of the Act is not applicable to the Company.

xvi)

a) As per the information and explanations given by the management, Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

b) According to the information and explanations given to us, the Company has not conducted any Non-banking financial or Housing Finance activities. Accordingly, reporting under clause (xvi)(b) of paragraph 3 of the Order is not applicable to the Company.

c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 ('the Regulations') issued by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) of paragraph 3 of the Order is not applicable to the Company.

d) According to the information, explanation given to us and management representation which we have relied upon, there are no companies forming part of the promoter/promoter group of the Company which are Core Investment Companies (CICs), as defined in the Regulations.

xvii) As per the information and explanations given by the management and on the basis of our examination of the records of the Company, the Company has not incurred cash losses in the current financial year. However, it has incurred cash losses ofRs. 57.64lakhs in the immediately preceding financial year.

xviii) There is no resignation by the statutory auditor of the Company during the year.

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

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

xx) According to the information and explanations given to us, provisions of section 135 of the Companies Act, 2013 are not applicable to Company and hence, clause (xx)(a) and (b) of paragraph 3 of the order is not applicable to Company.

For KHANDELWAL JAIN & CO.
CHARTERED ACCOUNTANTS
ICAI Firm Registration No.: 105049W

KHANDELWAL JAIN & CO. ★ MUMBAI ★ CHARTERED ACCOUNTANT

ALPESH WAGHELA
PARTNER
Membership No. 142058

Place - Mumbai
Date - May8, 2023

Protium Business Services Private Limited

Balance Sheet as at March 31, 2023

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Intangible Assets	5	1.06	1.40
Deferred tax assets (net)	6	2.50	29.61
Total Non Current Assets		**3.56**	**31.01**
Current Assets			
Financial Assets			
Trade Receivables	7	447.96	-
Cash and Cash Equivalents	8	372.66	343.54
Other Financial assets	9	33.88	6.28
Current Tax Assets (Net)	10	55.86	33.44
Other Current Assets	11	-	258.90
Total Current Assets		**910.36**	**642.16**
TOTAL ASSETS		**913.92**	**673.17**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	760.00	510.00
Other Equity	13	15.00	(93.88)
Total Equity		**775.00**	**416.12**
LIABILITIES			
Non Current Liabilities			
Provisions	14	9.65	6.08
Total Non Current Liabilities		**9.65**	**6.08**
Current Liabilities			
Financial Liabilities			
Trade Payables			
(i) total outstanding dues of mircro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	15	1.38	148.42
Other current liabilities	16	127.17	102.05
Provisions	14	0.72	0.50
Total Current Liabilities		**129.27**	**250.97**
TOTAL EQUITY AND LIABILITIES		**913.92**	**673.17**
Significant accounting policies and notes to the Financial Statements.	1-40		

The notes referred above form an integral part of the financial statements

As per our report of even date attached

For Khandelwal Jain & Co
Chartered Accountants
ICAI Firm Registration Number : 105049W

Alpesh Waghela
Partner
Membership No : 142058

Place : Mumbai
Date : May 08, 2023

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Protium Business Services Private Limited

Amit Garg
Director
DIN: 08506756

Yogendra Singh
Director
DIN: 00709744

Place : Mumbai
Date : May 08, 2023

Protium Business Services Private Limited

Protium Business Services Private Limited

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

(₹ in lakhs)

Particulars	Notes	For the year ended March 31 , 2023	For the year ended March 31 , 2022
Revenue from Operations	17	2,641.82	1,046.46
Other Income	18	214.44	-
Total Income		**2,856.26**	**1,046.46**
Expenses			
Employee benefits expense	19	2,570.20	923.94
Depreciation and amortisation expenses	20	0.34	0.30
Other expenses	21	141.89	177.92
TOTAL Expenses		**2,712.43**	**1,102.16**
PROFIT/(LOSS) BEFORE TAX		**143.83**	**(55.70)**
Tax expenses:			
Current tax		10.31	-
Deferred tax	22	25.90	(28.86)
PROFIT/(LOSS) FOR THE YEAR		**107.62**	**(26.84)**
OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit plans		4.86	(2.99)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.23)	0.75
Subtotal (a)		**3.63**	**(2.24)**
(i) Items that will be reclassified to profit or loss			
- Remeasurement gain / (loss) on defined benefit plans		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (b)		-	-
Other Comprehensive Income (a + b)		**3.63**	**(2.24)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**111.25**	**(29.08)**
Earnings per equity share [nominal value of share: ₹10 (Previous year: ₹10)	23		
Basic and Diluted (₹)		1.57	(1.12)
Significant accounting policies and notes to the Financial Statements.	1-40		

The notes above form an integral part of the financial statements

As per our report of even date attached

For Khandelwal Jain & Co
Chartered Accountants
ICAI Firm Registration Number : 105049W

Alpesh Waghela
Partner
Membership No : 142058

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date : May 08, 2023

For and on behalf of the Board of Directors of
Protium Business Services Private Limited

Amit Garg
Director
DIN: 08506756

Yogendra Singh
Director
DIN: 00709744

Place : Mumbai
Date : May 08, 2023

Protium Business Services Private Limited

Protium Business Services Private Limited

Statement of Cashflow for the year ended March 31, 2023

(₹ in lakhs)

Particulars	For the year ended March 31 , 2023	For the year ended March 31, 2022
Cash flows from operating activities		
Profit before Tax	143.83	**(55.70)**
Adjustments:		
Depreciation and amortization	0.34	0.30
Provision for Gratuity	7.76	1.10
Provision for Compensated Absences	0.89	2.41
Operating cash flows before working capital changes	**152.82**	**(51.89)**
(Increase)/Decrease in other financial current assets	(27.60)	(6.28)
(Increase)/Decrease in other assets	27.11	-
(Increase)/Decrease in other current assets	258.90	(258.90)
(Increase)/Decrease in Trade Receivables	(447.96)	-
(Decrease)/Increase in Trade payables	(147.04)	95.79
(Decrease)/Increase in other current liabilities	25.12	96.08
Cash generated from operations	**(158.65)**	**(125.20)**
Income taxes paid	37.44	-
Net cash flow (used in) / generated from operating activities (A)	**(196.09)**	**(125.20)**
Cash flows from investing activities		
Purchase of intangible assets	-	(1.70)
Net cash (used in) / generated from investing activities (B)	-	**(1.70)**
Cash flows from financing activities		
Issuance of Equity Share Capital	250.00	500.00
Share issue expenses	(2.37)	(6.12)
Net cash (used in) / generated from financing activities (C)	**247.63**	**493.88**
Net (decrease) / increase in cash and cash equivalents (A + B + C)	**51.54**	**366.98**
Cash and cash equivalents at beginning of the year	376.98	10.00
Cash and cash equivalents at the end of the year	**428.52**	**376.98**
Cash and cash equivalents		
Cash on hand		-
Balances with banks in current accounts	372.66	343.54
	372.66	**343.54**
Significant accounting policies and notes to the Financial Statements.	1-40	

The above Standalone Statement of cash flow has been prepared under the indirect method set out in Ind-AS 7 - Statement of Cash Flow.

As per our report of even date attached

For Khandelwal Jain & Co
Chartered Accountants
ICAI Firm Registration Number : 105049W

Alpesh Waghela
Partner
Membership No : 142058

Place : Mumbai
Date : May 08, 2023

KHANDELWAL JAIN & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

For and on behalf of the Board of Directors of
Protium Business Services Private Limited

Amit Garg
Director
DIN: 08506756

Yogendra Singh
Director
DIN: 00709744

Place : Mumbai
Date : May 08, 2023

Protium Business Services Private Limited

Protium Business Services Private Limited

Financial Statements
Statement of Changes in Equity for the year ended March 31, 2023

A. Equity share capital (₹ in lakhs)

Particulars	Amount
Balance as at April 01, 2022	**510.00**
Changes in equity share capital during the year	250.00
Balance as at March 31, 2023	**760.00**
Balance as at April 01, 2021	**10.00**
Changes in equity share capital during the year	500.00
Balance as at March 31, 2022	**510.00**

B.Other equity (₹ in lakhs)

Particulars	Reserves and Surplus
	Retained earnings
Balance as at April 01, 2022	**(93.88)**
Profit for the year	**107.62**
Remeasurement of defined employee benefit plans	**3.63**
Other comprehensive income	-
Total Comprehensive Income for the year (net of tax)	-
Additions during the year	
-Share issue expenses	**(2.37)**
Utilized during the year	-
Balance as at March 31, 2023	**15.00**
Balance as at April 01, 2021	**(58.68)**
Profit for the year	**(26.84)**
Remeasurement of defined employee benefit plans	(2.24)
Other comprehensive income	-
Total Comprehensive Income for the year (net of tax)	-
Additions during the year	
-Share issue expenses	(6.12)
Utilized during the year	-
Balance as at March 31, 2022	**(93.88)**

Nature and purpose of Reserves

a. Retained Earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

As per our report of even date attached

For Khandelwal Jain & Co
Chartered Accountants
ICAI Firm Registration Number : 105049W

Alpesh Waghela
Partner
Membership No : 142058

KHANDELWAL JAIN & CO. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Place : Mumbai
Date : May 08, 2023

For and on behalf of the Board of Directors of
Protium Business Services Private Limited

Amit Garg
Director
DIN: 08506756

Yogendra Singh
Director
DIN: 00709744

Place : Mumbai
Date : May 08, 2023

Protium Business Services Private Limited

Protium Business Services Private Limited

Notes to the Financial Statements

1. Corporate information:

Protium Business Services Private Limited (the "Company") was incorporated on March 02, 2021 vide CIN no U72900MH2021PTC356128. The Company is primarily engaged in the business of sourcing and origination of leads for lending opportunities to consumer or business lending. The company has its registered office at Nirlon Knowledge Park (NKP) B6, 2nd Floor, Pahadi, Village, Off. Western Express Highway, Goregaon (E), Mumbai, Mumbai City, Maharashtra, India, 400063.

The audited financial statements for year ended March 31, 2023 were subject to review and approval of Board of Directors. On May 08, 2023 Board of directors of the company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section from time to time and notified under section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian accounting Standards) Rules 2015, as amended from time to time. The Financial Statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant accounting standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The financial statements have been prepared on a going concern basis, as the Management is satisfied that company shall be able to continue its business for future and no material uncertainity exists that may cast significant doubt on the going concern assumption. In making this assessment, the management has considered a wide range of information relating to present and future conditions, including the future projections, cash flows, and capital resources.

2. 1. Statement of compliances

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations which require a different treatment.

2. 2. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division II to Schedule III to the Act applicable for company complying with Ind AS. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Division II to Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally

enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- the normal course of business
- the event of default
- the event of insolvency of bankruptcy of the Company/ or its counterparties

3. Significant accounting policies

3.1 Effective interest rate (EIR):

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate a shorter period to the gross carrying amount of financial instrument.

The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial asset. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle including prepayments penalty interest and charges.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

3.2 Interest income:

The company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

KHANDELWAL JAIN & CO. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Protium Business Services Private Limited ★

3.3 Recognition of Other Income:

Revenue generated from the business transactions (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration to be received or receivable by the Company. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer;

Step 2: Identify performance obligations in the contract(s);

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract(s);

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

3.4 Fees and Commission Income:

Fees and commission income includes Fees and commission charges other than those that are an integral part of EIR . The company recognises the other fee and commission income under the terms and conditions of the relevant contract /agreement.

3.5 Financial Instruments

3.5.1 Date of recognition:

Financial Assets and financial liabilities with exception of loans and borrowings are initially recognised on the trade date, i.e. the date the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

3.5.2 Initial measurement of financial instruments:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.5.3 Day 1 profit and loss:

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain / loss on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

3.5.4 Classification & measurement categories of financial assets and liabilities:

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model determines whether the cash flows will be generated by collecting contractual cash flows, selling financial assets or by both.

The Company's business model is assessed at portfolio level and not at instrument level, and is based on observable factors such as:

(i) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;

(ii) The risks that affect the performance of the business model and, in particular, the way those risks are managed;

(iii) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Solely payment of principal and interest (SPPI) test Subsequent to the assessment to the relevant business model of the financial assets, the Company assesses the contractual terms of financial assets to identify whether the cash flow realised are towards solely payment of principal and interest.

Principal for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

Initial measurement of financial instruments The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value.

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (**SPPI**) on the principal amount outstanding. The changes in carrying value of financial assets is recognised in profit and loss account.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

KHANDELWAL JAIN & CO. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Protium Business Services ★ Private Limited

3.6 Financial assets and liabilities:

3.6.1 Amortized cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

3.6.2 Financial liabilities:

All financial liabilities are measured at amortised cost except loan commitments, financial guarantees, and derivative financial liabilities.

3.6.3 Financial assets and financial liabilities at fair value through profit or loss:

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis.

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or

- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or

- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

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

3.6.4 Loan commitment

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

3.6.5 Financial liabilities and equity instruments

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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

3.7 Reclassification of financial assets and liabilities:

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

3.8 Derecognition of financial Instruments:

3.8.1 Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financia asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either

- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumed a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

3.8.2 Derecognition of financial liabilities

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

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3.9 Impairment of financial assets:

The Company records allowance for expected credit losses for all financial assets, other than financial assets held at FVTPL, together with loan commitment and financial guarantee contracts. Equity instruments are not subject to impairment.

Simplified approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss (ECL) at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

General approach

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of ECL is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default (EAD). The assessment of the PD and LGD is based on historical data adjusted by forward-looking information. As for the EAD, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the customer, and other relevant forward-looking information.

Company categories its financial assets as follows:

Stage 1 assets:

Stage 1 assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL (resulting from default events possible within 12 months from reporting date) are recognised.

Stage 2 assets:

Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition. For these assets lifetime ECL (resulting from default events possible within 12 months from reporting date) are recognised.

Stage 3 assets:

Stage 3 Assets are considered credit-impaired and the Company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

For financial assets, ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an impairment loss or reversal of impairment loss in the profit and loss statement with a corresponding adjustment to their carrying amount through a loss allowance account.

The Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behaviour, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

3.10 Determination of fair value:

The Company measures financial instruments, such as, derivatives at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Fair value measurement under Ind AS 113 are categorised into level 1 , 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety ,which are as follows :

Level 1 Inputs:

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 Inputs:

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data for substantially the full term of the asset or liability.

Level 3 Inputs:

Those that include one or more unobservable input that is significant to the measurement as whole.

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For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

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Notes to the Financial Statements

3.11 Earnings per share:

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

3.12 Impairment of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors.If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment is reversed subject to a maximum carrying value of the asset before impairment.

3.13 Provisions and other contingent liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

3.14 Income tax expenses:

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.15.1 Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The company has opted for lower rate of tax under section 115BAA @ 22% plus surcharge of 10% and cess of 4% . Effective tax rate being 25.17%.

3.15.2 Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

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

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

3.15.3 Minimum Alternative Tax (MAT) credit

MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

Company has opted for lower tax rate under section 115BAA and hence MAT is not applicable.

3.15.4 Current and deferred tax for the year:

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

3.16 Goods and Service tax input credit

Goods and Services tax input credit is accounted for in the books for the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

3.17 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

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3.18 Property, plant and Equipment:

Recognition and measurement

Property, plant and equipment (PPE) is recognised when it is probable that the future economic benefits associated with it will flow to the company and the cost can be measured reliably.

PPE are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the year till such assets are ready to be put to use. Any trade discounts and rebates are deducted in arriving at the purchase price.Gains or losses arising from derecognition of such assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance expenses are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation

Depreciation is provided on Straight Line Method ('SLM'), which reflects the management's estimate of the useful life of the respective assets.

The useful lives and the method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

3.19 Intangible assets :

Recognition and measurement :

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition.

Amortisation

Intangible assets are amortised using the straight line method over a period of 5 years, which is the management's estimate of its useful life. The amortisation period and the amortisation method are reviewed at least as at each financial year end. 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.

4. Use of Estimates :-

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

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

4.1 Business model assessment :-

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company determines its business model at a level that reflects how financial assets as a whole and not an individual instrument performs; therefore the business model is developed basis a higher level of assessment at portfolio level rather than on granular instrument-level information and is based on observable factors such as:

(i) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.

(ii) The risks that affect the performance of the business model and, in particular, the way those risks are managed.

(iii) The expected frequency, value and timing of sales are also essential aspects of the Company's assessment.

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model. The Company reassesses it's business model at each reporting period to determine whether the business model has changed since the preceding period.

Based on this assessment and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

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4.2 Effective Interest Rate (EIR) Method:

The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.
This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument.

4.3 Impairment of Financial assets:

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

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

- PD calculation includes historical data, assumptions and expectations of future conditions
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of corelation between macroeconomic scenarios and, economic inputs, such as GDP levels and collateral values, and the effect on PDs, EAD and LGD
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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

4.4 Impairment of Non-Financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exist, the company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

4.5 Fair value of financial instruments:

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

4.6 Provisions, contingent liabilities and contingent assets:

Provisions are recognised when:

i. Company has a present obligation (legal or constructive) as a result of a past event; and
ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
iii. a reliable estimate can be made of the amount of the obligation.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
Long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as a finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
ii. a present obligation arising from past events, when no reliable estimate is possible.

Contingent liabilities are reviewed at each balance sheet date.

Contingent assets:

Contingent assets are not recognized in the financial statements. Contingent asset are disclosed where an inflow of economic benefits is probable.

4.7 Provisions for Income Taxes:

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

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Notes to the Financial Statements for the year ended March 31,2023

Note "5"
Intangible assets
As at March 31, 2023

(₹ in lakhs)

Description	Gross Block				Accumulated Depreciation				Net book value
	As at April 01, 2022	Additions	Disposal/ Adjustments	As at March 31, 2023	As at April 01, 2022	Additions	Disposal/ Adjustments	As at March 31, 2023	
Softwares	1.70	-	-	1.70	0.30	0.34	-	0.64	1.06
Total	**1.70**	-	-	**1.70**	**0.30**	**0.34**	-	**0.64**	**1.06**

As at March 31, 2022

(₹ in lakhs)

Description	Gross Block				Accumulated Depreciation				Net book value
	As at April 01, 2021	Additions	Disposal/ Adjustments	As at March 31, 2022	As at April 01, 2021	Additions	Disposal/ Adjustments	As at March 31, 2022	
Softwares	-	1.70	-	1.70	-	0.30	-	0.30	1.40
Total	-	**1.70**	-	**1.70**	-	**0.30**	-	**0.30**	**1.40**

Note "6"
Deferred tax assets (net)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets		
Business loss	-	27.89
Unabsorbed Depreciation	-	0.17
Gratuity and Leave Encashment	2.61	1.65
Total Deferred Tax Assets	**2.61**	**29.71**
Deferred tax liabilities		
Difference between tax and books written down value of fixed assets	(0.11)	(0.10)
Total Deferred Tax Liabilities	**(0.11)**	**(0.10)**
Total	**2.50**	**29.61**

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Notes to the Financial Statements for the year ended March 31,2023

Note "7"
Trade Receivables
As at year ended March 31, 2023

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good (unless otherwise stated)		
Outstanding for a period exceeding 6 months from the	-	-
Others	447.96	-
Total	**447.96**	-

Trade Receivables Ageing Schedule as on March 31, 2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	447.96	-	-	-	-	447.96
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	**447.96**	-	-	-	-	**447.96**

7.1 (i) No trade receivables are due from Directors or other officers of the Company either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member.
7.1 (ii) Trade receivable includes amount due from related parties Rs. 443.56 Lakhs.

Trade Receivables Ageing Schedule as on March 31, 2022

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables- considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- Credit Impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	-	-	-	-	-	-

7.2 (i) No trade receivables are due from Directors or other officers of the Company either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member.
7.2 (ii) No trade receivables are due from related parties.

Note "8"
Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks	-	-
- in current accounts and deposit accounts	372.66	343.54
Cash on hand	-	-
Total	**372.66**	**343.54**

Note "9"
Other Financial Assets

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Recoverable from employees	33.88	6.28
Total	**33.88**	**6.28**

Note "10"
Current Tax Assets (Net)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax (net of provision for tax)	55.86	33.44
Total	**55.86**	**33.44**

Note "11"
Other Current Assets

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Incentives paid in advance	-	258.90
Total	-	**258.90**

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Notes to the Financial Statements for the year ended March 31,2023

Note "12"

Equity Share Capital

(a) Details of authorised, issued and subscribed share capital

Particulars	As at March 31,2023		As at March 31, 2022	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Authorized Share Capital				
Equity Shares of ₹ 10 each	76,00,000	760.00	51,00,000	510.00
Issued, subscribed and fully paid-up				
Equity Shares of ₹ 10 each	76,00,000	760.00	51,00,000	510.00
Total	**76,00,000**	**760.00**	**51,00,000**	**510.00**

(b) Reconciliation of number of Equity Shares and amount outstanding

Particulars	As at March 31,2023		As at March 31, 2022	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Equity Shares				
At the beginning of the year	51,00,000	510.00	1,00,000	10.00
Add: Issued during the year	25,00,000	250.00	50,00,000	500.00
Less: Shares bought back during the year			-	-
At the end of the year	**76,00,000**	**760.00**	**51,00,000**	**510.00**

(c) Terms/rights attached to Equity Shares

The Company has single class of equity shares having a par value of ₹ 10 per equity share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held. Upon show of hands, every member present in person and holding any equity share capital therein, shall have one vote, in respect of such capital, on every resolution placed before the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.

(d) Details of Equity Shares held by Holding Company

Particulars	As at March 31,2023		As at March 31, 2022	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Protium Finance Limited*	76,00,000	760.00	51,00,000	510.00

*includes 1 equity share held by individual as nominee.

(e) Details of shareholder(s) holding more than 5% of equity shares in the company:

Particulars	As at March 31,2023		As at March 31, 2022	
	No. of Shares	% holding	No. of Shares	% holding
Protium Finance Limited*	76,00,000	100%	51,00,000	100%

*includes 1 equity share held by individual as nominee.

(f) Details of shareholding of promoters

Shares held by promoters as at March 31, 2023					
S.No.	Promoter Name	No. of Shares at end of the year	% of total shares	No. of Shares at beginning of the year	% Change during the period
1	Protium Finance Limited*	76,00,000	100.00%	51,00,000	49.02%
	Total	**76,00,000**	**100.00%**	**51,00,000**	

***includes 1 equity share held by individual as nominee.**

(g) There are no bonus shares issued or shares issued for consideration other than cash or shares bought back during the period ended March 31, 2023

Note "13"

Other Equity

(₹ in lakhs)

Particulars	As at March 31,2023	As at March 31, 2022
Retained Earnings		
Balance at the beginning of the year	(93.88)	(58.68)
Add: Profit/(Loss) transferred from the Statement of Profit and Loss	107.62	(26.84)
Add: Remeasurement benefit of defined benefit plans	3.63	(2.24)
Add: Share issue expenses	(2.37)	(6.12)
Less: Appropriations	-	-
Balance at the end of the year	**15.00**	**(93.88)**

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Protium Business Services Private Limited

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Notes to the Financial Statements for the year ended March 31,2023

Note "14"

Provisions

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Provision for employee benefits - Gratuity (Refer Note 26 (ii))	7.04	4.15
Provision for employee benefits - Leave Encashment (Refer Note 26 (i))	2.61	1.93
Total	**9.65**	**6.08**
Current		
Provision for employee benefits - Gratuity	0.03	0.02
Provision for employee benefits - Leave Encashment	0.69	0.48
Total	**0.72**	**0.50**

Note "15"

Trade payables

As at March 31, 2023

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
Due to micro and small enterprises	-	-
To others	**1.38**	148.42
Total	**1.38**	**148.42**

Trade payables Ageing Schedule as on March 31, 2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1.38	-	-	-	**1.38**
(iii)Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
Total	**1.38**	-	-	-	**1.38**

Trade payables ageing schedule as on March 31, 2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	148.42	-	-	-	**148.42**
(iii)Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
Total	**148.42**	-	-	-	**148.42**

The amounts due to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent of information available and compiled by the Company. This has been relied upon by the auditors.

Disclosure pertaining to Micro and Small Enterprises as at March 31, 2023 are as under:

(₹ in lakhs)

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

Note "16"

Other Current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Accrued Expenses	2.97	4.03
Statutory dues payable	124.20	98.02
Total	127.17	102.05

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Protium Business Services Private Limited

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Notes to the Financial Statements for the year ended March 31,2023

Note "17"

Revenue from operations (₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Facilitation Fees	1,535.08	377.58
DSA Commission	325.06	607.90
Commission Fees	781.68	60.98
Total	**2,641.82**	**1,046.46**

Note "18"

Other Income (₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on fixed deposits with banks	4.11	-
Distribution Income	208.66	-
Interest on Income Tax refund	1.67	-
Total	**214.44**	**-**

Note "19"

Employee benefits expenses (₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and bonus	2,376.37	806.92
Contribution to and provision:		
Provident Fund	141.81	60.90
Gratuity	7.77	0.80
Leave Encashment	0.89	2.41
ESIC	43.36	30.36
Staff welfare expenses	-	22.55
Total	**2,570.20**	**923.94**

Note "20"

Depreciation and amortisation expenses (₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Amortisation on intangible assets	0.34	0.30
Total	**0.34**	**0.30**

Note "21"

Other expenses (₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cross charge for common expense	68.77	51.70
Recruitment Referral	43.06	1.53
Legal and professional charges	22.76	16.49
Rates and Taxes	3.78	2.20
Auditor's Remuneration (refer details below)	2.50	2.00
Membership & Subscription	0.85	-
Advertisement and publicity	0.13	104.00
Bank Charges	0.04	-
Total	**141.89**	**177.92**

The details of Auditor's remuneration		
a) for statutory audit	2.00	1.50
b) for tax audit	0.50	0.50
c) for others	-	-
Total	**2.50**	**2.00**

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22) Reconciliation of total tax charge

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	10.31	-
Earlier Year Tax	-	-
Deferred tax	25.90	(28.86)
Total income tax expenses recognised in the current year	**36.21**	**(28.86)**
Income tax expense recognised in other comprehensive income	(1.23)	0.75
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	143.83	(55.70)
Income tax rate	25.17%	25.17%
Income tax expense	36.20	-
Tax effect of:		
Effect of Ind AS adjustments (net)	-	-
Unabsorbed Depreciation and Business Loss	28.06	(28.06)
Others	(28.04)	(0.80)
Income tax expense recognised in profit and loss	**36.21**	**(28.86)**

22.2) The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

a) For the year ended March 31, 2023

Deferred tax asset / (liability)	Opening balances as on April 01, 2022	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balances as on March 31, 2023
Impairment of financial instruments	-	-	-	-
Ind AS adjustment (effective interest rate on fee income and exp, EIS on assignment)	-	-	-	-
Changes in the Tax Rate	-	-	-	-
Disallowances under section 43B of the Income Tax Act, 1961	1.65	2.18	(1.23)	2.61
Business Loss	27.89	(27.89)	-	-
Unabsorbed Depreciation	0.17	(0.17)	-	-
Difference between books and tax written down value of fixed assets	(0.10)	(0.02)	-	(0.11)
Total	**29.61**	**(25.90)**	**(1.23)**	**2.50**

b) For the year ended March 31, 2022

Deferred tax asset / (liability)	Opening balances as on April 01, 2021	Recognised in profit or loss (Expense) / Income	Recognised in other comprehensive income	Closing balances as on March 31, 2022
Impairment of financial instruments	-	-	-	-
Ind AS adjustment (effective interest rate on fee income and exp, EIS on assignment)	-	-	-	-
Changes in the Tax Rate	-	-	-	-
Disallowances under section 43B of the Income Tax Act, 1961	-	0.90	0.75	1.65
Business Loss	-	27.89		27.89
Unabsorbed Depreciation and Business Loss	-	0.17	-	0.17
Difference between books and tax written down value of fixed assets	-	(0.10)	-	(0.10)
Total	-	**28.86**	**0.75**	**29.61**

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Notes to the Financial Statements for the year ended March 31,2023

Note "23"

Earnings per share

Basic and diluted EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

i. Profit / (Loss) attributable to Equity shareholders:

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit / (Loss) attributable to equity holders of the Company used in calculating basic earnings per share	107.62	(29.08)
Profit / (Loss) attributable to equity holders of the Company used in calculating diluted earnings per share	107.62	(29.08)

ii. Weighted average number of ordinary shares

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	68,53,425	25,93,151
Add: 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	68,53,425	25,93,151
Basic earnings per share (₹)	**1.57**	**(1.12)**
Diluted earnings per share (₹)	**1.57**	**(1.12)**

Protium Business Services Private Limited
Notes to the Financial Statements for the year ended March 31,2023

Note "24"
Related party disclosures

A. Names of related parties and nature of relationship:
Ultimate Holding Company:
Consilience Capital Management (Mauritius)

Holding Company:
Protium Finance Limited

Key Managerial Personnel ("KMP")

Name of the KMP	Designation
Mr. Souvik Sengupta	Director
Mr. Padmanabhan Balasubramanian	Director
Mr. Yogendra Singh	Director
Mr. Amit Garg	Director

B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of transaction	Holding Company		KMP	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the period ended September 30, 2022
Other reimbursements to holding company	253.97	1,294.68		
Subscription of equity shares	250.00	500.00	-	-
Cross charge for common expenses	68.77	51.70	-	
Fees received by holding on our behalf	1,535.08	445.54	-	
Commission and fees income	1,106.74	1,201.38	-	-

C. Summary of balance receivable from / payable to the above related are as follows:

Balance Outstanding	Holding Company	
	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Equity shares subscribed by Holding Company	760.00	510.00
2. Other Payables	-	148.81
3. Other Receivables	443.56	-

Note "25"

Segment reporting

The Company's main business is sourcing and origination of leads for lending opportunities to consumer or business lending. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the pronouncements of Ind AS 108 on 'Segment Reporting'.

Note "26"

Contingent Liability & Commitment:

(₹ in lakhs)

Particualrs	As at March 31, 2023	As at March 31, 2022
Contingent Liability		
Bank guarantees	-	-
Commitments		
Estimated amount of contracts remaining to be executed on capital account	-	-

Note:

1. The amount included above represents the best possible estimates arrived at on the basis of available information.

2. The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provisions (if any) required under any law / accounting standard for material foreseeable losses on such long-term contracts has been made in the books of account.

Note "27"

Employee Benefit:

In accordance terms of the Indian Accounting Standard 19 'Employee Benefits', the requisite disclosures are as follows:

i) Defined Contribution Plans:

The Company recognized charges of INR 141.81 lakhs (March 31, 2022: 60.90 lakh) for Provident fund contributions and INR 43.36 lakhs (March 31, 2022: 30.36 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

ii) Defined Benefit Gratuity Plans:

Every employee who will complete five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service. The Company recognized charges of INR 7.77 lakhs (March 31, 2022: INR 0.80 lakh) for Gratuity provision. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

Assumptions	For the period ended 31 March 2023	For the year ended 31 March 2022
Discount rate	7.30%	6.41%
Salary escalation rate	5.00%	5.00%
Rate of return on plan assets	NA	NA
Rate of Employee Turnover	For service 4 years and below 25.00% p.a. & For service 5 years and above 8.00% p.a	For service 4 years and below 25.00% p.a. & For service 5 years and above 8.00% p.a
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

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Protium Business Services Private Limited

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Notes to the Financial Statements for the year ended March 31,2023

Note "27"

Employee Benefit (Continued)

Table showing change in the present value of projected benefit obligation

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of Benefit obligation at the beginning of the year (Unfunded)	4.17	-
Interest cost	0.27	0.01
Current service cost	7.50	0.94
Liability transferred in/ Divestment		0.22
Actuarial (Gains) on Obligations - Due to Change in Demographic Assumptions		(0.00)
Actuarial (Gains) on Obligations - Due to Change in Financial Assumptions	(0.74)	(0.18)
Actuarial Losses on Obligations - Due to Experience	(4.12)	3.17
Benefits paid		-
Present value of obligation as at the end of the year (Unfunded)	**7.07**	**4.17**

Amount recognized in the Balance Sheet

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of benefit obligation at the end of the year	(7.07)	(4.17)
Fair value of plan assets at the end of the year	-	-
Funded Status (Deficit)	(7.07)	(4.17)
Net (Liability)/Asset Recognized in the Balance Sheet	**(7.07)**	**(4.17)**

Expenses recognized in the Statement of Profit and Loss

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	7.50	0.94
Net Interest cost	0.27	0.01
Amount included in employee benefit expenses	**7.77**	**0.95**

Expenses recognized in the Other comprehensive income (OCI)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Actuarial Losses on obligation for the year	(4.86)	2.99
Net Expense for the year recognized in OCI	**(4.86)**	**2.99**

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors

Balance sheet reconciliation

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening net liability	**4.17**	-
Expenses recognized in Statement of Profit and Loss	7.77	0.95
Expenses recognized in OCI	(4.86)	2.99
Net (Liability) Transfer Out	-	0.22
Net liability recognized in the Balance Sheet	**7.07**	**4.17**

KHANDELWAL JAIN & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Protium Business Services Private Limited ★

Note "27"
Employee Benefit (Continued)

Cash Flow Projection
Maturity analysis of the benefit payments: from the employer (₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Projected benefits payable in future years from the date of reporting		
1st Following Year	0.03	0.02
2nd Following Year	0.02	0.01
3rd Following Year	0.07	0.01
4th Following Year	0.41	0.04
5th Following Year	0.87	0.48
Sum of Years 6 to 10	3.96	2.18
Sum of Years 11 and above	13.81	7.84

Sensitivity analysis (₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Projected benefit obligation on current assumptions	**7.07**	**4.17**
Delta effect of +1% change in rate of discounting	(0.71)	(0.46)
Delta effect of -1% change in rate of discounting	0.84	0.55
Delta effect of +1% change in rate of salary increase	0.85	0.55
Delta effect of -1% change in rate of salary increase	(0.73)	(0.47)
Delta effect of +1% change in rate of employee turnover	(0.20)	(0.17)
Delta effect of -1% change in rate of employee turnover	0.18	0.16

Qualitative disclosures

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Company has to manage pay-out based on pay as you go basis from own funds.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Note "28"
Risk Management framework

While risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls.

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Risk Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Committee is responsible for managing risk decisions and monitoring risk levels and reports to the Board.

The Company's risks are generally categorized in the following risk types:
a) Credit risk
b) Liquitidy risk
c) Market risk
d) Operational risk

a) Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's Trade receivables and Loans.The Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In case the loans are to be restructured, similar credit assessment process is followed by the Company.

KHANDELWAL JAIN & CO. ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Protium Business Services Private Limited

Note "28"

Risk Management framework (continued)

b) Liquidity risk

Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. To limit this risk, management has arranged sufficient capital, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a monthly basis.

Maturity profile of financial assets and liabilties

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2023

(₹ in lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Asset						
Cash and Cash Equivalents	372.66	-	372.66	343.54	-	343.54
Trade Receivables	447.96	-	447.96	-	-	-
Other Financial assets	33.88	-	33.88	6.28	-	6.28
Total Asset	**854.50**	-	**854.50**	**349.82**	-	**349.82**
Financial liabilities						
Trade Payables	1.38	-	1.38	148.42	-	148.42
Other current liabilities	127.17	-	127.17	-	-	-
Total liabilities	**128.55**	-	**128.55**	**148.42**	-	**148.42**

c) Market risk

Market Risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices. The Company's exposure to market risk is a function of asset liability management and interest rate sensitivity assessment. The Company is exposed to interest rate risk and liquidity risk, if the same is not managed properly. The Company continuously monitors these risks and manages them through appropriate risk limits. The Asset Liability Management Committee ('ALCO') reviews market related trends and risks and adopts various strategies related to assets and liabilities, in line with the Company's risk management framework.

d) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The operational risks of the Company are managed through comprehensive internal control systems and procedures. Failure of managing operational risk might lead to legal / regulatory implications due to non-compliance and lead to financial loss due to control failures. While it is not practical to eliminate all the operational risk, the Company has put in place adequate control framework by way of segregation of duties, well defined process, staff training, maker and checker process, authorisation and clear reporting structure. The effectiveness of control framework is assessed by internal Risk Management committee on a periodic basis.

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Protium Business Services Private Limited

29. Fair Value measurement

29.1 Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs:Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

29.2 Valuation goverance framework

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However finance department is also responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

29.3 There have been no transfers between levels during the period ended March 31, 2023 and year ended March 31, 2022.

29.4 Fair value of financial instruments not measured at fair value:

The table below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non–financial liabilities.

(₹ in lakhs)

As at March 31, 2023	Carrying Value (Amortised cost)	Fair value			
		Level 1	Level 2	Level 3	Total
Financial Assets					
Cash and cash equivalents	372.66	-	-	372.66	372.66
Other financial assets	33.88	-	-	33.88	33.88
Total Financial Assets	406.54	-	-	406.54	406.54
Financial Liabilities					
Trade payables	1.38	-	-	1.38	1.38
Total Financial Liabilities	1.38	-	-	1.38	1.38

(₹ in lakhs)

As at March 31, 2022	Carrying Value (Amortised cost)	Fair value			
		Level 1	Level 2	Level 3	Total
Financial Assets					
Cash and cash equivalents	343.54	-	-	343.54	343.54
Other financial assets	6.28	-	-	6.28	6.28
Total Financial Assets	349.82	-	-	349.82	349.82
Financial Liabilities					
Trade payables	148.42	-	-	148.42	148.42
Total Financial Liabilities	148.42	-	-	148.42	148.42

29.5 Valuation Methodologies of Financial Instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

Short Term Financial Assets and Liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: Balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

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Notes to the Financial Statements for the year ended March 31,2023

30 Additional Regulatory Information

Ratios:-

Ratios	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance (in %)	Reason
(a) Current ratio (in times)	Current Assets	Current Liabilities	7.04	2.56	175.23%	Increase in current liabilities is attributable due to salary payable for the month of March 2023
(b) Debt-equity ratio (in times)	Debt	Equity (Shareholder's Equity)	NA	NA	-	
(c) Debt service coverage ratio (in times)	Earning available for Debt Service	Debt Services	NA	NA	-	
(d) Return on equity ratio (in %)	(Profit for the year - Preference Dividend)	Shareholder's Equity	14.35	(6.99)	305.41%	There is profit in the period ended March 31, 2023 as compare to loss of last year , on account of increase in revenue from operations and other income.
(e) Inventory turnover ratio (in times)	COGS	Average Inventory	NA	NA	-	
(f) Trade receivables turnover ratio (in times)	Revenue from operations	Average Trade receivables	11.79	NA	-	There were no trade receivables in last year.
(g) Trade payables turnover ratio (in times)	Net Credit Purchases	Average Trade Payables	NA	NA	-	
(h) Net capital turnover ratio (in times)	Revenue from operations	Average Working Capital	4.51	6.11	-26.22%	There was significant increase in average working capital, which has contributed to lower net capital turnover ratio.
(i) Net profit ratio (in %)	Profit for the year	Revenue from operations	4.21	(2.78)	251.54%	There was profit for the year ended March 31, 2023 as compared to loss of last year , on account of increase in revenue from operations and other income
(j) Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Tangible Networth + Total Debt + Deferred Tax Liability	18.64	(7.55)	346.91%	There was profit for the year ended March 31, 2023 as compared to loss in last year.
(k) Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	NA	NA	-	

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

Protium Business Services Private Limited

Protium Business Services Private Limited

Notes to the Financial Statements for the year ended March 31,2023

31 The provisions of Corporate social responsibility as per Section 135 of the Companies Act, 2013 (read with schedule VII thereof) is not applicable to the Company.

32 Expenditure in foreign currency

(₹ in lakhs)

Particulars	As on March 31, 2023	As on March 31, 2022
Expenditure in foreign currency	-	-

33 There is no amount due and payable to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year other than as disclosed. No interest has been paid/ is payable by the Company during/for the year to these 'Suppliers' other than as disclosed. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

34 The Company has not advanced or loaned or invested funds (either borrowed funds or any other sources or kind of funds) to any other persons or entities (Intermediaries) with the understanding that the Intermediary shall-
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The company has not received any fund from any persons or entities (Funding Party) with the understanding that the company shall
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

35 The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2023 and year ended March 31, 2022.

36 Events occurring after balance sheet date - There have been no events after the reporting date that require adjustment in these financial statements.

37 No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

38 The Company has not entered into any scheme of arrangement.

39 There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

40 Previous year figures have been re-grouped / re-arranged and re-classified wherever necessary, to conform to current year's classification.

As per our report of even date attached

For Khandelwal Jain & Co
Chartered Accountants
ICAI Firm Registration Number : 105049W

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

Alpesh Waghela
Partner
Membership No : 142058

Place : Mumbai
Date : May 08, 2023

For and on behalf of the Board of Directors of
Protium Business Services Private Limited

Amit Garg
Director
DIN: 08506756

Yogendra Singh
Director
DIN: 00709744

Place : Mumbai
Date : May 08, 2023

Protium Business Services Private Limited