



SG Finserve Limited

September 1, 2024

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

Scrip Code: 539199

Dear Sir/Madam,

Re: Annual Report for the Financial Year 2023-24

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the Financial Year 2023-24, being sent to those members by email whose email addresses are registered with the Company/Depository participant(s), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The Annual Report is also uploaded on the website of the Company at www.sgfinserve.com.

This is for your kind reference and records.

Thanking you

Yours faithfully

For SG Finserve Limited

RITU
NAGPAL

Digitally signed by
RITU NAGPAL
Date: 2024.09.01
10:17:35 +05'30'

Ritu Nagpal

Company Secretary

M. No.:- A38318

Encl: a/a

SG Finserve Limited (Formerly known as Moongipa Securities Limited)

(CIN: L64990DL1994PLC057941)

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

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

E-mail: info@sgfinserve.com, Website: www.sgfinserve.com



SG FINSERVE

Converting constraints into opportunities



ACCELERATING THE
WHEELS OF
TRADE

BETWEEN THE COVERS

CORPORATE OVERVIEW

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A nation defined by its diversity and dynamism, is rapidly emerging as a global economic powerhouse. This is driven by an unrelenting spirit of enterprise and innovation.

WITH EACH SECTOR REACHING NEW HEIGHTS EVERY DAY
INDIA'S GROWTH STORY UNFOLDS.

IGNITING INDIA'S GROWTH ENGINE

India stands on the cusp of a new era, where its economic landscape is being reshaped by...

- Rapid industrialisation
- Expanding trade
- Rise in domestic consumption
- Increase in Exports

But what powers this momentum?

At the heart of this transformation lies a robust and well-oiled supply chain. One that can keep pace with the ambitions of a nation on the rise.

WHY A WELL-OILED SUPPLY CHAIN MATTERS?

Why does India need a powerful and efficient supply chain?

Because it is the backbone of economic growth.

Economic growth isn't just about production; it's about creating a seamless flow from manufacturing to market.

As India's industries scale new heights, the need for a robust supply chain becomes paramount. This network ensures that goods reach consumers swiftly, domestic consumption rises, and exports flourish- all of which are critical for the nation's prosperity.

SG Finserve recognises this need and strengthens the backbone of progress by ensuring that the supply chain is well-funded and resilient.



INDIA EXPORTS TO **115** OUT OF 238 COUNTRIES!

HOW DO WE OIL THE SUPPLY CHAIN?

We are leveraging our...

- Expertise in supply chain financing
- Rich experience across diverse sectors
- Pan India presence
- Advanced technological solutions

To empower our clients, making it easier for them to access capital, manage finances, and keep the trade wheels turning smoothly and swiftly. In this way, SG Finserve is not just participating in the trade ecosystem-

we are **accelerating the wheels of trade!**

We have over...



LEVERAGING OUR EXPERTISE

SG Finserve is more than a financier- **we are a catalyst for trade.**

With experience as our foundation we are now shifting gears from focusing on relatively smaller enterprises, to focussing on the big leagues. We are the key financial player for industry giants like:

ArcelorMittal, Adani Copper, Tata Motors, Vedanta, JSW, MG Motors, APL Apollo

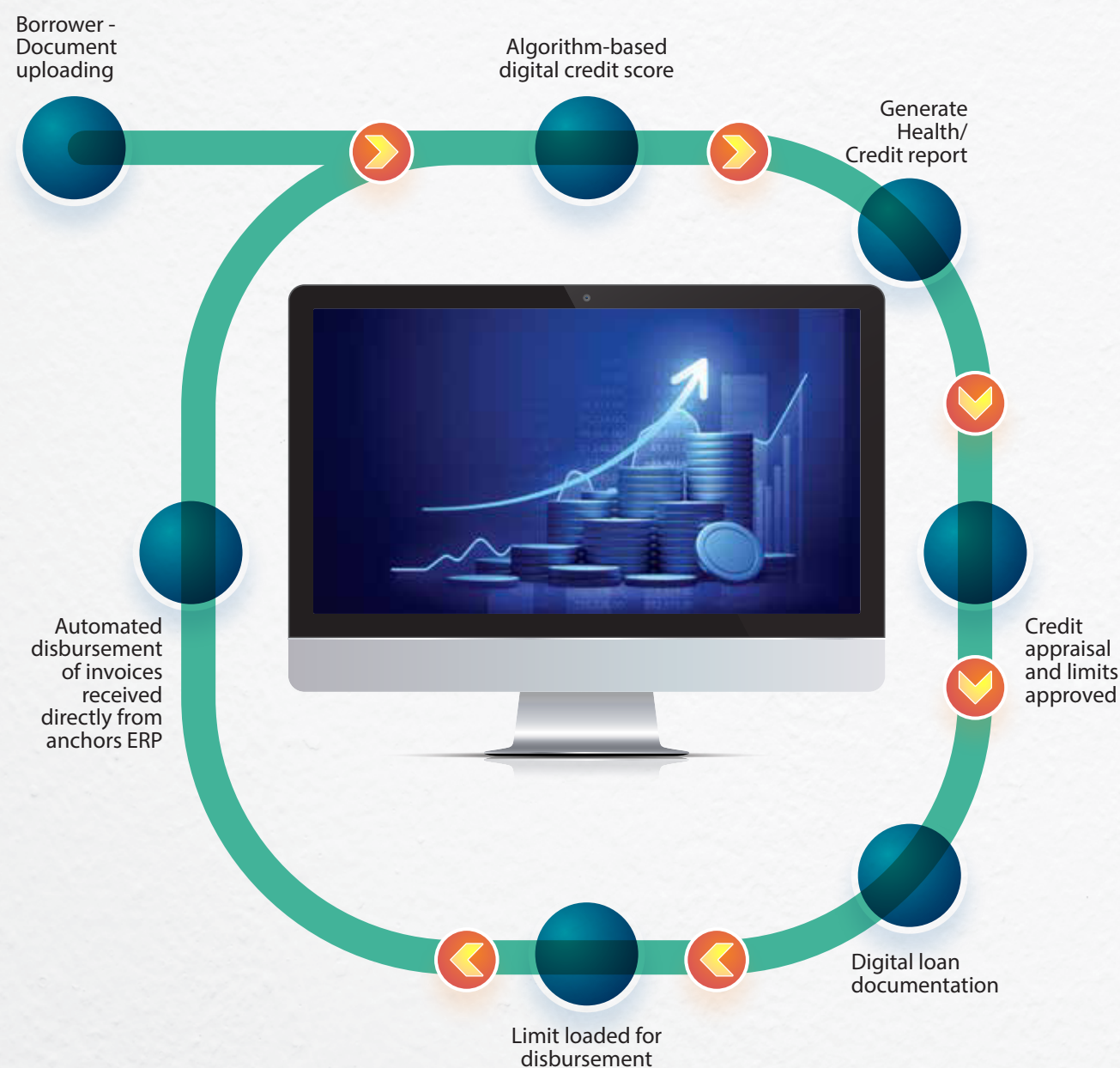
The transition isn't just about bigger numbers; it's about deeper impact-

- Working in a larger ecosystem
- Working with more dealers and distributors
- Greater reach
- Ever-expanding loan book

WHAT KEEPS THEM ANCHORED TO US?

Our advanced technological capabilities!

We are a 100% Digital platform



In an industry where speed, efficiency, and reliability are paramount, SG Finserve has carved out a niche by not just meeting but exceeding the expectations of our clients through a suite of cutting-edge tech initiatives.

- Migration to a New System:** We executed a seamless migration from our old system to a new, more robust platform comprising Loan Origination System (LOS) and Loan Management System (LMS) on a SAAS platform. This upgrade was about aligning with the fast-paced demands of our clients while ensuring the utmost data security. The transition has empowered clients with more detailed reports, timely alerts for transactions, collections, due dates, and more
- In-House Credit Scoring Model:** We have developed an anchor-led parametric credit scoring model in-house, designed for quick and accurate assessments of borrowers. This initiative ensures the creation of a healthy loan book with minimal turnaround time
- Monitoring Tool for Borrower Health:** Recognising the importance of monitoring borrower health, we are in the final stages of completing a robust monitoring tool. This tool will provide ongoing assessments of borrower health, offering early warning signals to adjust exposures or call for an exit when necessary. Integrated with the GST portal, this tool will automatically generate monthly stock statements with various triggers and early warning signals. This tool is expected to launch in Q2FY25
- Revamped Customer Portal:** To further enhance client experience, we are revamping our customer portal. The new portal will provide tailor-made reports and ledgers that integrate seamlessly with clients' ERP systems, simplifying verification and updates. This enhancement will save time for borrowers during reconciliations by providing streamlined, minimal reports. The same data points will also be available on the upcoming customer app, which is nearing its go-live stage
- Customer App:** We are developing a customer app set to launch in Q2FY25. This app will provide clients with real-time access to essential data and updates, ensuring they remain connected and informed on the go
- E-Collect Integration:** In collaboration with three major banks- HDFC, Yes Bank, and Axis Bank - SG Finserve has enabled E-collect for the repayment of facilities. This integration ensures that funds against repayments are available within the same day through real-time RTGS/NEFT settlements. This capability not only enhances service standards but also provides clients with unparalleled speed and convenience

These technological innovations are not just tools- they are the driving force behind SG Finserve's ability to keep the wheels of trade turning.



A LITTLE ABOUT US

A One-stop solution

We are accelerating corporate growth and driving the economy.

SG Finserve has been a force in revolutionising Supply Chain Financing solutions. As an RBI-registered Non-Banking Finance Company (NBFC), we are dedicated to delivering inclusive business financing solutions that empower our channel

partners. From dealers and distributors to retailers, buyers, suppliers, and transporters, SGFL caters to a diverse array of Indian corporates.

We are based in Delhi NCR, with a vision to cover 'end-to-end' supply

chain. We have tirelessly worked over the last few years to build a solid customer base comprising of leading corporates all across India. Our solid team of 53 professional work unitedly towards achieving the Company's ambitious goals.

Our **Biggest Milestone** this year is that...

Our **Gross NPA** is

NIL

AWARDS & RECOGNITION

1

AWARDED BY HDFC BANK LIMITED



- Best Technology Adoption
- Best Corporate Cash Management Services

2

SMART NBFC AT NBFC & FINTECH CONCLAVE AWARDS 2023



3

BEST CFO OF THE YEAR AWARD



4

FINANCE TEAM GOT AWARDED THE GST DEPARTMENT RECOGNITION



WHAT DIRECTS US?



OUR VISION

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



OUR MISSION

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



ASTHA - OUR VALUES

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

ARJAVA means sincerity, straightness and non-hypocrisy

SATYA is honest at all times & under all circumstances

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

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

ASTEYA means non-stealing by nature

WHAT DO WE DO?

At SG Finserve, we specialise in supply chain financing for SME and MSMEs by partnering with large corporates, known as **Anchors**.

WHO ARE ANCHORS?

We call corporates who possess extensive vendor and distribution networks as Anchors. We want our anchors to grow further and for that we ensure seamless financial support. We offer financial assistance to their vendors and distribution partners, empowering them to grow and succeed.

OUR SERVICES

The supply chain is a complex network involving multiple stakeholders, each with unique challenges and funding requirements. Our services address the financial needs of every participant in the supply chain.

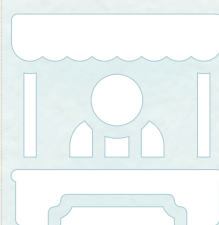
PRODUCTS & SOLUTIONS



Dealer
financing



Retail
financing



Vendor
financing



Transporter
financing

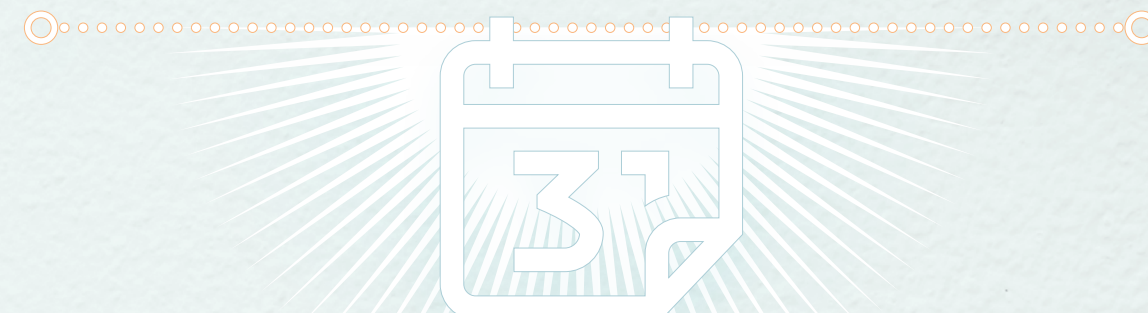
PLATFORM



**ONE-STOP SOLUTION
IN THE FORM OF
SG FINSERVE LTD.**

We propose to the financing needs of all the parties involved in entire supply chain.

YEAR IN A NUTSHELL



35

Anchors

458

Borrowers

17,450

Gross Disbursement
(INR crore)

698

Loan Book added
(INR crore)

126

Net Interest Income
(INR crore)

190

Operating Income
(INR crore)

105

Profit Before Tax
(INR crore)

5.5

Net Interest
Margin (%)

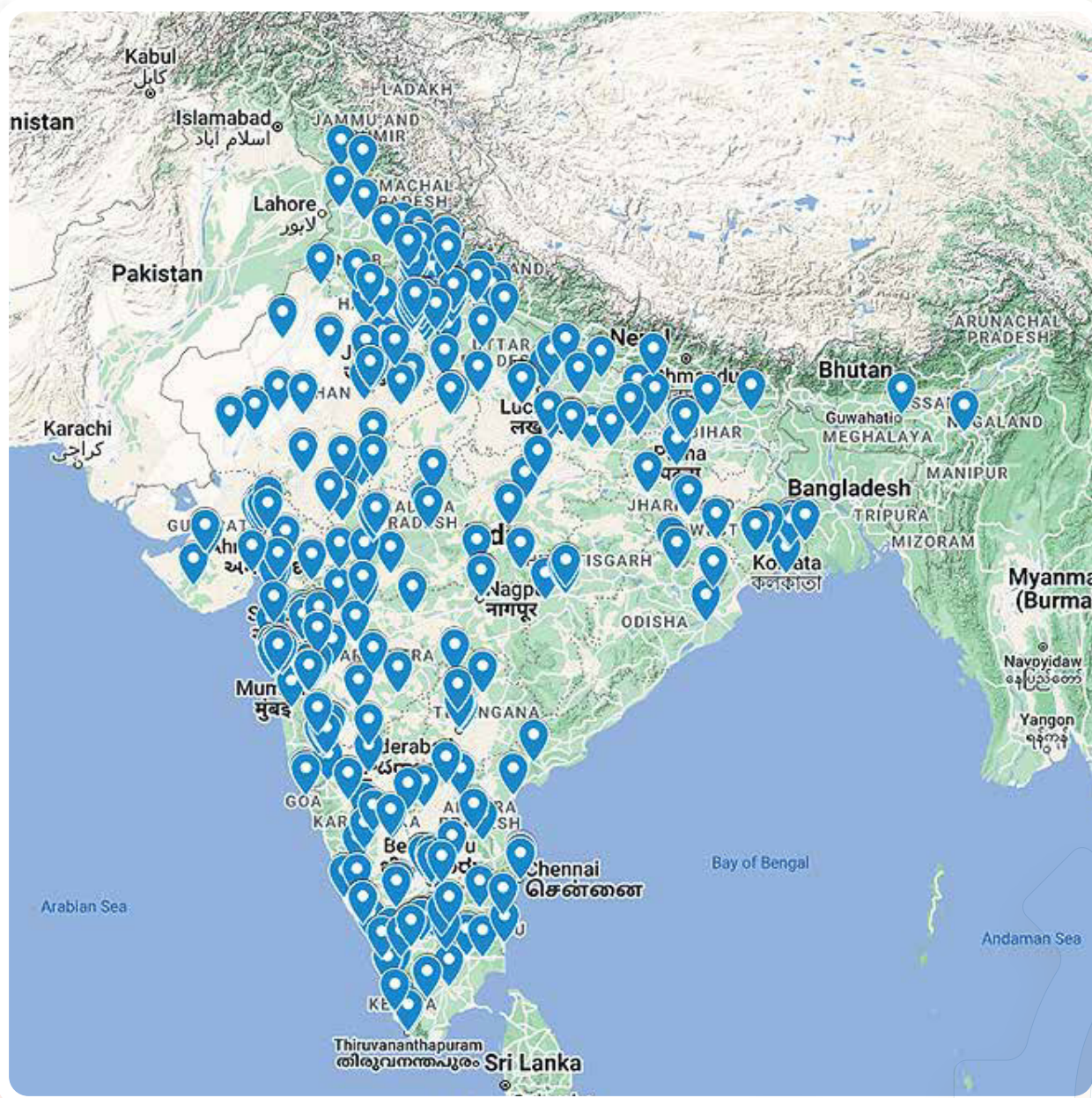


OUR PRESENCE

We are spread **all across India...**



OUR DEALERS / DISTRIBUTORS / BORROWS ARE SPREAD ACROSS THE COUNTRY



HOW DOES ALL OF THIS IMPACT OUR STAKEHOLDERS?

SG Finserve's innovative products and solutions drive positive impacts across our stakeholder ecosystem. Our partnerships with large corporates streamline supply chain operations,

reducing bottlenecks and fostering robust business growth. Our non-collateral financing options empower vendors and distributors, ensuring a more resilient and dynamic market

environment. Through these efforts, we not only support individual businesses but also contribute to the overall health and vitality of the economy.



The vendor base /distribution network can deliver / take delivery of materials with ease

Corporates need not carry excess inventory at both ends (raw material or finished good); optimising their working capital cycle and cost

Since our receivables are covered through our anchor partners, bankers are confident of their assets

We are fuelling The growth for India's MSME Sector and India Inc.

Anchors need not extend extensive Credit Periods. They can operate on a Cash & Carry model optimising cash cycle and pushing sales

MSMEs get access to Products to catalyze their Business/ Sales

Our receivables are comforted by our anchor partners with Stop Supply Confirmations, boosting confidence of our Bankers

AA
(positive) RATING FOR LONG-TERM DEBT BY CRISIL



A1+ RATING FOR SHORT-TERM DEBT & COMMERCIAL PAPER BY CRISIL

OUR BUSINESS PARTNERS

adani
India's leading integrated business conglomerate

AM/NS INDIA
World's second largest manufacturer of steel and allied products

APL APOLLO
STEEL PIPES
India's largest structural steel tubes group

Kajaria
India's largest manufacturer of ceramic/vitrified tiles

oppo
Part of BBK Group and is one of the top consumer electronics manufacturers in India and globally

Redington
SEAMLESS PARTNERSHIPS
Second largest distributor of IT products in India

TATA MOTORS
One of the largest Indian Multinational leading vehicle manufacture

vedanta
transforming for good
Leading global natural resources and technology conglomerate

SG MART
ONE MART. INFINITE POSSIBILITIES

JINDAL
STEEL & POWER

balco

HINDUSTAN ZINC
Zinc & Silver of India

HINDUSTAN ZINC
Zinc & Silver of India

MG

BAJAJ
Bajaj Electricals Ltd.

kirloskar
Oil Engines

prayer

OUR COMPETITIVE EDGE



ONE-STOP SOLUTION

We cater to all ends of the supply chain, providing comprehensive financing solutions for dealers, retailers, vendors, and transporters. Our holistic approach ensures that every stakeholder can fund their operations effectively, driving growth for the supply chain, corporations, and the nation.



PAN-INDIA PRESENCE

Our services reach customers across the country, meeting the growing demand for financial services nationwide. We are currently present in fourteen locations across India, with plans for rapid expansion to further extend our reach.



PARTNERSHIPS WITH LEADING COMPANIES

We have established partnerships with major companies such as Tata Motors, Adani Group, ArcelorMittal, APL Apollo, Oppo, Jindal Steel and Power, Vedanata Group, JSW, MG Motors, Bajaj Electricals, etc. These companies rely on our financing solutions to maintain their extensive supply chains, ensuring timely product delivery and demonstrating our expertise and reliability in the industry.



RELIABLE FUNDING PARTNERS

As an RBI-registered entity, we have secured partnerships with top Indian banks and other non-banking financial companies to raise funds through working capital and term loans. Our strong liquidity foundation supports our ambitious growth plans.



FULLY DIGITAL PLATFORM

Our advanced IT solutions enhance our business operations, providing an exceptional customer experience. This digital approach allows us to scale efficiently, managing increased transactions accurately without significant cost increases.



STRONG MANAGEMENT TEAM

Our success is driven by our experienced and credible management team, which brings expertise to the Company. Their leadership has broadened our strategic perspective, contributing significantly to our growth and success.





STATEMENT FROM THE CEO'S DESK

IT IS WITH IMMENSE PRIDE THAT I PRESENT THE REMARKABLE JOURNEY SG FINSERVE HAS UNDERTAKEN OVER THE PAST FISCAL YEAR.

FY24 HAS BEEN A YEAR MARKED BY OUTSTANDING PERFORMANCE, SIGNIFICANT GROWTH, AND STRATEGIC ADVANCEMENTS THAT HAVE SET THE COURSE FOR OUR COMPANY'S FUTURE.

OUR UNWAVERING COMMITMENT TO EXCELLENCE HAS RESULTED IN IMPRESSIVE FINANCIAL OUTCOMES.



DEAR
SHAREHOLDERS,



OUR accelerated revenue growth along with sizeable expansion in customer base testifies to the relevance of our operating model and the excellent execution of our business strategies. Moreover, after nearly two years of progressively increasing our business activity, we maintain a Nil NPA (Gross), which is particularly laudable given the current financial ecosystem. I express my heartfelt gratitude to the team who have worked tirelessly to transform our novel idea into brilliant success. As we celebrate these financial achievements, it is crucial to recognise the broader context in which they have occurred. Our growth is not merely a testament to our internal

capabilities but also a reflection of the immense opportunities and challenges present in the markets we serve.

Micro, small, and medium enterprises (MSMEs) are key driving forces propelling the Indian economy towards global greatness, but experiences funding draught. Experts suggest they are up against a massive funding gap estimated at about US\$530 billion. Less than one in every five MSMEs can tie up their funding needs from the organised sector. It impedes their ability to grow their business and relevance in a nation that is steadily progressing towards self-sufficiency.

While the Government's efforts in supporting the MSME sector are commendable, its sheer size and expanse make it nearly impossible to reach and support every enterprise comprehensively. The private sector needs to shoulder the responsibility of supporting this segment.

I am happy to state that SG Finserve is funding the MSME segment in the area that matters most. Supply Chain

- the essential conduit that channels products from the manufacturer to the marketplace.

Our tie-ups with anchor partners (corporates) allow us to fund their dealers, distributors, retailers and vendors, ensuring that goods move swiftly and seamlessly through the value chain. The uptick in our numbers reflects the value we have provided down the line.

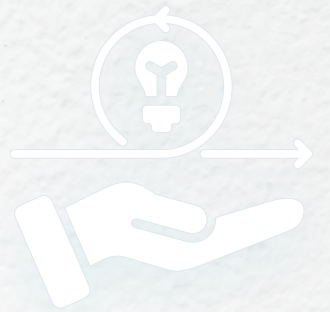
In the last two years, we understand that we have not scratched the surface yet, but we have gained immense knowledge of the finer nuances of the supply chain financing business. Leveraging this rich learning, we wish to graduate from the kids' pool to the main pool.

We have strategically chosen to partner with the leading corporates that possess national presence and are at the forefront of their respective sectors. This approach significantly broadens our ecosystem, enhances our landscape, and elevates our impact index. Consequently, our success quotient is poised for substantial growth.

Despite the intense competition in this segment, with numerous players vying for market share, we have successfully carved out a niche. This achievement is attributed to the superior quality of our services and our competitive pricing, both of which are facilitated by our tech-based platform that enables extensive reach.

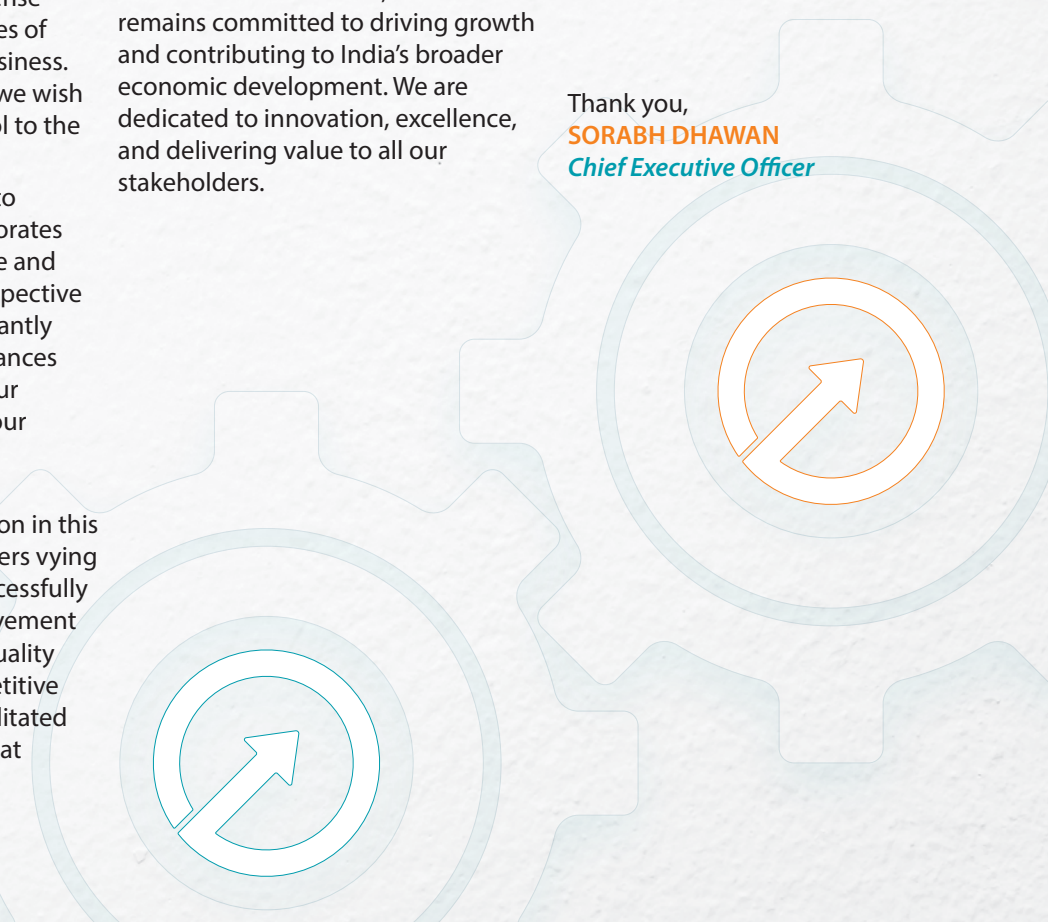
I am pleased to announce that we have successfully initiated this strategy, securing several significant accounts over the past year. This accomplishment is a testament to SG Finserve's credibility and our ability to navigate and excel in a larger, more complex trade environment. To further enhance our client services, we have made substantial technology investments throughout the year, with several initiatives set to go live in the current year.

As we look to the future, SG Finserve remains committed to driving growth and contributing to India's broader economic development. We are dedicated to innovation, excellence, and delivering value to all our stakeholders.



Together, we will continue propelling the wheels of trade, fostering prosperity for all.

Thank you,
SORABH DHAWAN
Chief Executive Officer



OUR JOURNEY SO FAR...

OPERATING INCOME
(INR Crore)



357%
Rise

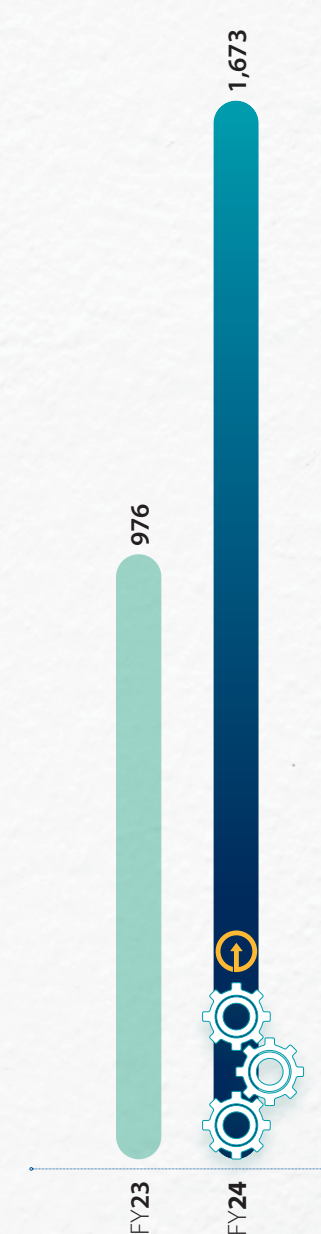
NET INTEREST INCOME
(INR Crore)



275%
Rise



LOAN BOOK EOP
(INR Crore)



71%
Rise

PROFIT AFTER TAX
(INR Crore)



327%
Rise

SAHIL SIKKA
CFO & COO**THE COMPANY HAS REGISTERED AN EXCELLENT PERFORMANCE. COULD YOU TAKE US THROUGH THAT?**

The financial performance was pretty satisfying as we reported appreciable improvement across all parameters. Our disbursements increased to ₹17,069 crore in FY24 as against ₹6,443 crore in FY23. We closed the year with a total revenue of Rs190 crore in FY24 against ₹41 crore in FY23. Our Net Profit increased from ₹18 crore in FY23 to ₹79 crore in FY24. The improvement in our numbers reflects the accurate execution of our business strategies.

WHAT FACTORS HELPED YOU REPORT THIS GROWTH?

Our business growth is based on increasing business with existing anchors and adding more anchors. In FY24, we were able to do both with equal intensity. We increased our anchor partners from 19 in FY23 to 35 in FY24. We tailored our offering to our customers' requirements and enhanced our service quotient to emerge as their go-to supply chain financing partner. These efforts helped us achieve numbers that were beyond our budget.

WHAT WAS THE ONE STANDOUT FEATURE FOR FY24?

We made a significant strategic shift in our anchor selection process. After successfully collaborating with regional players, we decided to spread our wings. We partnered with national players who are sectoral leaders. This change offered us higher growth opportunities, an expansive presence,

and a testament to our capabilities. We are proud to have added marquee corporates such as Arcelor Mittal, Adani Copper and Tata Motors, among others, to our portfolio.

ADDING THESE NAMES IS JUST ONLY THE TIP OF THE ICEBERG. SERVICING THEM IS QUITE AN ASK. HOW IS THE TEAM PLANNING TO MANAGE THE COMPLEXITIES?

As SG Finserve's operations grow in scale and complexity, we are proactively enhancing our technological infrastructure to stay ahead. This includes implementing advanced analytics for better risk assessment, upgrading our digital platforms to improve customer experience, and integrating automation tools to streamline operations. Additionally, our investment in cyber security ensures that our systems remain secure and resilient as we scale. These technological advancements will allow us to seamlessly manage the complex requirements of our clients and the increasingly dynamic financial ecosystem.

ARE YOU PLANNING TO ENHANCE YOUR PRODUCT BASKET IN THE NEAR FUTURE?

Currently, we are in the supply chain funding space, which has a considerable runway for the coming years considering the number of new sizeable anchors onboarded by us. However, we continue to evaluate adding more products to leverage as

well as support our existing MSME customers with longer duration products to fulfil their long-term business needs. This will make our loan book increasingly sustainable and also provide comprehensive solution to our long standing customers. We may also consider monetising our tech-based rating tool, which our teams have intelligently and diligently developed. The accuracy of this tool is commendable, and it has allowed us to significantly enhance the quality of our assets. We may offer the rating service to our anchors. These are two possibilities which are at the top of my mind. Having said that, I must also mention that we ideate on new ideas and possibilities on an ongoing basis.

WHAT MESSAGE WOULD YOU LIKE TO SHARE WITH YOUR STAKEHOLDERS ABOUT SG FINSERVE'S FUTURE?

We are excited about our long term growth prospectus and confident in our ability to deliver growth and value. We remain committed to continuous transformation and innovation, customer centricity and tostering our supportive and dynamic work environment, all leading to hire shareholder value creation. We thank our stakeholders for their continued trust and support as we work towards achieving greater milestones.

OUR
EMINENT BOARD



SHRI RAHUL GUPTA
Director & Promoter



SHRI ROHAN GUPTA
Director & Promoter



SMT. ASHA ANIL AGARWAL
*Ex-Chief Principal,
Commissioner, Income Tax*



SHRI H.S. UPENDRA KAMATH
*Ex-CMD, Vijaya Bank & ED
Canara Bank*



SHRI ANIL KUMAR BANSAL
Ex-ED of Union Bank of India

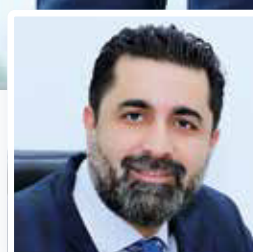


SHRI DUKHABANDHU RATH
Ex-CGM, State Bank of India

Our Team



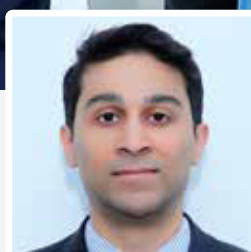
OUR EMINENT LEADERSHIP



SORABH DHAWAN

Chief Executive Officer

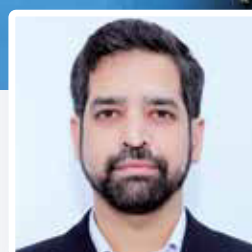
18 years in Corporate Banking, Ex-Kotak, HDFC & Aditya Birla Finance



SAHIL SIKKA

COO & CFO

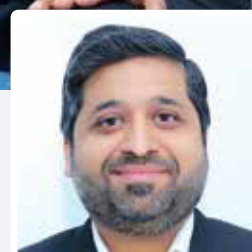
16 years in Corporate Banking, Ex-HDFC, Kotak & Aditya Birla Finance



ABHISHEK MAHAJAN

Chief Risk Officer

20 years in Corporate Banking & Risk Management, Ex-IDBI, ICICI & Kotak



ANKUSH AGGARWAL

Chief Experience Officer

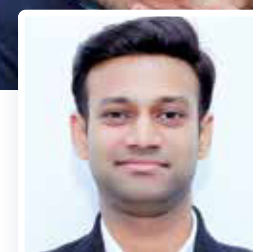
18 years in Client servicing, Operations & Digital Transformation, Automation, Ex-Kotak, IndusInd



ARVIND MOHAN VATSA

Chief Compliance Officer

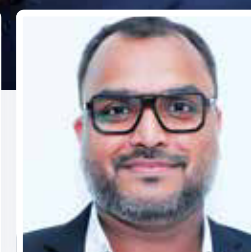
35 years in Credit Operations, Ex-Barclays, Kotak, GE Capital, Standard Chartered



PRATEEK SOMANI

Head- Anchor Relations

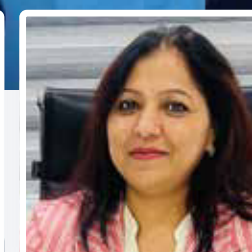
12 years in Investment Banking, Strategic Consulting and Corporate Banking, Ex-Aditya Birla Finance, Kotak, Ernst & Young



VIVEKANAND TIWARI

Head of Credit Operations & Monitoring

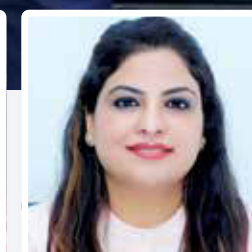
13 years in Operations, Ex-ICICI, Axis & IndusInd



RENU RAI

Chief People Officer

16 years in HR & Admin, Ex-APL, Fedders Lloyds & Advaitam Tech



RITU NAGPAL

Company Secretary & Compliance Officer

10 Years in Compliance of NBFCs-SI & NSI (Middle Layer & Base Layer), Ex-Sparsh Group & Midas Group



SANJAY RAJPUT

Head Finance & Accounts

17 years in Finance and Accounting, Ex-Livfin, Airtel, Metropolis Healthcare

CORPORATE SOCIAL RESPONSIBILITY

SGFL is deeply committed to Corporate Social Responsibility (CSR), viewing it as integral to sustainable growth. We recognize the significant

impact we can make through our business operations and CSR initiatives to improve the lives of the communities we serve. As part of

our CSR efforts, we actively engage in projects and initiatives aimed at fostering social betterment and creating lasting positive change.

Our initiative-“VIDHYADHARA”

Located in Vasundhara, Ghaziabad, UP, Lal Bahadur Shastri Bal Vatika School was established to provide affordable education to children from economically disadvantaged background. It offers a strong academic foundation up to class eight. Run by the Bharat Puria Education Society, the school educates children from families with limited financial means.

In FY 2023-24, SGFL joined this mission as part of their CSR activities with the project “VIDHYADHARA.” The project focuses on providing essential needs such as textbooks, uniforms, sanitation, and water, ensuring students can pursue their education and contribute positively to society.

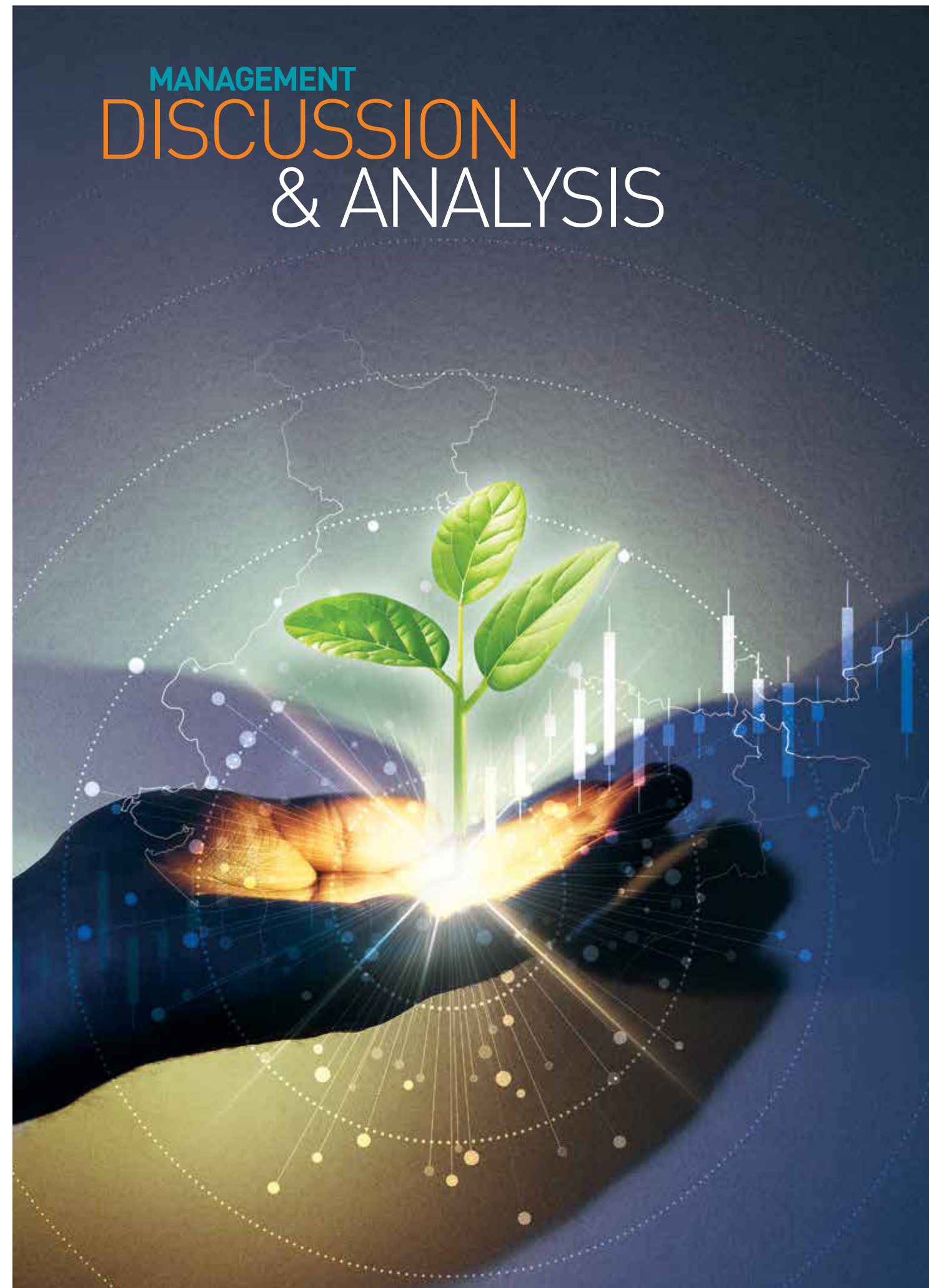
SGFL aims to bring smiles to the faces of students, teachers, and employees involved in this initiative, and the

collective efforts of the school and SGFL have brought joy to children’s lives, serving as a rewarding outcome of their CSR endeavours. This sense of fulfilment drives continued efforts to foster community involvement for the greater good.



STATUTORY SECTION

MANAGEMENT DISCUSSION & ANALYSIS





Economic Overview

The global economy experienced another year of stagnated growth due to various geopolitical issues leading to supply chain disruptions and price volatility. Economists project similar sluggish growth rates in 2024 & 2025.

On the other hand, the Indian economy has pushed boundaries and turned the tables around. It has outdone most of the projections and grew at a rate of 8.2% in FY24. This growth has been bolstered by sectors like - Manufacturing and Construction,

which grew by 9.9% each. Investments in India also grew by 9%. Its share in the real GDP growth is at an 11-year high. This shows that investors are seeing and projecting positive returns from India in the future.



Pre & post pandemic conditions

India continues to remain resilient inspite various hostile conditions. Prior to the pandemic, India was amongst the fastest-growing economies. In the years leading up to the global health crisis, India witnessed a gradual improvement in its economic indicators.

The twin deficits, namely the current account and fiscal deficits, were narrowing, while the growth inflation mix showed positive and sustainable trends.

The Indian government implemented an inflation-targeting framework to control inflation effectively while modernising the central banking system. This move provided an

institutional mechanism to ensure price stability and enhance the credibility of monetary policy.

Post-pandemic, there are various reasons for India's recovery, like - Higher government spending on infrastructure creation and welfare schemes, buoyant post-pandemic global demand, and inflow of global liquidity into Indian markets.



Surging ahead despite geopolitical tensions

Despite the various geopolitical conflicts, the Indian economy has maintained its position as one of the fastest-growing economies. India's exports also reached new heights, with FY24 recording the highest monthly merchandise exports,

totalling US\$41.68 billion in March 2024. India's total exports accounted for US\$776.68 billion, whereas imports stood at US\$854.80 billion. India reduced its imports this year by US\$43.21 billion compared to FY23. China emerged as India's largest trading partner.

Inflation eased in this fiscal year by 1.3%, with the annual rate at 5.4%. The RBI suggested that this easing was due to stability in the supply chain. Overall, the RBI projected the CPI inflation for 2024-25 at 4.5%, with balanced risks.



Structural reforms that will drive future growth

India's long-term growth prospects are underpinned by strategic government initiatives designed to leverage key advantages and enhance economic resilience:

- **Infrastructure-focused Growth:** Emphasizing infrastructure investments over immediate consumption boosts the economy's

productive capacity, laying a robust foundation for sustained development

- **Production Linked Incentive (PLI) Scheme:** This initiative aims to stimulate domestic manufacturing by offering incentives tied to production metrics in specified sectors, fostering industrial growth and competitiveness

- **Formalization Policies:** Measures aimed at formalizing the economy are set to accelerate per capita income growth, promoting transparency, tax compliance, and access to formal financial services

- **Digitization Initiatives:** Digital transformation initiatives are enhancing efficiency, transparency, and accessibility across sectors, driving productivity gains and economic inclusion

- **National Infrastructure Pipeline:** This ambitious plan aims to improve infrastructure across sectors, enhancing quality of life and fostering inclusive growth

- **Monetization of Public Assets:** The policy to monetize operating public infrastructure assets ensures sustainable financing for critical infrastructure development, supporting long-term economic stability

- **Health Insurance Inclusion:** Expansion of health insurance coverage under the 'Ayushman Bharat' scheme aims to improve healthcare access and outcomes, contributing to overall societal well-being

- **Financial Inclusion Initiatives:** Programs like Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), and Pradhan Mantri

Suraksha Bima Yojana (PMSBY) promote financial inclusion, empowering marginalized populations and stimulating economic activity



Non-Banking Financial Services Segment

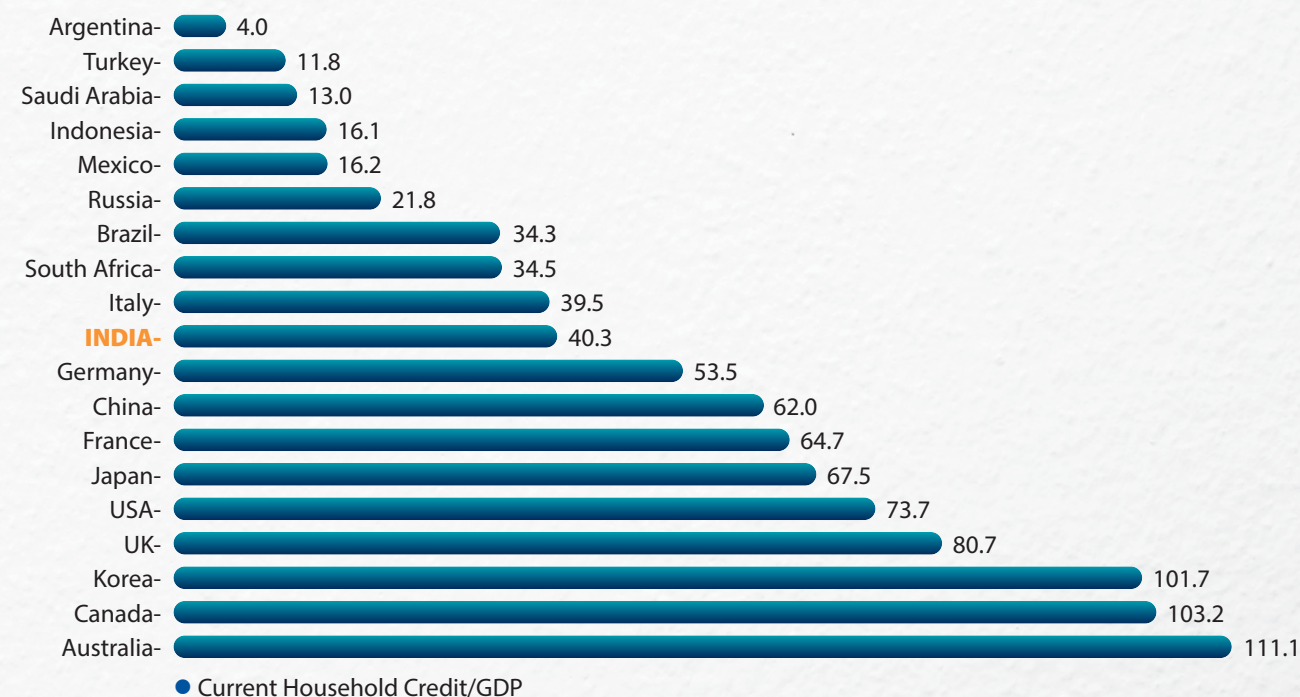
Non-Banking Financial Companies (NBFCs), also known as Non-Bank Financial Institutions (NBFIs), are pivotal players in the financial sector, offering a diverse array of banking services without holding conventional banking licenses. Unlike traditional banks, NBFCs are not permitted to accept demand deposits such as those in checking or savings accounts, nor are they subject to the same regulatory oversight.

Despite these regulatory differences, NBFCs play a crucial role in the economy by addressing credit demands that traditional banks may not fully meet. They provide various financial services including loans, asset financing, wealth management, and infrastructure financing. Their flexibility in lending criteria and ability to innovate financial products cater to specific market segments, thereby contributing significantly to financial inclusion and economic growth.

In summary, while NBFCs operate under different regulatory constraints compared to banks, their specialized services and ability to fill gaps in credit provision make them integral to India's financial landscape.

According to the CRISIL Report, India has a lower credit penetration than other developing countries, such as China, indicating significant untapped potential.

India has a household Credit-To-GDP ratio of 40.3%, ranking 10th among major advanced economies.



SOURCE: BIS, BANK OF BARODA, NOTE: DATA AS OF JUNE 23. CREDIT FROM ALL SECTORS (FROM BANKS AND OTHER FINANCIAL INSTITUTIONS) TO HOUSEHOLDS AND NPISHS AT MARKET VALUE, % OF GDP. ADJUSTED FOR BEAKS

The NBFC sector in India has witnessed steady growth, driven by its ability to cater to the credit requirements of underserved businesses lacking collateral or sufficient credit history. Unlike traditional banks, NBFCs excel in origination skills, extensive market reach, superior customer service, streamlined processes, and innovative product offerings.

These entities leverage digitalization for efficient customer onboarding, cost reduction, and improved profitability. The emergence of fintech firms has further amplified growth opportunities for NBFCs, transforming the financial services landscape. This synergy has enabled NBFCs to outpace banks in terms of growth, leveraging specialized focus and robust branch networks, especially in remote areas.

According to CRISIL Ratings, the NBFC sector is poised for substantial growth, with projections of 16-18% growth in the current fiscal year. Assets Under Management (AUM) are expected to expand by 14-17% in the next fiscal year, driven by strong demand across various retail loan segments.

Key drivers of this growth include:

- **Fundraising and Capital Management:** NBFCs demonstrate agility in attracting funds and maintaining a robust capital base, essential for sustained lending operations and expansion
- **Geographical Diversification:** A diversified portfolio across regions helps NBFCs mitigate regional economic risks, ensuring stable growth despite localized challenges

- **Asset Quality Management:** Effective management of asset quality and Non-Performing Assets (NPAs) is critical for maintaining investor confidence and sustaining growth momentum
- **Digitalization:** Adoption of digital technologies enhances operational efficiency, reduces costs, and improves collection rates, thereby boosting profitability

- **Credit Penetration in MSMEs:** Significant untapped potential exists in extending credit to Micro, Small, and Medium Enterprises (MSMEs), where NBFCs play a pivotal role in meeting financing needs more effectively

Despite challenges such as funding constraints and rising borrowing costs leading to margin compression, NBFCs remain resilient. Their continued focus on financial inclusion and innovative

financing solutions underscores their importance in driving economic growth and expanding access to financial services.

As of March 31, 2024, there are 9,327 registered NBFCs with the RBI, reflecting the sector's substantial presence and ongoing contribution to India's economic development.

India's Industrial Sector

Industrialization plays a pivotal role in shaping a nation's economic landscape, complementing agriculture to foster robust and balanced economic growth. Unlike purely agricultural economies, industrialization accelerates economic development by leveraging technological advancements, creating employment opportunities, and enhancing productivity across various sectors. India's journey towards industrialization has been transformative, contributing significantly to its economic progress. In 2023, India's industrial sector displayed mixed growth dynamics. The Index of Industrial Production (IIP) reflected moderate overall growth, with a notable uptick in December 2023, where industrial production expanded by 3.8%, up from 2.4% in November 2023, indicating a positive trajectory towards the year-end.

A key driver of India's industrial landscape, the manufacturing sector, recorded robust growth of 9.9% in FY24, underscoring increased activity and resilience. Furthermore, core infrastructure sectors such as coal, steel, cement, and electricity surged by 12.1% in October 2023 compared to the previous year, contributing significantly to industrial output.

The government has set ambitious targets to enhance the manufacturing sector's contribution to GDP from 17% to 21%, necessitating sustained growth and strategic initiatives. Key government initiatives launched in 2023 to bolster the industrial sector include:

- **Production Linked Incentive (PLI) Schemes:** These schemes incentivize domestic manufacturing and attract foreign investment across sectors such as automobiles, electronics, and textiles, promoting industrial

growth and competitiveness

- **Infrastructure Development:** Significant investments continue to be made in infrastructure projects like highways, ports, and power plants under initiatives such as the Bharatmala Project. These efforts aim to bolster connectivity and create a conducive environment for industrial expansion
- **Ease of Doing Business Reforms:** Streamlining regulations and simplifying operational procedures under initiatives like Start-up India, Make in India 2.0, and the Atmanirbhar Bharat Campaign enhance India's attractiveness as a business destination, fostering investment and entrepreneurial activity
- **Focus on Innovation and R&D:** Promoting research and development, particularly in sectors like biotechnology and

MANAGEMENT DISCUSSION & ANALYSIS

pharmaceuticals, supports technological advancement and long-term industrial sustainability

These initiatives underscore the government's commitment to fostering a conducive environment for industrial growth, driving economic diversification, and strengthening

India's position in the global economy. As India continues its journey towards industrialization, these strategic efforts are poised to catalyze sustainable development and prosperity across the nation.

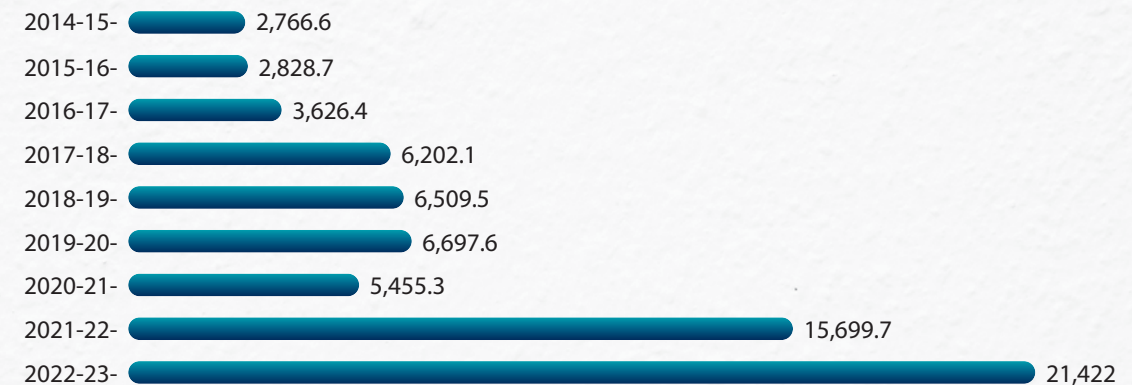
India's MSME Space

Micro, Small and Medium Enterprises (MSME) are pivotal in driving the Indian economy. These enterprises engage in the processing, production, and preservation of goods and commodities, playing a crucial role in the country's economic framework. As of January 2024, more than 6.30 crore enterprises are registered under MSME.

MSMEs have consistently driven the growth and development of various product segments and industries by producing a wide range of goods for both domestic and international markets. This sector fosters industrialisation and economic development, particularly in underprivileged and rural areas. It provides employment and revenue with lower capital costs and continues to be a dynamic force in India's economic landscape.

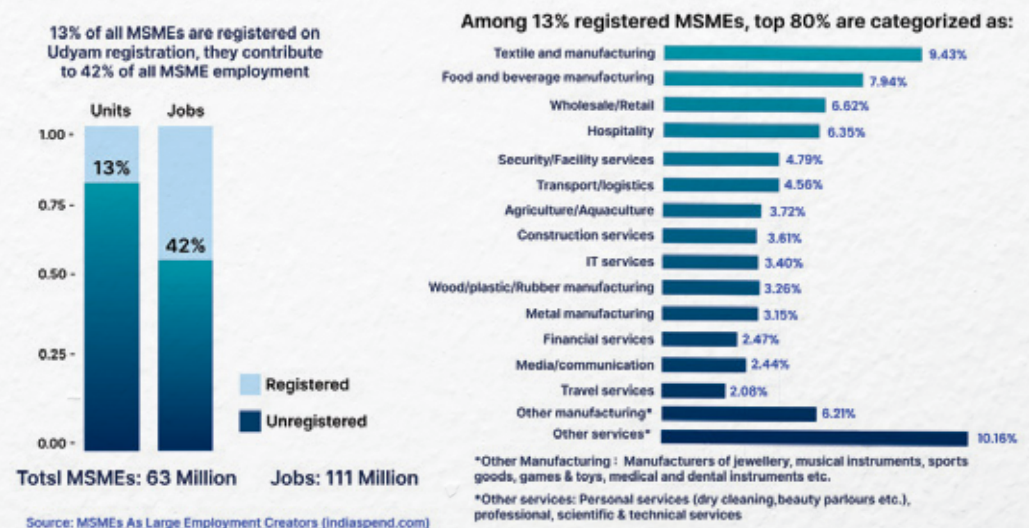
The government has launched various schemes to aid this sector. One of them is the Udyam registration, which saw a boost last year and has a total of 2.19 crore MSME registrations. There are around 70 million MSMEs, of which less than 10% have access to formal credit. This untapped market offers huge growth potential for financial institutions.

MSME Ministry Fund on Rise Allocation to MSME Ministry (in crore)



SOURCE: BUDGET DOCUMENTS, RE- REVISED ESTIMATE, BE- BUDGET ESTIMATE

MSMEs as large employment creators





Role of supply chain in making India the fastest growing economy

The supply chain is the backbone of India's quest to become the fastest-growing economy in the world. Efficient supply chain management is critical to the seamless movement of goods and services, reducing costs and ensuring that products reach markets on time. This efficiency not only boosts productivity but also enhances the competitiveness of Indian businesses globally.

In recent years, India has significantly improved its supply chain infrastructure.

Initiatives like the Goods & Services Tax (GST) have streamlined the movement of goods across state borders, reducing delays and lowering logistics costs. The development of dedicated freight corridors, modern logistics parks, and smart cities are further enhancing the efficiency of supply chain.

Moreover, the supply chain sector is crucial for Micro, Small, and Medium Enterprises (MSMEs) growth. MSMEs can expand their reach, reduce costs, and improve their market

competitiveness by providing access to efficient logistics and supply chain services. This integration is vital for inclusive growth and the overall development of the economy.

With continuous improvements in infrastructure and technological adoption, the supply chain sector is poised to drive significant economic growth, enhancing India's position in the global economy.



About the Company

SG Finserve Limited (SGFL), previously known as Moongipa Securities Limited, is a non-banking finance company. It specialises in providing supply chain financing solutions across all levels of the Indian industrial landscape. SGFL offers tailored financial solutions through a seamless technology-driven platform, from major conglomerates to the smallest vendors.

The Company supports dealers, distributors, vendors, retailers, and logistics providers, ensuring efficient

financial assistance at every stage of the supply chain. SGFL's equity shares are publicly traded on the BSE, reflecting its transparent and growth-oriented approach.

With a CRISIL AA (CE) rating for long-term debt and an A1+ rating for short-term debt and commercial paper, assuring SGFL is a robust and reliable financial institution. The Company's commitment to empowering MSMEs is unwavering as we strive to help these businesses reach new heights.

SGFL has built an efficient and scalable business model, supported by their proprietary end-to-end integrated technology product suite customised to multiple sectors. The Company's credit underwriting processes have consistently delivered strong asset quality.

Guided by a team of seasoned corporate professionals, SGFL is dedicated to ushering India into a new era of financial sophistication and stability.



Human Resources

In FY24, SG Finserve focused on expanding its business portfolio by enhancing employee productivity, streamlining systems and processes, and aligning the workforce with its vision and mission. Regular communication with employees through various channels kept them focused on their core responsibilities. The HR team was pivotal in this

journey, implementing targeted learning interventions, launching new people policies, advancing HR technology, and strengthening compliance and governance mechanisms.

The Company's commitment to employee centricity was evident in its dynamic policies that promoted learning, career development,

flexibility, and growth opportunities. Prioritising employee well-being, fostering an inclusive culture, and upholding high-performance standards, these efforts maintained and enhanced operational excellence in FY24.

As of March 31, 2024, the workforce grew to 53 employees, up from 33 on March 31, 2023.



Financial Performance

Synopsis for FY-2024

In FY24, SG Finserve demonstrated robust financial performance across various metrics. The Company achieved a closing Assets Under Management (AUM) of ₹1,673 crore as of March 31, 2024, up from ₹975 crore as of March 31, 2023.

Gross disbursements surged to ₹17,450 crore during FY24, compared to ₹6,444 crore in FY23, facilitated through our online platform.

Operating income experienced a significant growth of 357%, whereas Net interest income (NII) saw a substantial increase, rising to ₹126 crore in FY24 from approximately ₹34 crore in the previous fiscal year.

Additionally, profit before tax (PBT) escalated to ₹105 crore in FY24, compared to ₹25 crore in FY23, reflecting the Company's strong financial health and strategic growth initiatives.

KEY NUMBERS				
Particulars (INR crores)	FY24	FY23	Change %	ROA Tree
Interest Income	182.11	40.25	352%	12.68%
Fee & Other Income	7.61	1.17	550%	0.53%
Dividend Income	0.00	0.03	-100%	0.00%
Operating Income	189.72	41.45	358%	13.21%
Other Non-operating Income	0.00	0.51	-100%	0.00%
Total Income	189.72	41.96	352%	13.21%
Interest expenses	63.96	8.42	660%	4.45%
Net Interest Income	125.76	33.54	275%	8.76%
Operating expenses	17.98	4.62	289%	1.25%
Profit before Provision & Tax	107.78	28.92	273%	7.51%
Impairment on Financial Assets*	2.79	3.90	-28%	0.19%
Profit before Tax	104.99	25.02	320%	7.31%
Income Tax	26.44	6.61	300%	1.84%
Profit after Tax	78.55	18.41	327%	5.47%
Loan Book EOP	1,673	976	71%	

* Provision on Standard Assets

Comparison of Q4-FY2024 vis-a-vis Q4-FY2023

In Q4 FY24, SG Finserve reported notable financial improvements compared to the same quarter in the previous fiscal year. The Company

achieved an operating income of ₹58.55 crore this year compared to ₹27.54 crore in Q4 FY23.

Net interest income (NII) also increased significantly, reaching ₹37.86 crore in Q4 FY24 and profit

before tax (PBT) rose to ₹31.87 crore as compared to ₹18.74 crores in Q4 FY23, demonstrating SG Finserve's continued financial strength and effective growth strategies.

KEY NUMBERS				
Particulars (INR crores)	Q4FY24	Q4FY23	Change %	ROA Tree
Interest Income	54.02	26.64	103%	13.11%
Fee & Other Income	4.53	0.90	403%	1.10%
Dividend Income	0.00	0.00	0%	-
Operating Income	58.55	27.54	113%	14.21%
Other Non-operating Income	0.00	0.00	0%	-
Total Income	58.55	27.54	113%	14.21%
Interest expenses	20.69	6.16	236%	5.02%
Net Interest Income	37.86	21.38	77%	9.19%
Operating expenses	6.86	1.68	308%	1.66%
Profit before Provision & Tax	31.00	19.7	57%	7.52%
Impairment on Financial Assets*	-0.87	0.96	-191%	-0.21%
Profit before Tax	31.87	18.74	70%	7.73%
Income Tax	8.10	4.69	73%	1.97%
Profit after Tax	23.77	14.05	69%	5.78%
Loan Book EOP	1,673	976	71%	

* Provision on Standard Assets

The overall performance for FY 2024 compared to FY 2023 marked significant growth, highlighted by an increase in the loan book EOP, a quality portfolio with nil Gross NPA, and improved Return on Equity (ROE). As a team, SG Finserve consistently strives

to build a robust and enduring quality portfolio, maintaining delinquencies at minimal levels.

Approximately 80% of the loan book is secured with exclusive charges on funded inventory and receivables

generated from its sale and other collaterals. Additionally, SG Finserve holds personal guarantees from promoters and undated cheques as added security measures to protect the loan book.

KEY NUMBERS		
Particulars (INR crores)	As on 31-March-2024 (INR crore)	As on 31-March-2023 (INR crore)
Secured	1,333	686
Unsecured	340	289
Total	1,673	975

SHORT-TERM MATURITY WITH REGULAR CHURNING THROUGH COUNTERS									
Particular	1 to 15 Days	Over 15 to 30 days	Over 1 to 2 Month	Over 2 to 3 Month	Over 3to 6 Month	Over 6 Month to 1 Year	Over 1to 3 Years	Over 3 Years onwards	Total
Loan Receivables	93.59	254.78	1,032.19	170.82	28.15	23.29	70.19	-	1,673.01

Widespread footprint across the country with low concentration

risk. The Company's portfolio is well spread across the country, and have

representatives in all states managing & monitoring the same closely.

MANAGEMENT DISCUSSION & ANALYSIS

(INR crores)		
State	Loans o/s as on 31-Mar-24	%-age of Loan Book
Andhra Pradesh	16.53	0.99%
Assam	3.00	0.18%
Bihar	1.40	0.08%
Chhattisgarh	27.16	1.62%
Delhi	364.69	21.80%
Goa	15.55	0.93%
Gujarat	60.76	3.63%
Haryana	78.58	4.70%
Himachal Pradesh	1.58	0.09%
Jammu & Kashmir	6.24	0.37%
Jharkhand	2.43	0.15%
Karnataka	217.46	13.00%
Kerala	64.25	3.84%
Madhya Pradesh	13.58	0.81%
Maharashtra	266.78	15.95%
Nagaland	0.00	0.00%
Punjab	1.37	0.08%
Rajasthan	57.71	3.45%
Tamil Nadu	166.22	9.94%
Telangana	49.28	2.95%
Uttar Pradesh	138.85	8.30%
Uttarakhand	75.67	4.52%
West Bengal	17.34	1.04%
Orissa	1.33	0.08%
Daman & Diu	25.26	1.51%
Total	1,673.01	100.00%

Internal Control & its Adequacy

At SG Finserve, the internal control procedures include internal financial controls, ensuring compliance with various policies, practices, and statutes that consider the organisation's growth and complexity of operations. The framework constantly monitors and assesses all aspects of risks

associated with current activities and corporate profiles, including development and commercial and financial risks. The Company has put management reporting and internal control systems in place to monitor performance, strategy, operations,

business environment, organisation, procedures, funding, risk, and internal control.

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

Risk Mitigation

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

CAUTIONARY STATEMENT

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

CORPORATE INFORMATION

DIRECTORS

Sh. Rahul Gupta (DIN: 07151792)
Sh. Rohan Gupta (DIN: 08598622)
Sh. Anil Kumar Bansal (DIN: 06752578)
Ms. Asha Anil Agarwal (DIN: 09722160)
Sh. HSU Kamath (DIN: 02648119)
Sh. Dukhabandhu Rath (DIN: 08965826)

CHIEF EXECUTIVE OFFICER

Sh. Sorabh Dhawan

CHIEF FINANCIAL OFFICER

Sh. Sahil Sikka

CHIEF COMPLIANCE OFFICER

Sh. Arvind Mohan Vatsa

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Ritu Nagpal

REGISTERED OFFICE

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

CORPORATE OFFICE

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

AUDITORS

Statutory Auditors
AKGVG & Associates

Chartered Accountants

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

Secretarial Auditors

Kuldeep Dahiya & Associates,
Company Secretaries
Village-Badkhalsa, P.O. Rai,
Sonapat, Haryana-131029

Internal Auditors

Ernst & Young LLP,
14th Floor, The Ruby
29 Senapati Bapat Marg,
Dadar (West)
Mumbai-400028, India

BANKS & INSTITUTIONS

State Bank of India
Bank of Baroda
HDFC Bank Limited
Axis Bank Limited
Kotak Mahindra Bank Limited
Ratnakar Bank Limited
Yes Bank Limited
Bajaj Finserv Limited
Tata Capital Financial Services Limited
Union Bank of India
Indusind Bank
ICICI Bank
The Federal Bank Limited

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Private Limited
D-153A, First Floor, Okhla Industrial Area,
Phase-1, Delhi-110020



BOARD'S REPORT

Dear Members,

Your directors have pleasure in presenting the Thirtieth (30th) Annual Report, together with the Audited Financial Statement of the Company for the Financial Year ended March 31, 2024 ("FY 2024").

FINANCIAL PERFORMANCE

The Audited Financial Statements of your Company as on March 31, 2024, are prepared in accordance with the relevant applicable Indian Accounting Standards ("Ind AS") and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the provisions of the Companies Act, 2013 ("Act").

A Summary of the Company's Financial Performance for the FY 2024 is as follows.

(Amount in ₹lakh)

Particulars	March 31, 2024	March 31, 2023
Revenue from operation	18,971.94	4,144.88
Other Income	0.00	51.30
Total Revenue	18,971.94	4,196.18
Profit before Finance cost, Depreciation and Tax	16,915.88	3,346.73
Finance Cost	6,395.76	841.97
Depreciation	17.14	3.04
Profit before tax	10,502.98	2,501.72
Less: Tax	2,644.49	661.09
Profit for the year	7,858.49	1,840.63

RESULTS OF OPERATIONS AND THE STATE OF LISTING OF SECURITIES COMPANY'S AFFAIRS

During the year under review, your Company achieved Total Revenue and Net Profit of ₹18,971.94 lakh and ₹7,858.49 lakh respectively as against Total Revenue and Net Profit of ₹4,196.18 lakh and ₹1,840.63 lakh respectively during the previous financial year ended March 31, 2023.

RBI REGULATIONS

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

DIVIDEND

Keeping in view the need to augment the resources of the company for future, your directors do not recommend the payment of dividend for the FY 2023-24.

The Equity shares of the Company are presently listed on BSE Limited. The Annual listing fees for the year 2024-25 has been paid to the BSE Limited.

ANNUAL RETURN

In accordance with the provisions of Section 134 (3)(a) of the Companies Act, 2013, the Annual Return, as required under Section 92 of the Act for the financial year 2023-24, is available on the Company's website at <https://www.sgfinserve.com/annual-return>

MANAGEMENT'S DISCUSSION AND ANALYSIS

The report on Management Discussion and Analysis as required under Regulation 34 and schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is presented in a



separate section, forming an integral part of this Annual Report. Certain statements in the report may be forward-looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook.

PUBLIC DEPOSITS

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

DIVIDEND DISTRIBUTION POLICY

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

S. No.	Particulars	No. of warrants allotted	No. of warrants converted into equity shares	Price of warrants (in ₹)
1	Fully Convertible Warrants	72,51,000	72,51,000	101
2	Fully Convertible Warrants	73,71,000	64,55,000	200

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company did not have any Subsidiary/Joint Venture/Associate Companies during the year under review.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

PARTICULARS OF REMUNERATION

Disclosure of ratio of the remuneration of the Executive Director to the median remuneration of the employees of the Company and other requisite details pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is annexed to this report as Annexure 'A'. Further, particulars of employees pursuant to Rule 5(2) & 5(3) of the above Rules form part of this report. However, in terms of the provisions

TRANSFER OF RESERVES

Under section 45-IC(1) of Reserve Bank of India ('RBI') Act, 1934, non-banking financial companies ('NBFCs') are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, SG Finserve Ltd. (the 'Company', or 'SGFL') has transferred a sum of ₹1,987.10 lakhs to its reserve fund.

CHANGES IN SHARE CAPITAL AND MEMORANDUM OF ASSOCIATION

The Authorized share capital as on March 31, 2024 was ₹60,00,00,000.

The paid-up equity share capital as on March 31, 2024 was ₹54,97,90,000.

The Company has not issued shares with differential voting rights, sweat equity shares and bonus Shares.

The company has converted the following Fully Convertible Warrants into an equivalent number of equity shares.

of section 136 of the said Act, the report and accounts are being sent to all the members of the Company and others entitled thereto, excluding the said particulars of employees. Any member interested in obtaining such particulars may write to the Company Secretary/Compliance Officer. The said information is available for inspection at the registered office of the Company during working days of the Company up to the date of the ensuing annual general meeting.

DIRECTORS AND KEY MANAGERIAL PERSONS

As on March 31, 2024, the Company had six Directors on its Board, all six were Non- Executive Directors. Out of six Non-executive Directors, four were Independent Directors.

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

The Board also appointed Shri Dukhabandhu Rath (DIN: 08965826) as an Additional Independent Director for a

period of 3 years w.e.f. 25 January 2023 through resolution by circulation.

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

The appointment of both the directors were subsequently regularized by the members through postal ballot dated April 23, 2023.

Shri Sachin Kumar resigned as Company Secretary & Compliance Officer w.e.f. April 3, 2023 for making a career move to another organisation.

Ms. Ritu Nagpal (M. No.- A38318) was appointed as Compliance Officer on April 3, 2023 and as Company Secretary in the Board meeting held on May 11, 2023, in his place.

CORPORATE GOVERNANCE REPORT

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

MATERIAL CHANGES AND COMMITMENTS

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

BOARD AND COMMITTEES' MEETINGS

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

DECLARATION BY INDEPENDENT DIRECTORS

The independent directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Act read with regulation 16 of the SEBI Listing Regulations, as

amended. The independent directors have also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

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

Further, in the opinion of the Board, the independent Directors of the Company possess the requisite expertise, skills and experience (including the proficiency) and are persons of high integrity and repute as well as are independent of the management.

CORPORATE POLICIES

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

The Policies are reviewed periodically by the Board and updated on the basis of requirement in accordance with revision in compliance guidelines.

The Key Policies are as follows:

I. Nomination and Remuneration Policy

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

Your company has also adopted policy on remuneration of Directors, Key Managerial Personnel and Employees of the company in accordance with the provisions of sub section (4) of section 178. The Policy is available on the Company's website <https://www.sgfinserve.com/policy>



II. Risk Management Policy

Your company has a comprehensive Risk Management Policy in place and laid down a well-defined risk management framework to identify, assess and monitor risks and strengthen controls to mitigate risks. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. The Policy is available on the Company's website <https://www.sgfinserve.com/policy>

III. Whistle Blower Policy – Vigil Mechanism

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In line with the provisions of Section 135, Schedule VII of the Companies Act, 2013, the Company has framed its Corporate Social Responsibility (CSR) policy for development of project named "Vidyadhara" for the benefit of under privileged children towards their basic education and the same has been approved by Corporate Social Responsibility Committee (CSR Committee) and the Board of Directors of the Company. The Corporate Social Responsibility (CSR)

policy of the Company provides a road map for its CSR activities.

During the year under review, the Company has made contribution of ₹8.16 Lakhs for the project "Vidyadhara" in compliance to the provisions of Companies Act, 2013 relating to Corporate Social Responsibility and has transferred ₹10.74 Lakhs to the unspent CSR account of the Company on 31.03.2024 pertaining to ongoing projects.

The Annual Report on CSR activities for the financial year 2023-24 containing salient features of CSR Policy and other relevant details is annexed herewith as Annexure 'C'. The CSR Policy has been uploaded on the Company's website and may be accessed at the link: <https://www.sgfinserve.com/csr-initiative>.

AUDITORS AND AUDITORS' REPORT

A. STATUTORY AUDITORS AND AUDITORS' REPORT

The members of the Company in their last Annual General Meeting held on 26th September, 2023 had appointed M/s AKGVG & Associates, Chartered Accountants (Firm Registration Number: 018598N) as the Statutory Auditors of the Company, to hold office from the conclusion of the 28th Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Company to be held in year 2027.

The Auditor's Reports on the Financial Statements for the financial year ended March 31, 2024 does not contain any qualification, reservation or adverse remark requiring any explanations / comments by the Board of Directors.

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

B. INTERNAL AUDITORS

In terms of section 144 of Companies Act, 2013, The Company had appointed M/s Ernst & Young LLP, Chartered Accountants as their Internal Auditors to carry out the Internal Audit of various operational areas of the Company.

C. SECRETARIAL AUDIT REPORT

The Board of the Directors of the Company had appointed M/s Kuldeep Dahiya & Associates, Company Secretaries (Membership No.: 34404 and C.P.No.:18930) to conduct the Secretarial Audit of the Company pursuant to the provision of Section 204 of the

Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. In accordance with the provisions of sub-section (1) of Section 204, the Secretarial Audit Report for the financial year 2023-24 is appended to this report as **Annexure "D"**. The same does not contain any adverse remark or disclaimer.

The Secretarial Auditor's Report for the financial year ended March 31, 2024 does not contain any qualification, reservation or adverse remark requiring any explanations / comments by the Board of Directors.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has duly complied with the applicable provisions of the Secretarial Standards issued by the Institute of Companies Secretaries of India.

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

As the company is not engaged in the manufacturing activity, the prescribed information regarding compliance of rules relating to the Conservation of Energy and Technology absorption pursuant to section 134 (3)(m) of the Companies Act, 2013, read with Rule – 8 (3) of the Companies (Accounts) Rules, 2014 is not provided. The Company does not have any Foreign Exchange Earnings and outgo in the year under review.

PARTICULARS OF CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during FY2024 with related parties were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. All related party transactions entered during FY2024 were on arm's length basis and not material under the Act and SEBI Listing Regulations. Details of transactions with related parties during FY 2023-24 are provided in note no. 28 to the financial statements.

The policy on materiality of related party transactions and on dealing with related party transactions was amended in line with SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021. The policy is available on the website of the Company at <https://www.sgfinserve.com/policy> and also forms a part of the Corporate Governance Report.

Further, the Company has not entered into any contract or arrangement or transaction with the related parties which were not on arm's length basis or could be considered material in accordance with the policy of the company on materiality of related party transaction in view of the above, it is not required to provide the specific disclosure of related party transaction in form AOC-2 in terms of Section 134 of the Companies Act, 2013.

Your directors draw attention of the members to Note No. 28 to the Financial Statement which sets out related party disclosure.

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

There are no pecuniary relationships or transactions of the non-executive independent director vis-à-vis the Company for the period ending March 31, 2024.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

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

ORDERS PASSED BY THE REGULATORS OR COURTS, IF ANY

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

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- In preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures.



- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of financial year and of the profit of the company for that period.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) Directors have prepared the annual accounts on a going concern basis.
- v) The Directors have laid down internal financial controls that are adequate and were operating effectively.
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EMPLOYEE STOCK OPTION SCHEME (ESOS)

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

During FY 2023-24, the Company added 5 lakh ESOPs and increased the pool of ESOPs from 5 lakhs to 10 Lakh (Moongipa Securities Limited Employee Stock Option Scheme, 2022, herein referred as ESOS 2022) and the scheme received in-principle approval from BSE on May 10, 2024. The said increase was in compliance with SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021. The total number of equity shares to be allotted pursuant to the exercise of the stock incentives under the ESOS-2022 to the employees of the Company shall not exceed 10,00,000 equity shares. Further, a statement giving complete details under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as on March 31, 2024 is available on the website of the Company at <https://www.sgfinserve.com/communication-to-shareholders>. There is no material change in the said scheme during the year.

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

INVESTOR EDUCATION AND PROTECTION FUND (IEPF).

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

CASH FLOW STATEMENT

The cash flow Statement for year ended March 31, 2024 is in conformity with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with the Stock Exchanges in India, is annexed herewith.

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

No fraud / misconduct was detected at the time Statutory Audit by Auditors of the Company for the financial year ended on March 31, 2024.

GREEN INITIATIVE

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

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

The Company has complied with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has in place a Policy on Prevention of Sexual Harassment at the Workplace in line with the provisions of the said Act and an Internal Complaints Committee has also been set up to redress complaints received regarding Sexual Harassment.

No complaint of sexual harassment was received during the financial year 2023-24.

OTHER DISCLOSURES AND REPORTING

Your Directors state that no disclosure or reporting is required with respect to the following items as there were no transactions on these items during the year under review:

1. Change in the nature of business of the Company.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Any remuneration or commission received by Managing Director of the Company, from any of its subsidiary.
4. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this report.
5. Significant or material orders passed by the regulators or courts or tribunal which impacts the going concern status and company's operations in future.
6. Material changes affecting the financial position of the Company which have occurred between the end of

the financial year of the Company and the date of the Report.

7. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.
8. The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof

ACKNOWLEDGEMENT

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

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

For & On behalf of the Board of Directors

Place: New Delhi
Date: 28-05-2024

Sd/-
Rahul Gupta
Director
DIN: 07151792

Sd/-
Rohan Gupta
Director
DIN: 08598622



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

1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;	In the FY 2023-24, the Directors did not receive any remuneration from the Company since all are non-executive directors.
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year.	Shri Sahil Sikka, CFO- 10% Shri Sorabh Dhawan, CEO- NA, as he was appointed during the year only Ms Ritu Nagpal – NA, as she was appointed during the year only
3.	The percentage increases in the median remuneration of employees in the financial year;	47.77%
4.	The number of permanent employees on the rolls of Company;	55 Employees as on March 31, 2024
5.	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	20%
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended March 31, 2024 is as per the Remuneration Policy of the Company.

For & On behalf of the Board of Directors

Sd/-

Rahul Gupta

Director

DIN: 07151792

Place: New Delhi

Date: 28-05-2024

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

2.1. BOARD OF DIRECTORS

As on March 31, 2024, the Board of Directors comprised 6 (six) directors of which all directors are Non-executive Directors. Out of 6 (six) Non-executive Directors, 4 (Four) are Independent Directors. Details are as given hereunder:

Director	Category	No. of Board Meetings FY 2023-24		Attendance in last AGM held on 26 September, 2023	No. of shares held	No. of other Directorships and Committee Memberships / Chairmanships		
		Held	Attended			Other Directorships \$	Other Memberships**	Other Chairmanships **
Sri Rahul Gupta (07151792)	NED	4	2	No	10150001	4	2	-
Shri Rohan Gupta (08598622)	NED	4	4	Yes	10114999	0	0	0
Shri Anil Kumar Bansal (06752578)#	ID	4	4	Yes	-	1	2	2
Shri HSU Kamath (02648119)#	ID	4	4	Yes	-	5	2	1
Shri Dukhabandhu Rath (08965826)	ID	4	4	Yes	-	6	0	0
Ms. Asha Anil Agarwal (09722160)	ID	4	4	Yes	-	3	2	2



NED= Non-Executive Director, ID= Independent Director

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

** only covers Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

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

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013 except Shri Rahul Gupta, who is brother of Shri Rohan Gupta.

2.2. NAME OF THE LISTED ENTITIES WHERE DIRECTOR IS A DIRECTOR, OTHER THAN SG FINSERVE LIMITED:

Name of Director	Name of the Listed Entities	Category
Shri Rahul Gupta Non-Executive Director	APL Apollo Tubes Limited	Non-Executive Director
Shri Rohan Gupta Non-Executive Director	-	-
Shri Anil Kumar Bansal Independent Non-Executive Director	APL Apollo Tubes Limited	Independent Director
Shri HSU Kamath Independent Non-Executive Director	APL Apollo Tubes Limited Kisan Mouldings Limited	Independent Director Additional Director Additional Director
Shri Dukhabandhu Rath Independent Non-Executive Director	K.P. Energy Limited SG Mart Limited	Director Additional Director
Ms. Asha Anil Agarwal Independent Non-Executive Director	APL Apollo Tubes Limited Kisan Mouldings Limited Authum Investment & Infrastructure Limited	Director Additional Director Director

2.3. DATE AND NUMBER OF BOARD MEETINGS HELD

Four (4) Board Meetings were held during the financial year 2023-24 i.e., on May 11, 2023, July 15, 2023, October 18, 2023 and January 19, 2024. The maximum time gap between any two consecutive meetings was not more than one hundred and twenty days.

3. INDEPENDENT DIRECTORS

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

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

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

A formal letter of appointment to Independent Directors as provided in Act has been issued and the draft of the same is available in Investors section on website of the Company viz. <https://www.sgfinserve.com/investor>.

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on April 20, 2023. Shri Anil Kumar Bansal was unanimously elected as Chairperson of the meeting and all the Independent Directors of the Company were present at the said Meeting.

At the meeting held on April 20, 2023, the Independent Directors reviewed the performance of Non-

Independent Directors, the Board as a whole and the Chairman after taking into account the views of the CEO and Non-Executive Directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

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

4. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTOR

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

5. BOARD SKILLS, EXPERTISE OR COMPETENCE

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

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

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

6. PERFORMANCE EVALUATION

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

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

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

7. COMMITTEES OF THE BOARD

The Company has over the years maintained the highest standards of corporate governance processes and has had the foresight to set up corporate governance practices in line with the requirements of Listing Regulations. The constitution, terms of reference and the functioning of the existing Committees of the Board is explained hereunder. Each Committee demonstrates the highest level of governance standards and has the requisite expertise to handle issues relevant to its field. These Committees spend considerable time and provide focused attention to various issues placed before them and the guidance provided by these Committees lend immense value and support, thus enhancing the quality of the decision-making process of the Board. The Board reviews the functioning of these Committees from time to time. The recommendations of the Committees are submitted to the Board for



approval. During the year, all the recommendations of the Committees were accepted by the Board. The Company had constituted 5 (Five) main committees i.e., Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

8. AUDIT COMMITTEE

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

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

During the year under review, 4 (four) meetings of the Audit Committee of the Board were held i.e., on May 11, 2023, July 15, 2023, October 18, 2023 and January 19, 2024. The composition of the Audit Committee as on March 31, 2024 and the meetings attended by its members are as under:

S. No.	Members	Categories of Directorship	Meetings	
			Held	Attended
1.	Shri Anil Kumar Bansal	Chairman - Independent Director	4	4
2.	Ms. Asha Anil Agarwal	Member - Independent Director	4	4
3.	Shri HSU Kamath	Member - Independent Director	4	3*
4.	Shri Dukhabandhu Rath	Member - Independent Director	4	3*
5.	Shri Rahul Gupta	Member - Non-Executive Director	4	2

*on May 11, 2023, Shri Dukhabandhu Rath and Shri HSU Kamath were appointed as members of Audit committee.

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

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

9.1 NOMINATION AND REMUNERATION COMMITTEE (NRC)

As per Regulation-19 of SEBI (LODR), 2015, the Nomination and Remuneration Committee is instrumental in identifying persons qualified to become Directors or part of senior management in accordance with the criteria laid down by the Board, to carry out evaluation of every Director's performance, to recommend to the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees and Board Diversity etc. The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 read with Part D to Schedule II of the Listing Regulations, Section-178 of the Companies Act, 2013, besides other terms as referred by the Board of Directors. Pursuant to the terms of reference, the said Committee deals with matter of the appointment / reappointment of Directors and their remuneration etc. and submits its recommendations to the Board for approval.

The Policy also lays down broad guidelines besides other terms as referred by the Board of Directors. Pursuant to the terms of reference, the said Committee deals with matter of the appointment / reappointment of Directors and their remuneration etc. and submits its recommendations to the Board for approval.

Following are the key roles of the Nomination and Remuneration Committee:

- Identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment.
- Formulate the criteria for evaluation of performance of the Independent Directors and the Board of Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- Recommend to the Board on the appointment and the terms & conditions of appointment of Managing Director(s) and the Whole-time Director(s);

- Devising a policy on diversity of board of directors.

During the year, four meetings of the Nomination and Remuneration Committee were held i.e., on May 11, 2023, July 15, 2023, October 18, 2023 and January 19, 2024 which were duly attended by requisite committee members. The composition of the Nomination and Remuneration Committee as on March 31, 2024 and the particulars of attendance of members were as under:

S. No.	Members	Categories of Directorship	Meetings	
			Held	Attended
1.	Shri HSU Kamath	Chairperson - Independent Director	4	3*
2.	Shri Anil Kumar Bansal	Member - Independent Director	4	4
3.	Shri Rohan Gupta	Member - Non-Executive Director	4	3

*on May 11, 2023, Shri HSU Kamath appointed as members of Nomination & Remuneration committee.

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

9.2 NOMINATION AND REMUNERATION POLICY

In terms of the Listing Regulations and the Act, the Company has in place a Nomination & Remuneration Policy. The said Policy of the Company, inter alia, provides that the. Nomination and Remuneration Committee shall formulate the criteria for appointment of Executive, Non-Executive and Independent Directors on the Board of Directors of the Company and persons in the Senior Management of the Company, their remuneration including determination of qualifications, positive attributes, independence of directors and other matters as provided under subsection (3) of Section 178 of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The Policy also lays down broad guidelines for evaluation of performance of Board as a whole, Committees of the Board, individual Directors including the chairperson and the Independent Directors. The Policy encourages the appointment of women at senior executive levels and thereby promoting diversity. The Policy is designed to attract, recruit, retain and motivate best available talent.

The Policy is available on the website of the Company at <https://www.sgfinserve.com/policy>. During the financial year, no changes were made in the Policy.

10. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

During the year, one meeting of the Stakeholders Relationship committee was held i.e., on January 19, 2024.

The composition of the Stakeholders Relationship Committee as on March 31, 2024 is as under:

S. No.	Members	Categories of Directorship	Meetings	
			Held	Attended
1.	Shri Rohan Gupta	Chairperson - Non-Executive Director	1	1
2.	Shri Rahul Gupta	Member - Independent Director	1	0
3.	Shri Dukhabandhu Rath	Member - Independent Director	1	1

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

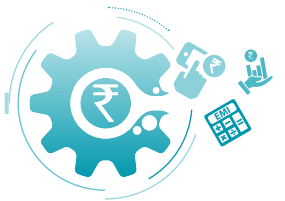
Terms of Reference - The Stakeholders Relationship Committee shall inter-alia, consider and resolve the grievance of various security holders of the Company including complaints/ requests related to transfer of shares. It shall specifically look into the redressal of stakeholders/ investors complaints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

The status of Shareholders' complaints during FY 2023-24: -

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

11. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board of Directors of the Company under the provisions of Section 135 of the Companies Act, 2013 and Corporate Social Responsibility (CSR) Rules, 2014. (as amended from time to time).



The role and responsibilities of the CSR Committee includes the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013;
- To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- To monitor this Policy from time to time.
- Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

During the year one meeting of the CSR Committee was held on July 15, 2023. The composition and the attendance of Directors at the meeting is as under:

S. No.	Members	Categories of Directorship	Meetings	
			Held	Attended
1.	Shri HSU Kamath	Chairperson - Independent Director	1	1
2.	Ms. Asha Anil Agarwal	Member - Independent Director	1	1
3.	Shri Rohan Gupta	Member - Non-Executive Director	1	1

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

During the financial year 2023-24, attendance of Directors/Members of the Committees in Board/Committee meetings includes participation through Video Conferencing or Other Audio Visual Means. The Company Secretary acts as the Secretary of all the Committees of the Board

12. The Company is having following officers in senior management position in the Company (as defined under Regulation 16 of the Listing Obligations):

S. No.	Name	Designation	Date of Joining	Brief Profile
1.	Shri Sorabh Dhawan	Chief Executive Officer (CEO)	18.10.2022	Shri Sorabh Dhawan has over 17 years of experience in Corporate Lending with extensive insight of various functions including Business, Credit, Technology & Operational initiatives. In the past, he has worked with large Private Sector Banks/FIs in India including Kotak Mahindra Bank, HDFC Bank, and Aditya Birla Finance across various wholesale lending verticals like SME, Mid Corporate and Structured Finance solutions. In his various stints, he has been an initial member/ key contributor in setting up these departments from scratch. At all times he has ensured to meet the organization's growth expectations, however keeping full check on the quality of the portfolio, with overall underwriting of more than USD 2 Billion and holding record of Nil NPA incurred until date.
2.	Shri Sahil Sikka	Chief Financial Officer (CFO) & Chief Operating Officer (COO)	25.07.2022	Shri Sahil Sikka has worked with leading Banks and Financial Institutions in various leadership roles with total experience of around 14 years spanning across Business and Credit in Corporate and Investment Banking. He has had stints with HDFC Bank, Kotak Mahindra Bank and Aditya Birla Finance (Structured Finance) wherein he was instrumental in setting up Structured Lending Team and Book for Aditya Birla Finance, North from scratch and was accorded Young Achiever of Aditya Birla Capital. Shri Sikka is B.Engg., MBA – Dean's Honor Student and CFA, Level 2. He has won various awards and accolades in his illustrious career with Gold Award in HDFC Bank and Team Excellence award in Aditya Birla Finance. Shri Sahil Sikka with his Banking know how experience will help in building robust book and strong franchise for the Company.

S. No.	Name	Designation	Date of Joining	Brief Profile
3.	Shri Arvind Mohan Vatsa	Chief Compliance Officer (CCO)	18.10.2023	Shri Arvind Mohan Vatsa is a Commerce Graduate from Delhi University (PG DAV College) and did his post-graduation (M. Com-Business Administration) from University of Rajasthan in the year 1987. He has worked with a multiple Banks, NBFCs & other financial Institutions. During his 36+ years of professional career, he has been involved in Companies' RBI related Matters, RBI compliances, KYC, AML & Internal reporting by Banks & NBFCs. He started his carrier as Manager in ANZ Grindlays Bank Ltd. Afterwards, he worked with Standard Chartered Bank and GE Capital Services India. He served as a Vice-President-Credit Administration Department in Kotak Mahindra Bank Limited. Lastly, he was associated with the Barclays investments & Loans (India) Pvt. Ltd.
4.	Ms. Ritu Nagpal	Company Secretary & Compliance Officer (CS & CO)	11.05.2023	Ms. Ritu Nagpal is a Commerce Graduate from Delhi University and a Company Secretary qualified in June, 2014. She did her post-graduation (M.Com-Corporate Governance) from IGNOU in the year 2018. She also holds Bachelor of Law degree. She has worked with a big CA firm, listed companies and NBFCs. During her 11+ years of professional career, she has been involved in Company Law Compliances, Secretarial Audit, RBI related Matters & other regulatory matters. Ritu has adequate experience of handling matters pertaining to RBI Compliances for NBFC'S (Base Layer & Middle Layer). Has had exposure in SEBI LODR- Compliances related to Listed Companies, filing on stock exchanges and in Internal Audit.
5.	Shri Abhishek Mahajan	Chief Risk Officer (CRO)	18.10.2023	Seasoned Chartered Accountant (Nov'2000 Batch) with -2 decades of rich experience in Corporate Banking Segment across varied industries and had earlier worked for Industrial Development Bank of India (FI), ICICI Bank Limited and Kotak Mahindra Bank Ltd. Shri Abhishek Mahajan possess comprehensive credit underwriting experience covering various divisions - Small & medium enterprises, Mid-Market, PSUs and Large Corporate. Skilled in Credit Risk Management, Corporate Finance, Structured Deals, Team Coordination, Compliance and Portfolio Review. Had managed a portfolio of Rs 4000 crores with sanctioned limits of Rs 6000 crores comprising corporates from varied industries viz. Iron & Steel, Textile, Auto Ancillaries, Hotels, Education, Pharmaceuticals, Real Estate, EPC Players, Traders, etc.



13. GENERAL BODY MEETINGS

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

Financial years	Venue	Date & Time	Items approved by Special Resolution
2022-23	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	September 26, 2023 11:00 A.M.	1. Re-appointment of Shri Rahul Gupta (DIN: 07151792) as Director of the Company)
2021-22	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	September 30, 2022 11:00 A.M.	1. Appointment of Shri Anil Kumar Bansal (DIN: 06752578) as a Non-executive, Independent Director of the Company. 2. Appointment of Shri Rahul Gupta (DIN: 07151792) as a Non-executive Director of the Company 3. Appointment of Shri Rohan Gupta (DIN: 08598622) as a Non-executive Director of the Company 4. To approve the appointment of Shri Sahil Sikka as a manager of the Company 5. Approval for change of name of the Company and consequential amendment to memorandum and articles of association of the company 6. Alteration in the memorandum of association of the Company 7. Appointment of Ms. Asha Anil Agarwal (DIN: 09722160) as a Non-executive, Independent Director of the Company
2020-21	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	September 30, 2021 04:30 P.M.	1. Re-appointment of Ms. Ruchi Jain (DIN: 07291623) as a Whole time Director of the Company.

B. Special Resolutions passed through Postal Ballot during Financial Year 2023-24

Date of passing resolution	Date of Notice	Date of Dispatch of Postal Ballot Forms to Members	Last date for receiving the Postal Ballot forms including e-voting	Items approved by Special Resolution
07/03/2024	06/02/2024	NA*	NA*	1. To approve the amendment in Moongipa Securities Employee Stock Option Scheme-2022
23/04/2023	24/03/2023	NA*	NA*	1. Appointment of Shri Dukhabandhu Rath (DIN: 08965826) as a Non-executive, Independent Director of the company, 2. Appointment of Shri HSU (DIN: 02648119) as a Non-executive, Independent Director of the company, 3. Approval of material related party transactions with APL Infrastructure Private limited

* Resolution passed through e-voting, therefore dispatch of Postal ballot form is not applicable.

14. DISCLOSURES

a) Related Party Disclosure:

During the Financial year ended March 31, 2024, all the contracts or arrangements or transactions entered into by the Company with related party were in ordinary course of the Business and on arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Further, the Company has not entered into any contract or arrangement or transaction with the related parties which were not on arm's length basis or could be considered material in accordance with the policy of the company on materiality of related party transaction. In view of the above, it is not required to provide the specific disclosure of related party transaction in form AOC-2 in terms of Section 134 of the Companies Act, 2013. However, the details of the transactions are given in the financial statements in accordance with the Accounting Standards.

The Company has also formulated a policy on dealing with Materiality of Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is <https://www.sgfinserve.com/policy>

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

b) Business responsibility and sustainability report

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

c) Risk Management Committee and Policy

The Company has a duly approved Risk Management Policy and constituted a Risk Management Committee as required under SEBI Listing Regulations. The Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with regard to enterprise risk management.

The role of Risk Management Committee includes:

- To formulate a detailed risk management policy,
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

During the year two meeting of the Risk Management Committee were held on July 15, 2023, and October 18, 2023. The composition and the attendance of Directors at the meetings are as under: -

S. No.	Members	Categories of Directorship	Meetings	
			Held	Attended
1.	Shri HSU Kamath	Chairperson - Independent Director	2	2
2.	Ms. Asha Anil Agarwal	Member - Independent Director	2	2
3.	Shri Anil Kumar Bansal	Member - Independent Director	2	2
4.	Shri Dukhabandhu Rath	Member - Independent Director	2	2
5.	Shri Rohan Gupta	Member - Non Executive Director	2	2

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

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

- The Company's financial statements are with unmodified audit opinion. A declaration to this effect, duly signed by the Chief Financial Officer has also been furnished. There are no audit qualifications on the financial year 2023-24.
- The internal auditor reports directly to the Audit Committee of the Board.

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

During the year under review, the Company has duly complied with the requirements, regulations & provisions of stock exchange, SEBI & any other regulatory authorities except in respect of matters specified below:

S. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Type of Action and action taken by	Details of Violation	Fine Amount	Observations/ Remarks of PCS	Management Response	Remarks
1.	Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements), 2015	Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements), 2015	Noncompliance with submission of Secretarial Compliance Report for the Financial Year 2022- 2023	Fine imposed by BSE under the Standard Operating Procedures (SOP circulars) and in accordance with the Fines as per SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/12 dated January 22, 2020 by Bombay Stock Exchange Limited ("BSE")	Non-submission of Secretarial Compliance Report for the Financial Year ended on 31 st March, 2023	₹63,720/-	The fine was levied by BSE citing non compliance with Regulation-24A and later withdrawn.	The fine was withdrawn by BSE based on the Company's submissions regarding non-applicability.	None

f) **Code of Conduct**

Company's board has laid down a Code of Conduct for all Directors and Senior Management Personnel ("Code") of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board Members and Senior Management during the financial year 2023-24.

The Code of Conduct is available on the Company's website at <https://www.sgfinserve.com/policy>

g) **Disclosure of Accounting Treatment**

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

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

h) **Prevention of Sexual Harassment of Women at Workplace**

The Company has complied with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, has in place a Policy on Prevention of Sexual Harassment at the Workplace in line with the provisions of the said Act and an Internal Complaints Committee has also been set up to redress complaints received regarding sexual harassment. During the period under review, Company did not receive any complaint relating to sexual harassment.

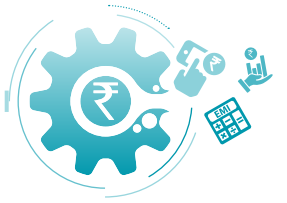
Particulars	Remarks
Number of Complaints filed during the financial year	0
Number of complaints disposed of during the financial year	Not Applicable
Number of complaints pending as on end of the financial year	0

This Policy is available on the website of the Company and the weblink for the same is <https://www.sgfinserve.com/policy>

The composition of the POSH Committee as on March 31, 2024 is as under:

S. No.	Members	Categories of Directorship	Meetings held on May 11, 2023	
			Held	Attended
1.	Ms. Renu Rai	Presiding Officer	1	1
2.	Ms. Ritu Nagpal	Member	1	1
3.	Shri Sorabh Dhawan	Member	1	1

Ms. Asha Anil Agarwal is an external member of the Committee and attended the meeting held on May 11, 2023.



13. **MEANS OF COMMUNICATION:**

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

Quarterly/ half yearly/ nine monthly and annual financial results are normally published in Financial Express, Jansatta etc. and are promptly furnished to the Stock Exchanges. The results are also displayed on the website of the Company <https://www.sgfinserve.com/financial-result>

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

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

ii. **Press Release:**

To provide information to investors, quarterly production figures and other press releases are sent to the stock exchanges as well as are displayed on the Company's website i.e. <https://www.sgfinserve.com/disclosures> before it is release to the media.

iii. **Presentations to analysts:**

Four presentations were made to analysts/investors during the financial year 2023-24. The same are available on the Company's website i.e. <https://www.sgfinserve.com/disclosures>

The presentations broadly covered operational and financial performance of the Company and industry outlook.

14. **GENERAL SHAREHOLDERS' INFORMATION:**

i. **Annual General Meeting Date and time:** Tuesday, September 24, 2024 at 11.00 AM. Venue: Through VC/ OAVM or at a common physical venue depending on the prevailing situation.

ii. **Listing of shares:**

The Equity Shares of your Company are listed on BSE Limited. The company has paid the listing fees for the financial years 2024-25 to the above said stock exchange.



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

iii. Distribution schedule as at March 31, 2024

Range	No. of Share Holders	% of Share Holders	No. of Shares	% of Share Holding
Up To 500	9,514	83.69	8,36,898.00	1.52
501 To 1000	660	5.81	5,06,275.00	0.92
1001 To 2000	464	4.08	6,83,808.00	1.24
2001 To 3000	191	1.68	4,85,390.00	0.88
3001 To 4000	91	0.80	3,17,655.00	0.58
4001 To 5000	77	0.68	3,57,741.00	0.65
5001 To 10,000	146	1.28	10,45,373.00	1.90
10,000 and Above	225	1.98	5,07,45,860.00	92.30
Total	11,368	100.00	5,49,79,000.00	100.00

iv. Shareholding pattern as on March 31, 2024

Category	No. of shares held	Percentage of shareholding
Indian Promoters	2,62,65,000	47.77
Foreign Portfolio Investors	1,27,657	0.23
Trusts/Foreign Nationals, NRIs/Clearing Members/HUF/Bodies Corporates/IEPF	1,05,76,550	19.23
Individuals	1,72,47,361	31.37
Mutual funds	-	-
Insurance Companies	39,534	0.07
Alternate Investment Funds	7,22,898	1.31
Total	5,49,79,000	100

v. Market price data

Month	High (₹)	Low (₹)	Traded quantity
April, 2023	545.00	456.75	1,778
May, 2023	748.00	506.30	4394
June, 2023	708.00	516.00	11,262
July, 2023	653.90	554.70	16,499
August, 2023	615.00	540.00	11,320
September, 2023	595.00	535.00	8,173
October, 2023	600.00	486.00	13,650
November, 2023	530.00	476.95	9,753
December, 2023	504.90	471.05	9,778
January, 2024	576.00	460.95	26,123
February, 2024	510.00	440.00	17,422
March, 2024	454.90	384.95	24,185

(Source: www.bseindia.com)

vi. Share transfer system

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

All such permitted requests are handled and disposed of by Company's Registrar & Share Transfer Agent i.e. M/s Skyline Financial Services Private Limited within fifteen days from the date of receipt of request, provided the documents are found to be in order. In case of shares in electronic form, the transfers are processed by NSDL/ CDSL through respective Depository Participants.

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

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

vii. Dematerialization of shares

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

As on March 31, 2024, 99.98% of the Company's total Equity Shares representing 5,49,69,600 shares were held in dematerialized form and 9,400 shares representing 0.01% of paid-up share capital were held in physical form.

viii. Nomination Facility:

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

ix. Outstanding ADRs/ GDRs

There were no outstanding GDRs/ ADRs, as on March 31, 2024.

x. Warrants and other convertible instruments:

There were 9,16,000 warrants outstanding for conversion as on March 31, 2024.

xi. Commodity price risk or Foreign Exchange risk and hedging activities:

The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

xii. Details of utilization of funds raised through preferential allotment:

During the year under review, the Company raised the funds through (i) issue of 1,37,06,000 warrants convertible into equity shares on preferential basis to promoters/non-promoters. The total funds of ₹1,51,75,13,250/- raised through aforesaid preferential allotment has been fully utilized by the Company during the year 2023-24 and the company affirms that there has been no deviation or variation in utilization of such proceeds raised through the preferential allotment.

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

xiv. During the financial year ended March 31, 2024, the Company paid total fees for various services including statutory audit, amounting to ₹15,87,263.00 including taxes, to the Statutory Auditor, namely M/s AKGVG & Associates, Chartered Accountants. Further, no fees other than above was paid by any of the by the Company to any entity in the network firm/ network entity of which the Statutory Auditor is a part.



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

xv. SG Finserve Limited

CIN: L64990DL1994PLC057941

Registered Office:- 37, Hargobind Enclave, Vikas Marg, Delhi – 110092

Tel No.:- 91-120-4041400

E-mail – Compliance@sgfinserve.com

xvi. Registrar and Transfer Agents:

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

xvii. Stock Exchange:

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

xviii. Depositories:

National Securities Depository Limited

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

Central Depository Services (India) Limited

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

xix. Disclosures with respect to demat suspense account/unclaimed suspense account

There were no shares in the demat suspense account or unclaimed suspense account during the financial year 2023-24.

15. CODE OF CONDUCT:

The Board of Directors has laid down a Code of Conduct for all Board members and senior management personnel which is available on the website of the Company i.e. <https://www.sgfinserve.com/investor>. The Company has received confirmations from all the Board members and senior management personnel regarding compliance of the Code during the year

under review. A declaration signed by the CFO is attached as **"Annexure F"**.

16. CEO AND CFO CERTIFICATION:

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

17. CORPORATE GOVERNANCE CERTIFICATE

Certificate from the Secretarial Auditors M/s Kuldeep Dahiya & Associates, Company Secretaries (Membership Number: 34404) confirming compliance with the conditions of Corporate Governance as required under Regulation 34 Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 has been attached as **"Annexure G"** forming integral part of this Report.

18. CODE FOR PREVENTION OF INSIDER TRADING:

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

19. DISCLOSURE IN ACCORDANCE WITH REGULATION 30A OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

No such agreements as specified under clause 5A to para A of part A of schedule II, are required to be disclosed in accordance with Regulation 30A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the FY 2023-2024.

20. DISCRETIONARY DISCLOSURES:

The status of compliance with non-mandatory recommendations of the Listing Regulations is as follows:

1. Shareholders' Rights: As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the shareholders.

2. Audit Qualifications: The Company's financial statements for the year 2023-24 do not contain any audit qualification.

3. Reporting of Internal Auditor: The Internal Auditors of the Company directly report to Chairperson of the Audit Committee.

For & On behalf of the Board of Directors

Sd/-

Rohan Gupta

Director

DIN: 08598622

Place: New Delhi

Date: 28-05-2024



ANNEXURE C

ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

The Board of Directors' at its meeting held on 15th July, 2023 approved the "SG Finserve Limited CSR Policy" (CSR Policy) of your company pursuant to the provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Policy describes and contains the Company's philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines, process and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large. The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility.

The Company's CSR Policy has been framed within the objectives prescribed under Schedule VII of the Companies Act, 2013 as per the following Vision and Objective:

a. Vision:

SG Finserve Limited (SGFL) envisions a society where every child, regardless of socio-economic background, has access to quality education. To fulfill this vision, the company has identified Bharatpuria Education Society (BES), an organization dedicated to providing elementary education to underprivileged children from class Nursery to eighth. By allocating CSR funds towards sponsoring these students, SG Finserve Limited not only supports Bharatpuria Education Society's noble objective but also becomes an integral part of their mission. Through this partnership, the company ensures that the basic needs of these students are met, facilitating their journey towards completing their education and empowering them for a brighter future. SGFL's Vision & Mission is to develop the capacity of the community through empowering & enlightening the life of underprivileged Children, by promoting Education and Health at their school level.

b. Objective:

SGFL's CSR Policy intends to:

- Strive for economic development that positively impacts the society at large with minimal resource footprint.
- Embrace responsibility for the Company's actions and encourage a positive impact through its activities by promoting elementary Education.

CSR activities proposed to be undertaken by the Company shall be in pursuance to Section 135 read with Schedule VII, as amended from time to time, of the Companies Act, 2013.

2. COMPOSITION OF CSR COMMITTEE:

S. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri HSU Kamath	Chairperson	1	1
2.	Ms. Asha Anil Agarwal	Member	1	1
3.	Shri Rohan Gupta	Member	1	1

During the year, the CSR Committee has been formed on May 11, 2023: -

- Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company on <https://www.sgfinserve.com>
- Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: NA.
- Average net profit of the company as per section 135(5):
The average Net Profit of three financial years preceding the reporting financial year (i.e. 2020-21, 2021-22, 2022-23) calculated in accordance with Section 135 of the Companies Act, 2013 is ₹924.44 Lakhs.
 - Two percent of average net profit of the company as per section 135(5): ₹18.52 Lakhs
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
 - Amount required to be set off for the financial year, if any: NIL
 - Total CSR obligation for the financial year (b+c—d): ₹18.52 Lakhs
- Amount spent on CSR projects (both Ongoing Projects and other than Ongoing Project): ₹8.16 Lakhs
 - Amount spent in Administrative Overheads: NIL
 - Amount spent on Impact Assessment, if applicable NA
 - Total amount spent for the Financial Year (a+b+c): ₹8.16 Lakhs
 - CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)			
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
8.16	10.74	31.03.2024	NIL	-	-

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount in lakhs (₹)
(i)	Two percent of average net profit of the company as per section 135(5)	18.52
(ii)	Total amount spent for the Financial Year**	8.16
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

Note: ** Includes amount for the Financial Year 2023-24 only.

- Details of Unspent CSR amount for the preceding three financial years: Not Applicable
- Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NIL
- Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Company has on-going project. Please refer note no. of Financial Statement.

For & On behalf of the Board
SG Finserve Limited

Sd/-

HSU Kamath

(Chairman - CSR Committee)

DIN: 02648119

Place: New Delhi

Date: 28-05-2024

Sd/-

Rohan Gupta

Director

DIN: 08598622



ANNEXURE D

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2024

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

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

I, Kuldeep Dahiya, Proprietor of Kuldeep Dahiya & Associates, Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the **SG FINSERVE LIMITED (FORMERLY KNOWN AS MOONGIPA SECURITIES LIMITED) (CIN: L64990DL1994PLC057941)** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the Rules made thereunder as amended;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder as amended;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder as amended;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (as amended from time to time)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended;

- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended;
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended: **Not applicable to the Company during audit period;**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 as amended: **Not applicable to the Company during audit period;**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as amended: **Not applicable to the Company during audit period;**
- (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended;
- (vi) Rules, Regulations, Guidelines and Directions issued by the Reserve Bank of India as are applicable to non-Deposit taking NBFC's, which are specifically applicable to the Company.

- (vii) I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

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

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

- (i) During the review period BSE Limited via its email dated 26th June, 2023 had levied a fine of ₹63,720/- for non-compliance of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 2023.

In response to the email dated 26th June, 2023, the company submitted that "on the last day of previous financial year, i.e., March 31, 2022, Company's Equity Share capital was ₹5.01 crore and the net worth was ₹8.87 crore. Therefore, compliance with the various Regulations (including Regulation 24A) as mentioned in Regulation 15(2) was not applicable to the Company during the financial year 2022-23. Accordingly, no annual secretarial compliance report for the FY 2022-23 was filed by the Company by May 30, 2023."

In continuation with the aforesaid reply, the company is regularly following up with the BSE Limited. and the company has filed an application for waiver of aforesaid fine and made the payment of ₹11,800/- as a processing fee to BSE Limited on 18th May, 2024 and which is pending before the Stock Exchange and reply from them is awaited as on the date of signing of this report.

- (ii) During the review period, BSE Limited via its email dated 21st September, 2023 regarding submission of Business Responsibility and Sustainability Reporting (BRSR) for the Financial Year ended 31st March, 2023 in compliance of Regulation 34(2)(f) of SEBI (LODR) Regulations 2015, observed that the Company has not submitted the BRSR in PDF and XBRL Mode.

In this regard, company has submitted a reply to the BSE Limited via letter dated 25th September, 2023 regarding non-applicability of the provisions of the Regulation 34(2)(f) for the Financial Year ended 31st March, 2023 and that the company came in top 1000 listed entities as on March 31, 2023, BRSR has become applicable for the Company for FY 2023-24 and it shall publish the BRSR for FY 2023-24 whenever it shall become due. Further the response from BSE Limited is awaited.



I further report that:

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

Adequate notices were given to all the Directors to schedule the Board Meetings and Committee Meetings, Agenda and detailed notes on agenda were sent in advance to all the Directors or Committee Members, as the case may be and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that during the audit period:

- (i) Following changes took in respect to the composition of Board of Directors and Key Managerial Personnel of the Company: -

S. No.	Name of the Director	DIN	Designation	Appointment/Cessation/Regularization	Date of Appointment/Cessation/ Date of Change
1.	Shri Sachin Kumar	NA	Company Secretary & Compliance Officer	Cessation	2 nd April, 2023
2.	Ms. Ritu Nagpal	NA	Compliance Officer	Appointment	3 rd April, 2023
3.	Shri Dukhabandhu Rath	08965826	Non-Executive Independent Director	Regularization	23 rd April, 2023
4.	Shri Upendra Hosdurg Sundar Kamath	02648119	Non-Executive Independent Director	Regularization	23 rd April, 2023
5.	Ms. Ritu Nagpal	NA	Company Secretary	Appointment	11 th May, 2023

- (ii) Pursuant to the RBI approval dated 13th February, 2023 and SEBI approval dated 17th April, 2023 on the open offer made by Shri Rahul Gupta and Shri Rohan Gupta (hereinafter collectively referred as 'Acquirers') along with Sudesh Business Ventures Private Limited (hereinafter collectively referred as 'PAC') to acquire upto 1,07,30,980 Equity Shares constituting 26.00% of Paid up Equity Share Capital of the Target Company in compliance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SEBI (SAST) Regulations, 2011), the said offer open on 28th April, 2023 & closes on 15th May, 2023. Further, in response to said open offer, NIL shares have been tendered.

- (iii) The Company has obtained the shareholders' approval via Postal Ballots in respect of the following matters:

Shareholders' approval Date	Matters Considered
23 rd April, 2023	i. Appointment of Shri Dukhabandhu Rath (DIN: 08965826) as a Non-Executive Independent Director of the company. ii. Appointment of Shri HSU Kamath (DIN: 02648119) as a Non-Executive Independent Director of the company. iii. Approval for entering into a Related Party Transactions with APL Infrastructure Limited.
7 th March, 2024	i. For increasing the pool of Moongipa Securities Limited Employee Stock Option Scheme-2022 by 5 lakh stock options i.e. from existing 5 lakh stock options to 10 lakh stock options.

- (iv) In terms of the provisions of Section 135 of the Act and based on the audited financial statements for the financial year ending March 2023, the company has touched the threshold mentioned in the section and has required to comply with the provisions of Section 135 of the Act for the financial year 2023-2024. In order to comply with the requirements, the company has constituted a Corporate Social Responsibility (CSR) Committee w.e.f. 11th May, 2023.

Further, during the financial year 2023-2024, the company was required to spend ₹18.52 lakhs towards its responsibility to spend at least 2% of the average Net Profit of the Company as per Section 135(5) of the Act. In pursuant to its responsibility, the company has spent ₹9.78 lakhs towards its obligation on Ongoing Projects and transferred ₹8.74 lakhs to Unspent CSR Account as per Section 135(6) of the Companies Act, 2013 before the financial year ended on 31st March, 2024.

- (v) In terms of the provisions of the Regulation 21 of SEBI (LODR) Regulations, 2015 the Company was required to constitute a Risk Management Committee of the Board to formulate framework for identifying risks faced by entity, suggest measures for risk mitigation, overseeing implementation of scheme, evaluating adequacy of risk management systems and in compliance with the provisions the company has constituted a committee w.e.f. 11th May, 2023.

- (vi) ESOPs Granted:

Scheme name	Date of Grant of Options	No. of Options Granted by Nomination & Remuneration Committee of the Board
Moongipa Securities Limited Employees Stock Option Scheme – 2022 ("Scheme")	11 th May, 2023	1,42,500 Employee Stock Options ("Options")
Moongipa Securities Limited Employees Stock Option Scheme – 2022 ("Scheme")	15 th July, 2023	23,500 Employee Stock Options ("Options")
Moongipa Securities Limited Employees Stock Option Scheme – 2022 ("Scheme")	18 th October, 2023	39,500 Employee Stock Options ("Options")
Moongipa Securities Limited Employees Stock Option Scheme – 2022 ("Scheme")	19 th January, 2024	60,500 Employee Stock Options ("Options")

- (vii) Increase in the Paid-up Capital of the Company due to Conversion of Warrants into Equity Share Capital of the Company:

S. No.	Number of securities allotted	Amount of per Securities Allotted	Paid-Up Share Capital of the Company after Allotment	Date of Allotment by the Allotment Committee of the Board	Type of Security	Type of Allotment
1.	1251000	Issue price of ₹101/- per warrant (₹10/- Face Value and ₹91/-Premium Amount)	₹42,52,40,000/-	17 th June, 2023	Equity Shares pursuant to conversion of warrants	Preferential allotment
2.	6000000	Issue price of ₹101/- per warrant (₹10/- Face Value and ₹91/-Premium Amount)	₹48,52,40,000/-	2 nd August, 2023	Equity Shares pursuant to conversion of warrants	Preferential allotment
3.	425000	Issue price of ₹200/- per warrant (₹10/- Face Value and ₹190/-Premium Amount)	₹48,94,90,000/-	22 nd August, 2023	Equity Shares pursuant to conversion of warrants	Preferential allotment



ANNEXURE A OF MR-3

S. No.	Number of securities allotted	Amount of per Securities Allotted	Paid-Up Share Capital of the Company after Allotment	Date of Allotment by the Allotment Committee of the Board	Type of Security	Type of Allotment
4.	6000000	Issue price of ₹200/- per warrant (₹10/- Face Value and ₹190/-Premium Amount)	₹54,94,90,000/-	1 st September, 2023	Equity Shares pursuant to conversion of warrants	Preferential allotment
5.	30000	Issue price of ₹200/- per warrant (₹10/- Face Value and ₹190/-Premium Amount)	₹54,97,90,000/-	23 rd February, 2024	Equity Shares pursuant to conversion of warrants	Preferential allotment

(viii) Pursuant to the RBI Circular No. Ref.No.DoS.CO.PPG./SEC.01/11.01.005/2022-23 dated April 11, 2022 and in order to comply with the provisions the Company had appointed Shri Arvind Mohan Vatsa as the Chief Compliance Officer with effect from 19th October, 2023 in its Board Meeting held on 18th October, 2023.

(ix) Pursuant to the RBI Circular No. RBI/2018-19/184 DNBR (PD) CC. No. 099/03.10. 001/2018-19 dated May 16, 2019 and in order to comply with the provisions the Company had re-designated Shri Abhishek Mahajan from Head-Credit & Risk to Chief Risk Officer with effect from 19th October, 2023 in its Board Meeting held on 18th October, 2023.

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

For Kuldeep Dahiya & Associates
Company Secretaries

Sd/-
Kuldeep Dahiya

ACS No.: 34404

C P No.:18930

UDIN: A034404F000464086

PR: 2581/2022

PR Unique Code: S2017HR515900

Place: Sonapat
Date: 28-05-2024

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

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis of our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kuldeep Dahiya & Associates
Company Secretaries

Sd/-
Kuldeep Dahiya

ACS No.: 34404

C P No.:18930

UDIN: A034404F000464086

PR: 2581/2022

PR Unique Code: S2017HR515900

Place: Sonapat
Date: 28-05-2024

ANNEXURE E

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SG Finserve Limited (Formerly known as Moongipa Securities Limited)** having CIN: **L64990DL1994PLC057941** and having registered office at 37, Hargobind Enclave, Vikas Marg, New Delhi -110092 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Directors	DIN	Date of appointment in the company
1.	Shri Anil Kumar Bansal	06752578	25/07/2022
2.	Shri Rahul Gupta	07151792	25/07/2022
3.	Shri Rohan Gupta	08598622	25/07/2022
4.	Ms. Asha Anil Agarwal	09722160	02/09/2022
5.	Shri Dukhabandhu Rath	08965826	25/01/2023
6.	Shri Hosdurg Sundar Kamath Upendra Kamath	02648119	13/02/2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Anjali Yadav & Associates
Company Secretaries

Sd/-
Anjali Yadav

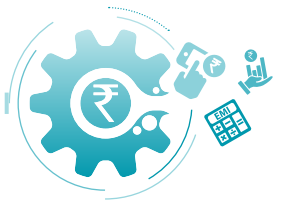
Proprietor
FCS No.: 6628
C P No.:7257

UDIN: F006628F000464074

PR Unique Code: S2006DE715800

Certificate No.: 629/2019

Place: Sonapat
Date: 28-05-2024



ANNEXURE F

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

This is to confirm that the Board of Directors of the Company has laid down a Code of Conduct for its Members and Senior Management Personnel of the Company. The same has also been posted on the Company's website at www.sgfinserve.com. It is further confirmed that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2024 as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

For SG Finserve Limited

Sd/-

Sahil Sikka

Chief Financial Officer

Place: New Delhi
Date: 28-05-2024



ANNEXURE G

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by the **SG Finserve Limited (Formerly known as Moongipa Securities Limited)** ("the Company") for the year ended 31st March, 2024 as stipulated in corporate governance provisions as contained in the Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations") for the period 1st April, 2023 to 31st March, 2024.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

OPINION

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

We further state that such compliance neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

RESTRICTION ON USE

The certificate is addressed and provided to the members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Kuldeep Dahiya & Associates**
Company Secretaries

Sd/-

Kuldeep Dahiya

Proprietor

ACS No.: 34404

C P No.:18930

UDIN: A034404F000464097

PR: 2581/2022

PR Unique Code: S2017HR515900

Place: Sonapat

Date: 28-05-2024

MESSAGE FROM THE
CHIEF EXECUTIVE OFFICER

It is with immense pride and enthusiasm that I present to you SG Finserve Limited's first Business Responsibility and Sustainability Report (BRSR). This report represents a significant milestone in our journey as we reaffirm our commitment to sustainable growth and responsible business practices.

At SG Finserve, we firmly believe that true success is not solely measured by financial performance but also by the positive impact we create for our stakeholders and society at large. As a leading provider of supply chain financing solutions, we have a unique opportunity to empower and uplift the MSME ecosystem in India. Our mission is to deliver innovative, tailored products and services that cater to the growing needs of transforming India.

However, our success is not just about numbers. It is about the lives we touch and the communities we empower. Through our supply chain financing solutions, we have enabled MSMEs to access the necessary capital to grow their businesses and create employment opportunities. We have also contributed to optimizing working capital cycles for our corporate partners, allowing them to focus on their core competencies.

As we move forward, we remain committed to our core values of "ASTHA" which symbolizes Arjava (sincerity), Satya (honesty), Tapas (self-discipline), Hridaya (compassion), and Asteya (non-stealing). These values guide our decision-making and shape our culture, ensuring that we always act in the best interests of our stakeholders and society.

In this report, we have outlined our efforts toward creating a more sustainable and equitable future.

We have implemented robust governance structures to ensure accountability, transparency, and ethical conduct across our operations. By adopting environmentally responsible practices, we are actively contributing to environmental sustainability. This includes measures to reduce our carbon footprint, promote energy efficiency, and minimize waste generation in line with global sustainability standards.

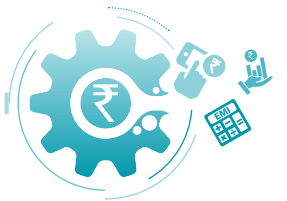
Furthermore, SG Finserve has fostered a culture of diversity and inclusion within our organization. By promoting diversity, equity, and inclusion, we ensure a workplace that values and respects individuals from all backgrounds, fostering innovation and creativity. This commitment to diversity extends beyond our organization and reflects in our interactions with stakeholders and the community.

SG Finserve's BRSR showcases a comprehensive approach towards sustainability, encompassing governance, environmental responsibility, diversity and inclusion, and alignment with global sustainability goals. Through these initiatives, we are not only focusing on our financial performance but also on creating a positive impact on society and the environment.

I would like to express my sincere gratitude to our employees, customers, partners, and shareholders for their unwavering support and trust. Together, we are shaping a future where financial inclusion and sustainable growth go hand in hand.

As we embark on this new chapter, I am confident that SG Finserve will continue to be a catalyst for positive change and a partner of choice for supply chain financing solutions in India.

SORABH DHAWAN
Chief Executive Officer



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1	Corporate Identity Number (CIN) of the Listed Entity	L64990DL1994PLC057941
2	Name of the Listed Entity	SG Finserve Limited
3	Year of Incorporation	1994
4	Registered Office Address	37, Hargobind Enclave, Vikas Marg, East Delhi, Delhi-110092
5	Corporate Office Address	36 (2nd floor), Kaushambi, Near Anand Vihar Terminal, Ghaziabad, Uttar Pradesh-201010 (India).
6	E- mail id	compliance@sgfinserve.com
7	Telephone	011-22373437
8	Website	www.sgfinserve.com
9	Financial year for which reporting is being done	FY2024 (1st April 2023 to 31st March 2024)
10	Name of the Stock Exchange(s) where shares are listed	Bombay Stock Exchange Ltd. (BSE)
11	Paid-up Capital (INR)	54,97,90,000.00
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Ritu Nagpal Company Secretary and Compliance Officer 9871228307 ritu.nagpal@sgfinserve.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures in the report are made on stand alone basis, as there are no subsidiaries of the company.
14	Name of assurance provider	NA
15	Type of assurance provider	NA

II. PRODUCTS/SERVICES

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Financial Services	64920 - Other Credit Granting	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total contributed Turnover
1	Financial Services	64920	100%

III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Nil	2 (Registered Office and Corporate Office)	2
International	Nil	Nil	Nil

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	19
International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

c. A brief on types of customers

The company's clientele includes Dealers, Distributors, Vendors, and Retailers, with a strategic emphasis on partnering with large corporates known as "Anchors" who possess extensive vendor and distribution networks. SG Finserve provides non-collateral financial assistance to the vendors and distribution partners of these Anchors, facilitating smoother operations within the supply chain. By offering tailored financing solutions, SG Finserve plays a pivotal role in optimizing working capital cycles, boosting sales, and empowering the MSME sector and India Inc. through its innovative financial products and services.

IV. EMPLOYEES

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	53	38	72%	15	28%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total employees (D + E)	53	38	72%	15	28%

*Note: The Company does not have any workers as defined in the guidance note on BRSR.

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0 %	0	0 %
2.	Other than Permanent (E)	0	0	0 %	0	0 %
3.	Total differently abled employees (D + E)	0	0	0 %	0	0 %

**21. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.67%
Key Management Personnel	3	1	33.33%

22. Turnover rate for permanent employees and workers

	Turnover rate FY 2023-24			Turnover rate FY 2022-23			Turnover rate FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.67%	11.76%	15.38%	8.00%	10.00%	8.57%	0%	0%	0%

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)**23. (a) Names of holding / subsidiary / associate companies / joint ventures**

Not Applicable as the company does not have a holding, subsidiary, associate, or joint venture.

VI. CSR DETAILS**24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**

(ii) Turnover (₹ in Lakhs): ₹18,971.94 Lakhs

(iii) Net worth (₹ in Lakhs): ₹80,326.15 Lakhs

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES**25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Y*	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders)	Y**	Nil	Nil	-	Nil	Nil	-
Shareholders	Y**	Nil	Nil	-	Nil	Nil	-
Employees and workers	Y***	Nil	Nil	-	Nil	Nil	-
Customers	Y****	Nil	Nil	-	Nil	Nil	-
Value Chain Partners	Y*	Nil	Nil	-	Nil	Nil	-

No complaints have been received during FY 2022-23 and FY 2023-24.

* Complaints / Grievances from Communities and Value Chain Partners are addressed by relevant departments on a case-to-case basis.

** Company has designated email ID compliance@sgfinserve.com where the shareholders can send their grievances/complaints. Board has constituted several Committees of Directors with adequate delegation of powers to focus effectively on issues and ensure expedient resolution of diverse matters. The Stakeholders' Relationship Committee deals with all the grievances and complaints of the Investors and Shareholders.

*** The details of grievance redressal mechanism for employees and workers are provided in Principle 3, point No. 6.

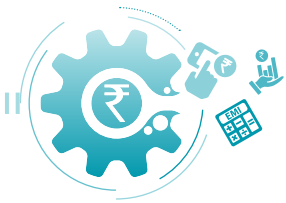
**** The various mechanisms in place to receive and respond to consumer complaints and feedback are provided in Principle 9, point No. 1.

Policies & grievance redressal mechanism are accessible on www.sgfinserve.com.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate.	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Cyber security and data privacy	Risk	Unauthorized access to sensitive data can lead to significant financial loss, legal consequences, and damage to reputation. Breaches of personal data can erode customer trust and loyalty, impacting customer retention and acquisition.	To mitigate cybersecurity and data privacy risks, we conduct regular risk assessments, enforce strong policies, train employees, use multi-factor authentication, and encrypt data. We ensure reliable data backup and recovery.	-ve
2	Employee training and Retention	Opportunity	Employee training and retention strategies present a vital opportunity for SG Finserve, enhancing organizational performance and competitiveness. Well-trained employees drive productivity and innovation, while retaining skilled staff reduces turnover costs and maintains operational continuity, fostering long-term business growth	Investing in employee training and retention yields positive financial outcomes for SG Finserve. It enhances productivity, reduces turnover costs, fosters innovation, improves customer satisfaction, and strengthens the company's employer brand. Overall, these measures drive long-term growth and sustainability	+ve



SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

We have implemented following policies towards adopting National Guidelines on Responsible Business Conduct (NGRBC):

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1.	a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y
	b.	Has the policy been approved by the Board? (Yes/No)	Yes							
	c.	Web Link* of the Policies, if available								
2.		Whether the entity has translated the policy into procedures. (Yes /No)	Y	Y	Y	Y	Y	Y	Y	Y
3.		Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N
4.		Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NA							
5.		Specific commitments, goals and targets set by the entity with defined timelines, if any.	No							
6.		Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	NA							
Governance, leadership and oversight										
7.		Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Message from Director - Sustainability Growth has been emerged as an important factor in facilitating the organizational value development and also as the productivity and endurance indicator. Considering ESG factors in our governance and decision making will improve the capacity to identify emerging opportunities and mitigating risks. SG Finserve's excellence has resulted in not just greater financial efficiency but also potential critical ESG targets, therefore contributing to value creation for stakeholders.							
8.		Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors							
9.		Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No							

10. Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee									Frequency (Annually / Half yearly /Quarterly/ Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Review was done by CEO									Annual								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	We comply with all the applicable laws of land where we operate in. The compliance with statutory requirements is reviewed by the Board/Board Committees/Functional Heads of the Company on a periodic basis.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

No, the assessment / evaluation of the working of its policies is being done internally as part of the business operating policies and procedures.

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not Applicable								
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									



SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership." While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1 BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	All Principles	100%
Key Managerial Personnel	1	All Principles	100%
Employees other than BoD and KMPs	Multiple Training Programs	Employees have been given training on Principle 1 and other Principle as applicable to their respective functional area	100%
Workers	NA	NA	NA

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format. (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

No such fines/ penalties/ punishment/ award/ compounding fees / settlement amount paid in proceedings either by the entity or by directors or KMPs.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not applicable.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Code of Conduct Policy, Code of Conduct for Directors and Senior Management Personnel and Vigil Mechanism covers the concerns regarding anti-corruption or antibribery policy. Policies are accessible at www.sgfinserve.com.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

No disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption against any of the Directors/KMPs/employees.

6. Details of complaints with regard to conflict of interest:

No complaint was received with regard to conflict of interest of the Directors, KMPs or any other employee.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

Parameter	FY 2023-24	FY 2022-23
Number of days of accounts payables	Within 30 days	Within 30 days

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of purchases*	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealer/ distributors as % of total sales	Nil	Nil
	b. Number of dealers/distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/ distributors	Nil	Nil
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)**	0.17%	0.19%
	b. Sales (Sales to related parties/Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0.097%	0.024%
	d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

**Not applicable as the nature of the business doesn't entail any purchase of raw-material or input materials.

**Rent paid to related parties.

PRINCIPLE 2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE.

Essential Indicators

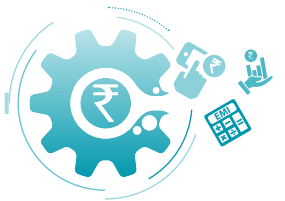
1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year 2023-24	Previous Financial Year 2022-23	Details of improvements in environmental and social impact
R&D Capex	Not Applicable, given the nature of the business of the Company		

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No

b. If yes, what percentage of inputs were sourced sustainably?



3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
Not Applicable, given the nature of the business of the Company.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
Not Applicable, given the nature of the business of the Company.

PRINCIPLE 3 BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Percentage of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Daycare Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	38	38	100%	38	100%	NA	0%	-	-	-	-
Female	15	15	100%	15	100%	15	100%	-	-	-	-
Total	53	53	100%	53	100%	15	100%	-	-	-	-
Other than Permanent Employees											
Male	0	-	-	-	-	-	-	-	-	-	-
Female	0	-	-	-	-	-	-	-	-	-	-
Total	0	-	-	-	-	-	-	-	-	-	-

- b. Details of measures for the well-being of workers: Not Applicable
- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

Parameter	FY 2023-24	FY 2022-23
Cost Incurred on well-being measures as a % of total revenue of the company	0.0603%	-

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered (as a % of total employees)	No. of Worker covered (as a % of total Worker)	Deducted and deposited with the authority (Yes/No/N.A.)	No. of employees covered (as a % of total employees)	No. of workers covered (as a % of total Worker)	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	NA	NA	NA	NA	NA	NA
Others (please specify)	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the corporate office of the entity is accessible to differently abled employees and guests.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.
No. SG Finserve is an equal opportunity employer and ensures all persons are treated equally without any biasness irrespective of gender, caste, creed, colour, religion, disability, or sexual orientation. The company is in process to have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016.
5. Return to work and Retention rates of permanent employees and workers that took parental leave.
Not applicable as no employee worker has taken any Parental leave during the financial year.
6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, an appropriate complaint mechanism in the form of "Internal Complaints Committee" has been created in the Company for time-bound redressal of the complaint made by the victim.
Other than Permanent Workers	
Permanent Employees	The Company has instituted an Internal Complaint Committee (herein referred as ICC) for redressal of sexual harassment complaint (made by the victim) and for ensuring time bound treatment of such complaints. Initially, and till further notice, the Internal Committee will comprise of the following members: Ms. Renu Rai Ms. Ritu Nagpal Mr. Sorabh Dhawan Mrs. Asha Anil Agarwal (External Member - ashha83@gmail.com)
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:
There are no employee association(s) or unions recognized by the company.
8. Details of training given to employees:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	38	38	100%	38	100%	24	24	100%	-	-
Female	15	15	100%	15	100%	9	9	100%	-	-
Total	53	53	100%	53	100%	33	33	100%	-	-



9. Details of performance and Career development reviews of employees:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	38	38	100%	24	24	100%
Female	15	15	100%	9	9	100%
Total	53	53	100%	33	33	100%

10. Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?
No as this is not applicable, given the nature of the business of the Company. However, SG Finserve is committed to fostering a robust safety culture within its offices. The company prioritizes the welfare of its employees.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
Not Applicable, given the nature of the business of the Company.
- Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)
Not Applicable, given the nature of the business of the Company.
- Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
Yes, SG Finserve, prioritizes the holistic well-being of its employees, encompassing mental, ergonomic, and physical health, as well as safety at home. This comprehensive approach includes hospital insurance, and occupational health services.

11. Details of safety related incidents, in the following format:

No Safety related recordable incident has occurred during the FY22-23 and FY23-24

Safety Incident/Number	FY 2023-24	FY 2022-23
Lost Time Injury Rate (LTIFR) (per one million-person hours worked)	Nil	Nil
Total recordable work-related injuries	Nil	Nil
No. of fatalities	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company's human resource department is responsible for:

- Daily safety and sanitation check of the whole company.
- Noting down of all unsafe conditions.
- Regular in-house safety training and awareness of all employees of the unit.
- Regular monitoring of all firefighting equipment's.
- Conducting monthly checks and meeting with the head responsible for review of safety standard of unit.
- Encourage employees to take personal responsibility for safety and to look after one another.
- Keeping employees informed about health and safety updates through meetings, emails or noticeboards.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Any other type of complaint	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

The assessments have been carried on internally by the entity as part of the business operations.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

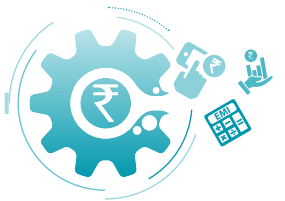
Not applicable as no recordable safety related incident has happened and no on significant risks/concerns has arisen from assessments of health & safety practices and working conditions

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

SG Finserve believes in forging a strong relationship with its stakeholders based on trust and delivery, The Stakeholders expectations and concerns offer critical inputs to the management of business and its growth. The key stakeholders include employees, customers, suppliers, bankers, investors, analysts, shareholders, regulatory bodies and community around our plants.



2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Customer Meetings, Customer Feedback Survey, Website	Ongoing basis/Annually	<ul style="list-style-type: none"> Customer Satisfaction, Pricing and quality of services
Employees	No	Notice Boards, Website, Intranet, email communications, Employee Survey feedback, Annual Performance Review, Meetings, Trainings	Ongoing basis	<ul style="list-style-type: none"> Professional Development, Working condition Employee performance, Employee Satisfaction, Work-life balance Company culture.
Community, NGOs	Yes	Corporate Social Responsibility engagements, interaction with the beneficiaries (community meetings), Implementing partners	Ongoing basis	<ul style="list-style-type: none"> Welfare of the Community
Investors, Shareholders & Analysts	No	AGM, Investor meets, Newspaper Publications, Investor Grievance Redressal mechanism, Designated Email ID	Annually / Quarterly / Need basis	<ul style="list-style-type: none"> Updating on Business Strategies Review of Company's Performance Grievance Redressal
Regulatory Bodies	No	Compliance Reports, Email, personal meetings, calls etc.	Ongoing basis	<ul style="list-style-type: none"> Compliance with the law of the land
Supplier	No	Email Communication, Supplier Grievance redressal mechanism	Ongoing basis	<ul style="list-style-type: none"> Query resolution & grievance redressal Timely payments of Invoices

PRINCIPLE 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	38	38	100%	24	24	100%
Other than permanent	15	15	100%	9	9	100%
Total Employees	53	53	100%	33	33	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than minimum wage		Total (D)	Equal to Minimum Wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent										
Male	38	0	0%	38	100%	24	0	0%	24	100%
Female	15	0	0%	15	100%	9	0	0%	9	100%
Other than Permanent										
Male	Not Applicable									
Female										

3. Details of remuneration/salary/wages, in the following format:

- a. Median remuneration / wages

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoDs)	5	0	1	0
Key Managerial Personnel (KMPs)	2	6250021.00	1	1449996.00
Employees other than BoDs and KMPs	38	880000.00	14	425040.00
Workers	-	-	-	-

- b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to female as %age of total wages	14%	12%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)
Yes, the HR Head is the focal point responsible for addressing human rights impacts or issues caused or contributed to by the business.
5. Describe the internal mechanisms in place to redress grievances related to human rights issues.
The details of grievance redressal mechanism related to human rights issues are provided in Principle 3, point No. 6.



6. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	NA	NA
Complaints on POSH upheld	NA	NA

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

SGFL Members, particularly the board members, directors and management will not intimidate or take retaliatory action as defined below against any person who makes a complaint or provides testimony/ evidence regarding a complaint under this Policy in good faith and without malice.

Types of retaliation that are prohibited include but are not limited to:

1. Intimidation;
2. Interference with the person's work or creating an intimidating or offensive or hostile work environment;
3. Termination of employment;
4. Failing to hire or consider for hire or promotion; and
5. Adversely impacting working conditions or otherwise denying any employment benefit to an employee.

*Note that an adverse disciplinary action against a SGFL member whose conduct or performance warrants such action for reasons unrelated to the reporting of a complaint will not be deemed a violation of this clause. Individuals who are concerned about retaliation should approach the Presiding Officer of the ICC on her email or the External member of the ICC at ashha83@gmail.com.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No, however the Legal function is studying this and working towards including human rights requirements in business agreements and contracts.

10. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Others - please specify	-

The assessments have been carried on internally by the entity as part of the business operations

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

As a responsible corporate entity, our company is committed to minimising its environmental footprint. We adhere to all relevant environmental regulations governing our premises and operations, and we encourage stakeholders to do the same. Despite being a technology-focused firm with minimal environmental impact, we actively seek ways to optimize resource usage in our operations. This includes integrating environmentally friendly equipment such as energy-efficient technologies.

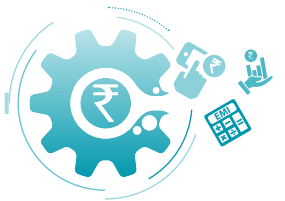
Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From renewable resources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable resources (A+B+C)	-	-
From non - renewable resources		
Total electricity consumption (D)	238.4	59.5
Total fuel consumption (E)	63.4	15.8
Energy consumption through other sources (F)	-	-
Total energy consumed from nonrenewable sources (D+E+F)	-	-
Total energy consumed (A+B+C+D+E+F)	301.7	75.3
Energy intensity per rupee of turnover (Total energy consumption/ Revenue from operation)	1.6 GJ/Crore of turnover	1.8 GJ/Crore of turnover
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.4 GJ/Crore of turnover	0.5 GJ/Crore of turnover
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment / evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment / evaluation/assurance has been carried out by an external agency.



2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, the facilities of the companies have not been identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameters	FY 2023 - 24	FY 2022-23
Water Withdrawal by Source (in kilolitres)		
(i) Surface Water	-	-
(ii) Ground Water	3468.0	2088.0
(iii) Third Party Water	4.3	2.6
(iv) Seawater/Desalinated Water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	3472.3	2090.6
Total volume of water consumption (in kilolitres)	3472.3	2090.6
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	18.30 KL/Crores of Turnover	50.40 KL/Crores of Turnover
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	18.30 KL/Crores of Turnover	15.40 KL/Crores of Turnover
Water intensity in terms of physical Output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

N. No independent assessment/ evaluation/assurance has been carried out by an external agency.

4. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

This is not relevant considering the nature of the business

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	-	-	-
SOx	-	-	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compound (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others- please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

N, No independent assessment / evaluation/assurance has been carried out by an external agency.

5. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	4.7	1.2
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	54.5	13.4
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO ₂ Equivalent / Crores of Turnover	0.3 TCO ₂ e / Crores of Turnover	0.4 TCO ₂ e / Crores of Turnover
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	-	0.1 TCO ₂ e / Crores of Turnover	0.1 TCO ₂ e / Crores of Turnover
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

6. Provide the following details related to water discharge

This is not being tracked as the water is used only for human consumption and housekeeping purposes.

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	-	-
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	-	-
Water intensity in terms of physical Output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

N, No independent assessment / evaluation/assurance has been carried out by an external agency

7. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

N, No independent assessment / evaluation/assurance has been carried out by an external agency



8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.
The Company has powered its offices with LED lights, which provide optimal energy use, and has employed sectional lighting to prevent electricity loss in temporarily vacant office spaces. Utilizing VRV air conditioners has also aided in reducing energy consumption.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY2023-24	FY2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)- Used Oil	-	-
Other Non-hazardous waste generated (H). Please specify, if any.*	2.60	1.57
Total (A+B + C + D + E + F + G + H)	2.60	1.57
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0137 Tons / Crore of Turnover	0.0378 Crore of Turnover
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.0038 Tons / Crore of Turnover	0.0105 Crore of Turnover
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	2.60	1.57
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	2.60	1.57
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

*Other Hazardous waste includes Paper, Plastic and Food waste.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

N. No independent assessment/ evaluation/assurance has been carried out by an external agency

*All Material sent to recyclers / Composters through authorized collectors.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Green practices are engrained in the Company's culture, with employees willingly recycling and reusing paper in workstations to reduce waste. All the waste are sent for recycling through authorized collectors. The E-waste is given to authorized recyclers / collectors. Batteries and used oil generated are disposed of through authorized vendors.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

No facilities are in/around ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

The operations of the company are not covered by the 2006 notification on Environmental Impact Assessment

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, SG Finserve Limited is compliant with all the applicable environmental laws and regulations based on its nature of business.

PRINCIPLE 7 BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
Nil
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable as no adverse order regarding anti-competitive conduct by the entity has been issued by regulatory authorities.

PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

We have taken a holistic approach towards the development of the deprived groups of the society and implement Corporate Social Responsibility (CSR) programmes. The various CSR projects are firstly reviewed internally, approved by the management, and are regularly reviewed by the CSR committee. The progress of all approved CSR projects are tracked and the progress reports are evaluated from time to time. CSR Policy outlines our commitment to promote inclusive growth and equitable development.



For our CSR initiative "Vidyadhar" the company has identified Bharatpuria Education Society, an organization dedicated to providing elementary education to underprivileged children from class Nursery to eight. We have improved the basic infrastructure (renovation) of Primary school to make it safer and promote education by providing books, uniform & school shoes.

Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.
The requirement of Social Impact Assessments (SIA) of projects was not applicable to the Company in the FY 2023-24.
- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:
There was no project involving R&R during the FY 2022-23 or FY 2023-24.
- Describe the mechanisms to receive and redress grievances of the community.
There are several mechanisms in place to receive grievances from the community such as access to e-mail ID of Compliance officer, Website and Customer help-line/Toll-free number. The grievances from community are addressed by Compliance officer along-with Stakeholders' Relationship Committee of the Board.
- Percentage of input material (inputs to total inputs by value sourced from suppliers).
Although we do not procure goods for further processing due to the nature of our business, we give preference for procurement of goods and services which are required to run its business, to the local small and medium enterprises which are listed with the Company. We also prefer local employees/staffs for different manpower services, up to the extent possible.

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs / small producers	3.27%	4.57%
Directly from within India	100%	100%

- Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	0%	0%
Semi – Urban	0%	0%
Urban	0%	0%
Metropolitan	100%	100%

Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

PRINCIPLE 9 BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

SG Finserve Limited believes that providing prompt and efficient customer service is essential to retaining existing customers as well as a key factor in sustaining business growth. Addressing customer complaints is a cornerstone of good customer service. This policy details complaint handling through a structured grievance redressal framework including a review mechanism to minimize such issues in future. The Policy is drawn-up in compliance with the Reserve Bank of India (RBI) Master Direction – Non-Banking Financial Company – Scale Based Regulation Directions, 2023 dated October 19, 2023 (as updated from time to time) and approved by the Company's Board of Directors.

The Board of Directors of the Company have appointed a Grievance Redressal Officer (GRO), who shall be responsible for overall functioning of the Grievance Redressal Mechanism of the Company. The Grievance Redressal Officer shall also be responsible to address grievances escalated to him / her and for ensuring prompt and efficient functioning of grievances redressal mechanism.

Please refer to the Grievance Redressal Policy, which is accessible at www.sgfinserve.com

- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:
Not Applicable
- Number of consumer complaints in respect of the following:

	FY 2023-24			FY 2022-23		
	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Data Privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber Security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Others	-	-	-	-	-	-

- Details of instances of product recalls on account of safety issues:
No Product recall was done during FY 2023-24
- Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.
Yes, the company has a Cybersecurity and a Data Privacy policy, which is available on the company intranet.
- Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.
Not applicable as no regulatory action has ever been done regarding advertising, essential services, cybersecurity, data privacy or product recalls.
- Provide the following information relating to data breaches:
 - Number of instances of data breaches
Nil
 - Percentage of data breaches involving personally identifiable information of customers
Nil
 - Impact, if any, of the data breaches
Not Applicable



INDEPENDENT AUDITOR'S REPORT

To the Members of SG Finserve Limited

Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of SG Finserve Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, the changes in equity and cash flows for the year ended as on that date.

BASIS FOR OPINION

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

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

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

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to



the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant Rules issued there under.
- (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our

opinion and to the best of our information and according to the explanations given to us:

- (i) The Company does not have any pending litigations which would impact its financial statements.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come

to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement.

- (v) The Company has not declared any dividend during the year.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the

statutory requirements for record retention is not applicable for the year ended 31 March 2024.

Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For **AKGVG & Associates**

Chartered Accountants

ICAI Firm Registration Number: 018598N

Sd/-

Mohan Nayak

Partner

Membership No.: 029858

UDIN: 24029858BKGTRH8444

Place: New Delhi

Date: 28-05-2024



ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) (a) (A) Based on our audit procedures and as per the information and explanations given by the management, the Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) Based on our audit procedures and as per information and explanations given by the management, the company is maintaining proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its fixed assets of verifying them every year and in accordance with this programme, fixed assets were physically verified by the management during the FY2023-24. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company does not have any immovable property. Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) Based on our audit procedures and as per the information and explanations given by the management, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) Based on our audit procedures and as per the information and explanations given by the management, the Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and hence reporting under clause (i) (e) of the order is not applicable.
- (ii) (a) The Company is engaged primarily in lending activities and consequently does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) The company has been sanctioned working capital limits in excess of five crore rupees in aggregate from banks and financial institution on the basis of security of current assets during the year. In our opinion, the quarterly statements filed with the banks are in agreement with the books of accounts.
- (iii) (a) Since the Company's principal business is to give loans, the provisions of clause 3(iii)(a) of the Order is not applicable to it.
- (b) In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interests.
- (c) In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular during the year.
- (d) No amount is overdue in respect of loans and advances in the nature of loans.
- (e) Since the Company's principal business is to give loans, the provisions of clause 3(iii)(e) of the Order are not applicable to it.
- (f) In our opinion and according to the information and explanations given to us, the Company has not granted loans or advances in the nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act with respect to the loans given, investments made, guarantees given and security provided.
- (v) Based on our audit procedures and as per the information and explanations given by the management, the Company has not accepted any

deposits from the public; Accordingly, reporting under paragraph (v) of the Order is not applicable to the Company.

- (vi) To the best of our knowledge and as explained by the management, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013. Accordingly, reporting under paragraph (vi) of the Order is not applicable to the Company.

- (vii) (a) Based on our audit procedures and as per the information and explanations given by the management and on the basis of our examination of the records of the Company, undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

Based on our audit procedures and as per the information and explanations given by the management, there were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- (b) Based on our audit procedures and as per the information and explanations given by the management, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are not applicable on the company.

- (viii) Based on our audit procedures and as per the information and explanations given by the management and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- (ix) (a) Based on our audit procedures and as per the information and explanations given by the

management, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

- (c) The Company has taken term loan during the year and according to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has applied term loan for the purpose for which the loans were obtained.

- (d) Based on our audit procedures and as per the information and explanations given by the management, the funds raised by the company on short term basis have been utilized for short-term purposes.

- (e) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

- (f) Based on our audit procedures and as per the information and explanations given by the management, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

- (x) (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.

- (b) Based on our audit procedures and as per the information and explanations given by the management, the Company has complied with the provisions of Section 42 and 62 of the Act in connection with the funds raised through preferential allotment and private placement of shares and the same have been utilized for the purposes for which they were raised.

- (xi) (a) To the best of our knowledge no material fraud by the company and no material fraud on the Company has been noticed or reported during the year.



- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) Based on our audit procedures and as per the information and explanations given by the management and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.
- (b) The company has conducted the non-banking financial activities with a valid certificate of registration("COR") from the RBI as per Reserve Bank of India Act, 1934. The company has not conducted any Housing financing activities and is not required to obtain COR for such activities from the RBI.
- (c) The company is not a Core Investment Company('CIC') and hence reporting under clause 3(xvi)(c) of the order is not applicable to the company.
- (d) Based on information and explanations given by the management and examination of records of the company, the group includes no CIC as its part.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly paragraph 3(xviii) of the Order is not applicable.
- (xix) Based on our audit procedures and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) other than ongoing projects requiring a transfer to a fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount of ₹10.74 Lakhs as at

the end of the financial year, to a special account within a period of 30 days from the end of the said financial year in compliance with the provisions of Section 135(6) of the Act.

(xxi) There are no companies to be included in Consolidated Financial statements. Hence paragraph 3(xxii) of the order is not applicable to the company.

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

Sd/-
Mohan Nayak

Partner

Membership No.: 029858
UDIN: 24029858BKGTRH8444

Place: New Delhi
Date: 28-05-2024



ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of SG Finserve Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial

reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India.

For **AKGVG & Associates**

Chartered Accountants

ICAI Firm Registration Number: 018598N

Sd/-

Mohan Nayak

Partner

Membership No.: 029858

UDIN: 24029858BKGRH8444

Place: New Delhi

Date: 28-05-2024



BALANCE SHEET

as at March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I. ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	5	2,381.36	4,139.62
(b) Bank balances other than cash and cash equivalents	5	5,341.96	5,000.00
(c) Loans	6	167,300.58	97,554.03
(d) Investments	7	-	-
(e) Other financial assets	8	1,958.01	898.73
		176,981.91	107,592.38
(2) Non-financial Assets			
(a) Current tax assets (net)	9	377.17	-
(b) Property, plant and equipment	10	55.63	22.26
(c) Other Intangible Assets	10	135.51	-
(d) Capital work-in-progress	11	-	85.02
(e) Deferred tax assets (net)	12	176.74	100.79
(f) Other non-financial assets	13	215.55	122.55
		960.60	330.62
Total Assets		177,942.51	107,923.00
II. LIABILITIES AND EQUITY			
(1) Financial Liabilities			
(a) Payables			
(i) Trade payables		-	-
(ii) Other payables		-	-
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b) Borrowings (other than debt securities)	14	95,677.86	49,297.59
(c) Other financial liabilities	15	668.70	571.37
		96,346.56	49,868.96
(2) Non-Financial Liabilities			
(a) Current tax liabilities (net)	16	-	76.05
(b) Provisions	17	719.12	401.88
(c) Deferred tax liabilities (net)	12	-	-
(d) Other non-financial liabilities	18	238.43	268.41
		957.55	746.34
(3) Equity			
(a) Equity share capital	19 (a)	5,497.90	4,127.30
(b) Other equity	19 (b)	75,140.50	53,180.40
		80,638.40	57,307.70
Total Liabilities and Equity		177,942.51	107,923.00

Summary of significant accounting policies

4

The accompanying notes are integral part of these financial statements.

As per our report of even date

For **AKGVG & Associates**

Chartered Accountants

Firm Registration No.018598N

For and on behalf of the Board of Directors of

SG Finserve Limited (formerly Moongipa Securities Limited)

Sd/-

Mohan Nayak

Partner

Membership No.029858

Sd/-

Rahul Gupta

Director

DIN- 07151792

Sd/-

Rohan Gupta

Director

DIN- 08598622

Sd/-

Sahil Sikka

Chief Financial Officer

Sd/-

Ritu Nagpal

Company Secretary

ICSI Membership No. A38318

Date: 28/05/2024

Place: New Delhi

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations			
(a) Interest Income	20	18,211.25	4,024.82
(b) Fees and commission Income	20	760.69	116.95
(c) Dividend Income	20	-	3.11
(d) Net gain on fair value changes		-	-
I Total revenue from operations		18,971.94	4,144.88
II Other Income	21	-	51.30
III Total Income (I +II)		18,971.94	4,196.18
Expenses			
(a) Finance Costs	22	6,395.76	841.97
(b) Impairment on financial instruments	23	278.99	390.22
(c) Net loss on fair value changes		-	31.88
(d) Employee Benefits Expense	24	1,028.88	208.36
(e) Depreciation, amortization and impairment	25	17.14	3.04
(f) Others expenses	26	748.19	218.99
IV Total expenses		8,468.96	1,694.46
V Profit before tax (III - IV)		10,502.98	2,501.72
VI Tax expense:			
(a) Current tax		2,729.46	768.76
(b) Deferred tax (net)	12	(75.95)	(107.67)
(c) Income tax expense of earlier year		(9.02)	-
Total tax expense		2,644.49	661.09
VII Profit for the period (V-VI)		7,858.49	1,840.63
VIII Other Comprehensive Income			
Add / (less) items that will not be reclassified to profit or loss			
(a) Remeasurement of post employment benefit obligation		-	-
(b) Income tax relating to (a) above		-	-
Other Comprehensive Income		-	-
IX Total Comprehensive Income for the period (VII+VIII)		7,858.49	1,840.63
X Earnings per equity share of ₹10 each			
(a) Basic (₹)	27	15.72	8.50
(b) Diluted (₹)	27	15.31	5.05

Summary of significant accounting policies

4

The accompanying notes are integral part of these financial statements.

As per our report of even date

For **AKGVG & Associates**

Chartered Accountants

Firm Registration No.018598N

For and on behalf of the Board of Directors of

SG Finserve Limited (formerly Moongipa Securities Limited)

Sd/-

Mohan Nayak

Partner

Membership No.029858

Sd/-

Rahul Gupta

Director

DIN- 07151792

Sd/-

Rohan Gupta

Director

DIN- 08598622

Sd/-

Sahil Sikka

Chief Financial Officer

Sd/-

Ritu Nagpal

Company Secretary

ICSI Membership No. A38318

Date: 28/05/2024

Place: New Delhi



STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

A. Equity share capital :

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
At the beginning of the year		4,127.30	501.02
Changes in equity share capital during the year	19 (a)	1,370.60	3,626.28
At the end of the year		5,497.90	4,127.30

B. Other equity

Particulars	Reserve and surplus					Total
	Securities premium	Share Warrant	Retained earnings	Statutory reserve	ESOP Reserve	
As at March 31, 2022	-	-	339.18	47.27	-	386.45
Profit during the year	-	-	1,840.63	-	-	1,840.63
Other comprehensive income for the year						-
Total comprehensive income for the year (net of tax)						-
Changes during the year	-	-	-	-	-	-
-Additions during the year (cash premium)	45,397.91	-	-	-	-	45,397.91
-Additions during the year (non-cash premium)	-	5,516.38	-	-	39.03	5,555.41
-Utilized during the year	-	-	-	-	-	-
Interim dividends	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-
Transferred to Special reserve from retained earnings	-	-	(368.13)	368.13	-	-
As at March 31, 2023	45,397.91	5,516.38	1,811.68	415.40	39.03	53,180.40
Profit during the year	-	-	7,858.49	-	-	7,858.49
Other comprehensive income for the year						-
Total comprehensive income for the year (net of tax)						-
Changes during the year	-	-	-	-	-	-
-Additions during the year (cash premium)	18,862.91	-	-	-	-	18,862.91
-Additions during the year (non-cash premium)	-	-	-	-	294.70	294.70
-Utilized during the year	-	-	-	-	-	-
Interim dividends	-	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-	-
Converted into Equity		(5,058.38)				(5,058.38)
Transferred to Special reserve from retained earnings	-	-	(1,571.70)	1,571.70	-	-
Share Based payment expense	-	-	2.38	-	-	2.38
Transfer from Share Based payment reserve	-	-	-	-	-	-
As at March 31, 2024	64,260.82	458.00	8,100.85	1,987.10	333.73	75,140.50

Summary of significant accounting policies

4

The accompanying notes are integral part of these financial statements.

As per our report of even date

For **AKGVG & Associates**

Chartered Accountants

Firm Registration No.018598N

For and on behalf of the Board of Directors of

SG Finserve Limited (formerly Moongipa Securities Limited)

Sd/-

Mohan Nayak

Partner

Membership No.029858

Sd/-

Rahul Gupta

Director

DIN- 07151792

Sd/-

Rohan Gupta

Director

DIN- 08598622

Sd/-

Sahil Sikka

Chief Financial Officer

Sd/-

Ritu Nagpal

Company Secretary

ICSI Membership
No. A38318

Date: 28/05/2024

Place: New Delhi



STATEMENT OF CASH FLOW

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A. Cash flow from operating activities		
Profit before tax	10,502.98	2,501.72
Adjustments for:		
Depreciation and amortisation expense	17.14	3.04
Share based payment	297.09	39.03
Loss on sale of property	-	-
Impairment on financial instruments	278.99	390.22
Provision for gratuity and leave encashment	16.23	11.67
Finance costs	6,395.76	841.97
Net gain on fair value changes	-	31.88
Operating profit before working capital changes	17,508.19	3,819.53
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	-	432.07
Other current assets	(93.00)	(122.55)
Loan	(70,025.54)	(97,944.24)
Other financial assets	(1,059.28)	(790.04)
Current tax assets	-	8.88
Adjustments for increase / (decrease) in operating liabilities:		
Other financial liabilities	97.33	565.43
Other non financial liabilities	(29.98)	268.41
Other current tax liabilities	(76.05)	71.70
Provisions (current & non-current)	301.01	389.29
Cash generated from operations	(53,377.33)	(93,301.51)
Income tax (paid)	(3,097.61)	(768.76)
Net cash flow from / (used in) operating activities (A)	(56,474.94)	(94,070.27)
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment (including capital advances)	(101.00)	(108.86)
Proceeds from sale of investment	-	233.25
Proceeds from sale of property	-	78.42
Net cash flow from / (used in) investing activities (B)	(101.00)	202.81
C. Cash flow from financing activities		
Proceeds from borrowings	46,380.27	49,297.59
Proceeds from issue of share capital and share warrant	15,175.13	54,540.57
Finance costs	(6,395.76)	(841.97)
Net cash flow from / (used in) financing activities (C)	55,159.64	102,996.19
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1,416.30)	9,128.72
Cash and cash equivalents at the beginning of the year	9,139.62	10.90
Cash and cash equivalents at the end of the year	7,723.32	9,139.62

The accompanying notes are integral part of these financial statements.

As per our report of even date

For **AKGVG & Associates**

Chartered Accountants

Firm Registration No.018598N

For and on behalf of the Board of Directors of

SG Finserve Limited (formerly Moongipa Securities Limited)

Sd/-

Mohan Nayak

Partner

Membership No.029858

Sd/-

Rahul Gupta

Director

DIN- 07151792

Sd/-

Rohan Gupta

Director

DIN- 08598622

Sd/-

Sahil Sikka

Chief Financial Officer

Sd/-

Ritu Nagpal

Company Secretary

ICSI Membership
No. A38318

Date: 28/05/2024

Place: New Delhi



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

for the year ended March 31, 2024

1 COMPANY OVERVIEW

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

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

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

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

The standalone financial statement were authorized for issue by the Company's Board of Directors on May 28, 2024.

2 BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS

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

The standalone financial statements of the Company are presented as per Division III of Schedule III, as amended, of the Companies Act, 2013 applicable to NBFC, as notified by the Ministry of Corporate Affairs ('MCA').

The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7, Statement of Cash Flows. The disclosure requirements

with respect to items in the Balance Sheet and Standalone Statement of Profit and Loss, as prescribed in the Schedule III the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and RBI regulations to the extent applicable.

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

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

3 USE OF ESTIMATES

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

- Employee benefits-Defined benefit Obligations
- Provisions, Contingencies

Estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on

the Company and that are believed to be reasonable under the circumstances.

4 SIGNIFICANT ACCOUNTING POLICIES

a) Measurement of fair values

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

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

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

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

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

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

b) Financial Instruments

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

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

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

b) (i) Financial Assets

Initial measurement

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

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

- amortised cost;
- Fair value through other comprehensive income ('FVOCI');
- Fair value through profit and loss ('FVTPL');

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

Financial assets measured at amortised cost

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

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





principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

Subsequent measurement

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

Financial assets at amortised cost

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

Financial assets at FVTPL

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

b) (ii) Financial Liabilities

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

Financial liabilities and equity instruments issued by the Company are classified according to the

substance of the contractual arrangements entered into and the definitions of financial liability and an equity instrument.

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

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

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

b) (iii) Derecognition

Financial assets

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

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

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

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

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

Financial liabilities

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

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

b) (iv) Offsetting of financial instruments

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

c) Property, plant and equipment

Tangible assets

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

Intangible assets

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

Depreciation and amortisation

Tangible assets

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

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

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

Intangible assets

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

d) Impairment of assets

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

e) Investments

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

f) Revenue recognition

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

Income from financing activity :

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

Fee and other charges:

The Company recognises revenue from contracts with customers (other than financial assets the which Ind





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

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

Income from investment :

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

Gain/loss on sale of non-performing assets :

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

Other income :

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

g) Receivables under financing activity

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

h) Loan to borrowers

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

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

i) Employee benefits

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

Provident fund

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

Gratuity

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

Compensated absences

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

Other short-term benefits

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

j) Leases

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

k) Income Tax

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

k) (i) Current Tax

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

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

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

k) (ii) Deferred Tax

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

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit and loss; and
- Temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

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

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

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

Deferred tax assets and liabilities are offset only if:

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

l) Provision and contingencies

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

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

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

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



m) Cash and cash equivalent

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

n) Earnings per share

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

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

o) Recent accounting pronouncements

Standards issued but not yet effective:

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

1) Ind AS 1 – Presentation of Financial Statements

– the amendment prescribes disclosure of material accounting policies instead of significant accounting policies. The impact of the amendment on the Financial Statements is expected to be insignificant basis the preliminary evaluation."

2) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

– the amendment added definition of accounting estimate and clarifies what is accounting estimate and treatment of change in the accounting estimate and accounting policy. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation.

3) Ind AS 12 – Income taxes

– the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception

on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Financial Statements basis the preliminary evaluation.

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

p) Impairment of financial instruments

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets measured at amortized cost or FVTOCI, except for investments in equity instruments. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition.

Stage 1 (Performing Assets) – includes financial assets 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 is recognized and interest income is calculated on the gross carrying amount of the assets (that is, without deduction for credit allowance). 12-month ECL are the portion of ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date, if the credit risk has not significantly increased since initial recognition.

Stage 2 (Underperforming Assets with significant increase in credit risk since initial recognition)

– includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognized, but interest income is calculated on the gross carrying amount of the assets. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the instrument.

Stage 3 (Non-performing or Credit-impaired assets)

– includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognized.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

5 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Cash on hand	0.45	0.50
(b) Balances with banks		
- in current accounts	2,370.17	1,082.82
(c) In fixed deposits with maturity less than 3 months	-	3,056.30
(d) Earmarked balance with banks:		
- against unspent CSR account	10.74	-
Total	2,381.36	4,139.62
Bank balances other than cash and cash equivalents		
(a) Balances in fixed deposits*	5,341.96	5,000.00
Total	5,341.96	5,000.00

* Balance in Fixed deposit with maturity more than 3 months & less than 12 months at Balance sheet date - with banks

6 LOANS

(Unsecured, considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
Loans at amortized cost		
(A)		
(a) Bills purchased and bills discounted	-	-
(b) Loans repayable on demand	167,300.58	97,554.03
(c) Term Loans	-	-
(d) Leasing and hire purchase	-	-
(e) Factoring	-	-
Total (A) - Gross	167,300.58	97,554.03
Less: Impairment loss allowance	-	-
Less: Revenue received in advance	-	-
Total (A) - Net	167,300.58	97,554.03
(B)		
(a) Secured by tangible assets	133,166.78	68,622.38
(b) Secured by intangible assets	-	-
(c) Covered by Bank/ Government Guarantees	-	-
(d) Unsecured	34,133.80	28,931.65
Total (B) - Gross	167,300.58	97,554.03
Less: Impairment loss allowance	-	-
Less: Revenue received in advance	-	-
Total (B) - Net	167,300.58	97,554.03
(C)		
(I) Loans in India		
(a) Public Sector	-	-
(b) Others	167,300.58	97,554.03
(II) Loans outside India	-	-
Total (C) - Gross	167,300.58	97,554.03
Less: Impairment loss allowance	-	-
Less: Revenue received in advance	-	-
Total (C) - Net	167,300.58	97,554.03
Total	167,300.58	97,554.03
(a) Related parties	-	-
(b) Other than related parties	167,300.58	-
Total	167,300.58	97,554.03



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

7 INVESTMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
At fair value through profit or loss		
(A)		
Mutual funds	-	-
Others:		
- DSE membership deposit	-	-
Total - Gross (A)	-	-
(B)		
(i) Investments outside India	-	-
(ii) Investments in India	-	-
Total (B)	-	-
Less: Allowance for Impairment loss (C)	-	-
Total - Net (D) = (A) - (C)	-	-

8 OTHER FINANCIAL ASSETS

(Unsecured, considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Interest accrued and due on loan given	1,922.31	863.84
(b) Other claim receivable	34.89	34.89
(c) Other receivables	0.81	-
Total	1,958.01	898.73

9 CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Advance income tax	377.17	-
Total	377.17	-

10 (A) PROPERTY, PLANT AND EQUIPMENT

Gross block	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
Balance as at 31 March 2022	2.17	1.14	0.10	-	3.41
Additions	1.93	-	8.12	13.60	23.65
Disposal	(2.17)	(1.14)	(0.10)	-	(3.41)
Balance as at 31 March 2023	1.93	-	8.12	13.60	23.65
Additions	8.09	5.05	30.63	-	43.77
Disposal	-	-	-	-	-
Balance as at 31 March 2024	10.01	5.05	38.75	13.60	67.42
Accumulated depreciation/Amortization					
Balance as at 31 March 2022	0.88	0.97	0.09	-	1.94
Depreciation charge for the year	1.55	0.11	0.79	0.59	3.04
Disposal	(2.32)	(1.08)	(0.19)	-	(3.59)
Balance as at 31 March 2023	0.11	0.00	0.69	0.59	1.39

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

Gross block	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
Depreciation charge for the year	0.61	0.26	7.91	1.62	10.40
Disposal	-	-	-	-	-
Balance as at 31 March 2024	0.72	0.26	8.60	2.21	11.79
Net block					
Balance as at 31 March 2023	1.82	(0.00)	7.43	13.01	22.26
Balance as at 31 March 2024	9.30	4.78	30.15	11.39	55.63

(B) INTANGIBLE ASSETS

Gross block	Software	Total
Balance as at 31 March 2022	-	-
Additions	-	-
Disposal	-	-
Balance as at 31 March 2023	-	-
Additions	142.25	142.25
Disposal	-	-
Balance as at 31 March 2024	142.25	142.25
Accumulated depreciation/Amortization		
Balance as at 31 March 2022	-	-
Depreciation charge for the year	-	-
Disposal	-	-
Balance as at 31 March 2023	-	-
Depreciation charge for the year	6.74	6.74
Disposal	-	-
Balance as at 31 March 2024	6.74	6.74
Balance as at 31 March 2023	-	-
Balance as at 31 March 2024	135.51	135.51

11 CAPITAL WORK-IN-PROGRESS

a. CWIP aging Schedule as at March 31, 2024

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

b. CWIP aging Schedule as at March 31, 2023

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





NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

12 DEFERRED TAX ASSETS (NET)*

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets arising on account of		
Provision for employee benefits	12.57	2.93
Provision against standard assets	168.42	98.21
Timing difference on depreciation and amortisation on property, plant and equipment	-	-
Gross Deferred Tax assets (a)	180.99	101.14
Deferred tax liabilities arising on account of		
Timing difference on depreciation and amortisation on property, plant and equipment	4.25	0.35
Fair Value Changes	-	-
Gross Deferred Tax liabilities (b)	4.25	0.35
Deferred tax assets/(liabilities), net (a-b)	176.74	100.79

(i) Tax Expenses recognized in the Statement of Profit and Loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Current tax:		
(i) In respect of current year	2,729.46	768.76
(ii) In respect of previous year	(9.02)	-
(b) Deferred Tax		
(i) Deferred tax relating to origination and reversal of temporary differences	(75.95)	(107.67)
Total Income Tax recognized in profit or loss	2,644.49	661.09
Current Tax	2,720.44	768.76
Deferred Tax	(75.95)	(107.67)
Total Income Tax recognized in profit or loss	2,644.49	661.09

(ii) Income Tax recognized in Other comprehensive income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Deferred tax related to items recognized in Other comprehensive income during the year:	-	-
Remeasurement of defined employee benefits	-	-
Total Income tax recognized in Other comprehensive income	-	-

(iii) Reconciliation of effective tax rate:

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit before Tax	10,502.98	2,501.72
Enacted income tax rate (%)	25.168%	25.168%
Income tax expense calculated at applicable income tax rate	2,643.39	629.63
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses that are not deductible for tax purposes	94.61	139.83
Deductions available under income tax	8.52	0.70
Tax pertaining to prior years	(9.02)	-



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Income Tax expense recognized in profit and loss	2,720.46	768.76
Deferred Tax recognized in profit and loss	(75.95)	(107.67)
Tax recognized in profit and loss	2,644.51	661.09
Actual effective income tax rate (%)	25.179%	26.426%

(iv) Movement in temporary differences

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Credit / (Charge) in the Statement of Profit and Loss during the year		
Property, Plant and Equipment & Intangible assets	(3.90)	(0.35)
Provisions	70.21	98.21
Total (a)	66.32	97.86
Credit / (Charge) in the other comprehensive income during the period		
Provisions - employee benefits	9.63	2.93
Total (b)	9.63	2.93
Net deferred income tax asset at the beginning (c)	100.79	-
Net deferred tax asset/(Liabilities) at the end of the period (d) = (a) + (b) + (c)	176.74	100.79

13 OTHER NON-FINANCIAL ASSETS

(Unsecured, considered good)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Prepaid expenses	1.35	94.73
(b) Balances with government authorities:	4.13	1.92
(c) Advance to others	31.12	2.67
(d) Advance to employee	178.95	23.23
Total	215.55	122.55

14 BORROWINGS - SHORT TERM (OTHER THAN DEBT SECURITIES)

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings at amortized cost		
(a) Term loans		
(i) from banks	3,736.31	-
(ii) from other parties	-	-
(b) Deferred payment liabilities	-	-
(c) Loans from related parties	-	-
(d) Finance lease obligations	-	-
(e) Liability component of compound financial instruments	-	-
(f) Loans repayable on demand		
(i) from banks- Secured	86,941.55	44,297.59
(ii) from other parties- Secured	5,000.00	5,000.00
(g) Other loans (specify nature)	-	-
Total (A)	95,677.86	49,297.59
Borrowings in India	95,677.86	49,297.59
Borrowings outside India	-	-
Total (B)	95,677.86	49,297.59



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

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

Name of the institution	Amounts	Term of repayment and security structure
The Federal Bank Ltd.	3,736.31	First Pari-Passu charge on receivable (1.17x) & CG of APL Infrastructure Pvt. Ltd. As per the terms of repayment term loan is repayable in 36 months from the date of sanction i.e. 28 th Jun 2023. Rate of Interest payable is 8.50% p.a.
Total	3,736.31	

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

Name of the institution	Amounts	Security structure
Yes Bank Limited	-	First Pari-Passu charge on receivable (1.25x), CG of APL Infrastructure Pvt. Ltd. & PG of Rahul Gupta and Sanjay Gupta
Bank of Baroda	4,976.28	First Pari-Passu charge on receivable (1.18x), CG of APL Infrastructure Pvt. Ltd. & PG of Rahul Gupta & Rohan Gupta
RBL Bank Ltd.	-	First Pari-Passu charge on receivable (1.18x) & CG of APL Infrastructure Pvt. Ltd.
ICICI Bank Ltd	5,004.25	First Pari-Passu charge on receivable (1.15x), CG of APL Infrastructure Pvt. Ltd. & PG of Rahul Gupta and Rohan Gupta
State Bank Of India	20,500.00	First Pari-Passu charge on receivable (1.25x), CG of APL Infrastructure Pvt. Ltd. & PG of Rahul Gupta and Rohan Gupta
Union Bank of India	4,992.45	First Pari-Passu charge on receivable (1.25x), CG of APL Infrastructure Pvt. Ltd. & PG of Rahul Gupta and Rohan Gupta
Indusind Bank Ltd	-	First Pari-Passu charge on receivable (1.15x), CG of APL Infrastructure Pvt. Ltd.
Axis Bank Limited	9,704.62	First Pari-Passu charge on receivable (1.15x) & CG of APL Infrastructure Pvt. Ltd.
HDFC Bank Limited	36,763.95	First Pari-Passu charge on receivable (1.15x), CG of APL Infrastructure Pvt. Ltd. & PG of Rahul Gupta and Sanjay Gupta
Kotak Mahindra Bank Limited	5,000.00	First Pari-Passu charge on receivable (1.11x) & CG of APL Infrastructure Pvt. Ltd.
Total	86,941.55	

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

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

15 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Payable to employees	0.65	1.61
Payable to others	119.72	38.18
Statutory remittances	29.69	9.15
Advance from Customers	118.61	398.18
Interest accrued but not due on borrowings	400.03	124.25
Total	668.70	571.37

16 CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Provision for Income tax	-	76.05
Total	-	76.05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

17 PROVISIONS

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Provision for Standard Assets (refer a-1 & a-2)	669.20	390.22
(b) Provision for compensated absences	29.71	7.67
(c) Provision for gratuity	20.21	3.99
Total	719.12	401.88
Note:		
(a-1) Movement in contingent provision against standard assets (short term)		
Opening balance	379.62	0.07
Provision created during the year	641.12	379.62
Provision reversed/utilised during the year	(379.62)	(0.07)
Closing balance	641.12	379.62
(a-2) Movement in contingent provision against standard assets (long term)		
Opening balance	10.60	-
Provision created during the year	28.08	10.60
Provision reversed/utilised during the year	(10.60)	-
Closing balance	28.08	10.60

18 OTHER NON-FINANCIAL LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Revenue received in advance	238.43	268.41
Total	238.43	268.41

19 (A) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
(i) Authorised capital				
Equity shares of ₹10 each with voting rights	60,000,000	6,000.00	60,000,000	6,000.00
	60,000,000	6,000.00	60,000,000	6,000.00
(ii) Issued capital				
Equity shares of ₹10 each with voting rights	54,979,000	5,497.90	41,273,000	4,127.30
	54,979,000	5,497.90	41,273,000	4,127.30
(iii) Subscribed and fully paid up capital				
Equity shares of ₹10 each with voting rights	54,979,000	5,497.90	41,273,000	4,127.30
	54,979,000	5,497.90	41,273,000	4,127.30

(1) Reconciliation of the number of shares and amount outstanding as at March 31, 2024 and March 31, 2023

Particulars	Number of shares		Amount	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Equity share capital				
Outstanding at the beginning of the year	41,273,000	5,010,200	4,127.30	501.02
Add: Issued during the year	13,706,000	36,262,800	1,370.60	3,626.28
Outstanding at the end of the year	54,979,000	41,273,000	5,497.90	4,127.30



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

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

The Company has one class of equity shares having a par value of Rupees 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Rahul Gupta	10,150,001	18.46%	10,500,001	25.44%
Rohan Gupta	10,114,999	18.40%	10,499,999	25.44%
SG Prefab & Engineering Pvt. Ltd	6,000,000	10.91%	-	-
SAHIL GUPTA	3,000,000	5.46%	-	-
KITARA PIIN 1103	2,100,000	3.82%	2,100,000	5.09%

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

Name of promoter	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	% holding	Number of shares held	% holding
Rohan Gupta	10,114,999	18.40%	10,499,999	25.44%
Rahul Gupta	10,150,001	18.46%	10,500,001	25.44%
SG Prefab & Engineering Pvt. Ltd	6,000,000	10.91%	-	-

19 (B) OTHER EQUITY

Particulars	As at March 31, 2024	As at March 31, 2023
Securities premium	64,260.82	45,397.91
Share Warrant	458.00	5,516.38
Retained earnings	8,100.85	1,811.68
Statutory reserve	1,987.10	415.40
ESOP Reserve	333.73	39.03
Total	75,140.50	53,180.40

Particulars	As at March 31, 2024	As at March 31, 2023
(1) Securities premium		
Balance at the beginning of the year	45,397.91	-
Add: Additions	18,862.91	45,397.91
Balance at the end of the year	64,260.82	45,397.91
(2) Share Warrants		
Balance at the beginning of the year	5,516.38	-
Add: Additions	-	5,516.38
Less: converted during the year	(5,058.38)	-
Balance at the end of the year	458.00	5,516.38

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

Particulars	As at March 31, 2024	As at March 31, 2023
(3) Retained earnings		
Balance at the beginning of the year	1,811.68	339.18
Add: Total comprehensive income for the year	7,858.49	1,840.63
Add: ESOP forfeit	2.38	-
Less: Transfer to special reserve	(1,571.70)	(368.13)
Balance at the end of the year	8,100.85	1,811.68
(4) Reserve fund in terms of section 45-IC of the Reserve Bank of India Act, 1934		
Balance at the beginning of the year	415.40	47.27
Add : Addition during the year	1,571.70	368.13
Less : Transfer to Securities premium reserve	-	-
Balance at the end of the year	1,987.10	415.40
(5) ESOP Reserve		
Balance at the beginning of the year	39.03	-
Add : Addition during the year	294.70	39.03
Less : Transfer to Securities premium reserve	-	-
Balance at the end of the year	333.73	39.03
Total	75,140.50	53,180.40

Nature and purpose of reserves :-

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

19(C) EMPLOYEE SHARE BASED PAYMENTS

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



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

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

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

Particulars	March 31, 2024		March 31, 2023	
	Average Exercise price per option	Number of Options	Average Exercise price per share	Number of Options
Opening Balance	361.80	196,000.00	-	-
Granted during the year	560.26	266,000.00	361.80	200,000.00
Forfeited during the year	-	(7,500.00)	-	-
Exercised during the year	-	-	-	-
Expired/Lapse during the year		(47,000.00)		(4,000.00)
Closing Balance		407,500.00	361.80	196,000.00
Vested and Exercisable				

Average share price for the year ended 31 March 2024 is ₹560.26/- (31 March 2023: ₹ 361.80/-).

Weighted average remaining contractual life of options outstanding at end o the Year : 4.80 years

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

Grant Date	Expiry Date	Exercise Price (INR)	Share options outstanding on 31 March 31, 2024	Share options outstanding on March 31, 2023
02 January 2023	02 January 2028	361.80	183,500	196,000
11 May 2023	11 May 2028	525.25	112,500	-
15 July 2023	14 July 2028	600.25	11,500	-
18 October 2023	17 October 2028	567.15	39,500	-
19 January 2024	18 January 2029	548.40	60,500	-
Total			407,500	196,000

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

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

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

Vesting criteria - Continuous employment with the company.

Fair Valuation Method- Black Scholes options Pricing Model

Grants 1	Date of Grant	Vesting %	Vesting period	Exercise period from the vesting	Minimum Life	Maximum Life	Expected Life
	02/01/2023		(In Years)	(In Years)	(In Years)	(In Years)	(In Years)
Vest 1	02/01/2024	20%	1	5	1	6	3.5
Vest 2	02/01/2025	20%	2	4	2	6	4
Vest 3	02/01/2026	20%	3	3	3	6	4.5
Vest 4	02/01/2027	20%	4	2	4	6	5
Vest 5	02/01/2028	20%	5	1	5	6	5.5

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

Grants 2	Date of Grant	Vesting %	Vesting period	Exercise period from the vesting	Minimum Life	Maximum Life	Expected Life
	11/05/2023		(In Years)	(In Years)	(In Years)	(In Years)	(In Years)
Vest 1	11/05/2024	20%	1	5	1	6	3.5
Vest 2	11/05/2025	20%	2	4	2	6	4
Vest 3	11/05/2026	20%	3	3	3	6	4.5
Vest 4	11/05/2027	20%	4	2	4	6	5
Vest 5	11/05/2028	20%	5	1	5	6	5.5

Grants 3	Date of Grant	Vesting %	Vesting period	Exercise period from the vesting	Minimum Life	Maximum Life	Expected Life
	15/07/2023		(In Years)	(In Years)	(In Years)	(In Years)	(In Years)
Vest 1	15/07/2024	20%	1	5	1	6	3.5
Vest 2	15/07/2025	20%	2	4	2	6	4
Vest 3	15/07/2026	20%	3	3	3	6	4.5
Vest 4	15/07/2027	20%	4	2	4	6	5
Vest 5	14/07/2028	20%	5	1	5	6	5.5

Grants 4	Date of Grant	Vesting %	Vesting period	Exercise period from the vesting	Minimum Life	Maximum Life	Expected Life
	18/10/2023		(In Years)	(In Years)	(In Years)	(In Years)	(In Years)
Vest 1	17/10/2024	20%	1	5	1	6	3.5
Vest 2	17/10/2025	20%	2	4	2	6	4
Vest 3	17/10/2026	20%	3	3	3	6	4.5
Vest 4	17/10/2027	20%	4	2	4	6	5
Vest 5	17/10/2028	20%	5	1	5	6	5.5

Grants 5	Date of Grant	Vesting %	Vesting period	Exercise period from the vesting	Minimum Life	Maximum Life	Expected Life
	19/01/2024		(In Years)	(In Years)	(In Years)	(In Years)	(In Years)
Vest 1	18/01/2025	20%	1	5	1	6	3.5
Vest 2	18/01/2026	20%	2	4	2	6	4
Vest 3	18/01/2027	20%	3	3	3	6	4.5
Vest 4		20%	4	2	4	6	5
Vest 5	18/01/2029	20%	5	1	5	6	5.5

20 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Interest Income (on Financial Assets measured at Amortized cost)		
(i) Interest on Loans	17,820.10	3,873.32
(ii) Interest on deposits with Banks	391.14	147.29
(iii) Other interest income	0.01	4.21
(b) Processing fees and documentation charges	760.69	116.95
(c) Dividend income	-	3.11
Total	18,971.94	4,144.88



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

21 OTHER INCOME

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Miscellaneous income	-	51.30
Total	-	51.30

22 FINANCE COSTS

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
On Financial liabilities measured at Amortized Cost:		
(a) Interest expense on:		
(i) working capital facilities	6,119.89	820.10
(ii) delayed payment of income tax	-	0.12
(b) Other borrowing cost	275.87	21.75
Total	6,395.76	841.97

23 IMPAIRMENT ON FINANCIAL INSTRUMENTS

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Provision for standard assets	278.99	390.22
Total	278.99	390.22

24 EMPLOYEE BENEFITS EXPENSES

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Salaries and wages	678.92	154.11
(b) Contribution to provident fund	30.25	7.47
(c) Gratuity expense	16.23	3.99
(d) Share Based Payments to Employees (see note (19 (b)))	297.09	39.03
(e) Staff welfare expenses	6.38	3.76
Total	1,028.88	208.36

25 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Depreciation (PPE)	10.40	3.04
(b) Amortization of Intangible assets	6.74	-
Total	17.14	3.04



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

26 OTHER EXPENSES

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Power and fuel	2.87	0.87
(b) Rent including lease rentals	14.08	2.98
(c) Repair and maintenance:		
(i) Others	45.31	0.05
(d) Rates and taxes	74.88	89.02
(e) Travelling and conveyance	50.72	9.30
(f) Legal and professional charges (see note (i) below)	131.81	41.76
(i) Auditors fees and expenses	15.35	7.55
(g) Advertisement and sales promotion	29.56	2.20
(h) Interest on Income Tax	23.04	-
(i) CSR Expenses	18.49	-
(j) Sales commission	318.27	-
(k) Operating loss (Share)	-	49.31
(l) Miscellaneous expenses	23.81	15.95
Total	748.19	218.99
Note:-		
(i) Legal & professional charges include auditor's remuneration (excluding indirect taxes) as follows:		
(a) To statutory auditors		
For audit	12.38	6.50
For other services	0.47	0.55
(b) For tax audit	2.50	0.50
Total	15.35	7.55

Corporate Social Responsibility

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Gross amount to be spent by the Company during the year	18.49	-
(b) Excess amount spent in previous financial year carried forward	-	-
(c) Net amount required to be spent by the company during the year (a-b)	18.49	-
(d) Amount spent during the year on :		
(i) Construction/Acquisition of any asset		
(ii) On purpose other than (i) above	7.80	-
(e) Excess/(Shortfall) at the end of year (d-c)	(10.69)	-
(f) Reason for shortfall	(refer note no (i) below)	-
(g) Nature of CSR activities (activities as per Schedule VII)	Activities mentioned in i & ii	-

Note: (i) Due to delay in commencement of projects as compared to approved timelines, some part of the mandatory obligation for the ongoing project remained unspent as on 31st Mar 2024. The unspent amount of ₹10.69 lakhs would be transferred to a designated unspent corporate social responsibility account with scheduled commercial bank in line with the requirement prescribed in the Act.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

27 EARNINGS PER SHARE*

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Net profit as per statement of profit and loss attributable to equity shareholders	7,858.49	1,840.63
Weighted average number of equity shares for basic earnings per share	49,998,284.15	21,665,629.00
Effect of dilution		
Employee stock options	407,500.00	196,000.00
Warrant	916,000.00	14,622,000.00
Weighted average number of equity shares for diluted earnings per share	51,321,784.15	36,483,629.00
Nominal value of shares	10.00	10.00
Earnings per share (basic) (In ₹)	15.72	8.50
Earnings per share (diluted) (In ₹)	15.31	5.05

28 RELATED PARTY DISCLOSURES

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

(A) Name of related parties and nature of relationship

Name of the parties	Relationship
Rahul Gupta	Director
Rohan Gupta	Director
Key Management Personnel	
Mr. Sorabh Dhawan	Chief Executive Officer
Mr. Sahil Sikka	Chief Financial Officer
Ms. Ritu Nagpal	Company Secretary
Mr. Anil Kumar Bansal	Independent Director
Ms. Asha Anil Agarwal	Independent Director
Mr. DukhabandhuRath	Independent Director
Mr. H. S. Upendra Kamath	Independent Director

Enterprises significantly influenced by key management personnel and their relatives

APL Apollo Tubes Limited
SG Sports & Entertainment Private Limited
SG Green Logistics Private Limited
SG Ornate Solar Solutions Private Limited
One Turf Universe Private Limited
Ayansh Realtors Private Limited
Apex Fincorp Advisors Private Limited
APL Apollo Building Products Private Limited
SG Green Buildings Private Limited
APL Apollo Mart Limited
SG Air Travel Private Limited
Blue Ocean Projects Private Limited
SG Tech Engineering Private Limited
S Gupta Homes Private Limited
SG Realtor Private Limited
APL Apollo Foundation
SG Prefab & Engineering Private Limited



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

(B) Transactions carried during the year:

Particulars (included in)	For the year ended	
	March 31, 2024	March 31, 2023
Office rent and maintenance		
APL Infrastructure Pvt. Ltd.	2.95	3.23
SG Realtor Private Limited	11.21	-
Inter-corporate Deposit Received		
APL Infrastructure Pvt. Ltd.	38,700.00	-
Repayment		
APL Infrastructure Pvt. Ltd. (Principal)	38,700.00	-
APL Infrastructure Pvt. Ltd. (Interest)	173.40	-
Transaction with Key Management personnel		
Employee benefits expense - KMPs	311.51	55.70
Advances Given	150.00	23.23
Directors' sitting fees	32.00	7.75
Conversion of warrants	50.50	-

(C) Summary of outstanding balances

Particulars (included in)	As at	
	March 31, 2024	March 31, 2023
SG Realtor Private Limited	11.21	-
APL Infrastructure Pvt. Ltd.	-	0.59
Outstanding balances with Key Management personnel		
Employee benefits expense - Payables	-	8.16
Advances given	162.43	23.23

(D) Guarantees provided against borrowings

Particulars (included in)	As at	
	March 31, 2024	March 31, 2023
Personal Guarantee		
Rahul Gupta		
Bank of Baroda	5,000.00	5,000.00
Yes Bank Limited	10,000.00	10,000.00
State Bank of India	30,000.00	-
ICICI Bank Limited	7,500.00	-
HDFC Bank Limited	32,500.00	22,500.00
Sub Total	85,000.00	37,500.00
Rohan Gupta		
State Bank of India	30,000.00	-
ICICI Bank Limited	7,500.00	-
Bank of Baroda	5,000.00	5,000.00
Union Bank of India	5,000.00	-
Sub Total	47,500.00	5,000.00



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Particulars (included in)	As at	
	March 31, 2024	March 31, 2023
Sanjay Gupta		
HDFC Bank Limited	32,500.00	22,500.00
Yes Bank Limited	10,000.00	10,000.00
Sub Total	42,500.00	32,500.00
Corporate Guarantee		
APL Infrastructure Pvt. Ltd.		
Yes Bank Limited	10,000.00	10,000.00
Bank of Baroda	5,000.00	5,000.00
Axis Bank Limited	10,000.00	5,000.00
HDFC Bank Limited	32,500.00	22,500.00
Kotak Mahindra Bank Limited	5,000.00	5,000.00
Tata Capital Financial Services Limited	2,500.00	2,500.00
Bajaj Finance Limited	5,000.00	5,000.00
State Bank of India	30,000.00	-
ICICI Bank Limited	7,500.00	-
Federal Bank Limited	5,000.00	-
IndusInd Bank Limited	7,500.00	-
RBL Bank Limited	7,500.00	-
Union Bank of India	5,000.00	-
Sub Total	132,500.00	55,000.00

29 EMPLOYEE BENEFITS

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

(A) Gratuity

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

Description	March 31, 2024	March 31, 2023
Current service cost	20.21	3.99
Past service cost	-	-
Interest cost	-	-
Expected return on plan assets	-	-
Curtailment cost/(Credit)	-	-
Settlement cost/(Credit)	-	-
Net actuarial (gain)/loss recognised in the year	-	-
Amount recognised in the Statement of Profit and Loss	20.21	3.99

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

Description	March 31, 2024	March 31, 2023
Present value of defined benefit obligation at beginning of the year	3.99	0.85
Current service cost	16.27	3.99
Interest cost	0.29	-
Net actuarial (gain)/loss recognised in the year	-	-
Benefits paid	(0.33)	(0.85)
Present value of defined benefit obligation at the end of the year	20.21	3.99
Current provision	0.02	0.00
Non-current provision	20.19	3.98

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

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

Description	March 31, 2024	March 31, 2023
Discount rate	7.25%	7.39%
Average remaining working life (years)	27.70	28.97
Future salary increase	10.00%	10.00%

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

Particulars	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Defined benefit obligation	20.21	3.99	0.85	-	-
Experience adjustment on plan liabilities- (gain)/loss	-	-	-	-	-

(B) Compensated absences

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

Description	March 31, 2024	March 31, 2023
Current service cost	29.71	7.68
Interest cost	-	-
Net actuarial (gain)/loss recognized in the period	-	-
Amount recognised in the Statement of Profit and Loss	29.71	7.68

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

Description	March 31, 2024	March 31, 2023
Present value of obligation at beginning of the year	7.68	-
Current service cost	23.96	7.68
Interest cost	0.57	-
Actuarial (gains) / losses	(1.25)	-
Benefits paid	(1.25)	-
Present value of obligation at the end of the year	29.71	7.68
Current provision	1.39	0.35
Non Current provision	28.32	7.33

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

Description	March 31, 2024	March 31, 2023
Discount rate	7.25%	7.39%
Average remaining working life (years)	27.18	28.97
Future salary increase	10.00%	10.00%

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

(C) Provident fund

The Company makes contribution to statutory provident fund in accordance with The Employees' Provident Funds and Miscellaneous Provisions Act, 1952. This is a post employment benefit and in the nature of defined contribution plan. Contribution made by the Company during the year is ₹30.25 Lakhs (previous year ₹7.47 Lakhs).

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





NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

30 DETAILS OF DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ("MSMED ACT")

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and interest thereon remaining unpaid to any supplier as at the accounting year end; - Principal amount due on Micro, Small and Medium Enterprises - Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting Year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid on year end in respect of principal amount settled during the year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-

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

Micro, Small and Medium Enterprises Development

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, as at 31 March 2024, no dues were outstanding to Micro and Small enterprises as defined under the MSMED Act. Further, the Company has not received any claim for interest from any supplier under the said Act till 31st March 2024.

31 SEGMENT REPORTING

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

32 OPERATING LEASES

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

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than one year	-	6.54
Later than one year and not later than five years	-	26.16
Later than five years	-	29.72

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



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

33 DISCLOSURE PERTAINING TO STOCK STATEMENT FILED WITH BANKS OR FINANCIAL INSTITUTIONS

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

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

Particulars	As at June 30, 2023*	As at September 30, 2023	As at December 31, 2023	As at March 31, 2024
Particulars of securities provided	Loans	Loans	Loans	Loans
Amount as per books of accounts	124,273.93	165,833.44	189,082.87	167,300.58
Add: Impairment loss allowance	-	-	-	-
Add: Impact of EIR	-	-	-	-
Amount as per books of accounts (Gross)	124,273.93	165,833.44	189,082.87	167,300.58
Amount as reported in the quarterly return/statement	124,273.93	165,833.44	189,082.87	167,300.57

* This is provision Balance provided to Banks before finalisation of limited review by statutory Auditors.

34 DISCLOSURE AS REQUIRED IN TERMS OF ANNEXURE I OF NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 ("THE DIRECTION")

Liabilities:

34.1 Loans and advances availed by NBFC inclusive of interest accrued thereon but not paid

Particulars	As at March 31, 2024		As at March 31, 2023	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(a) Debentures: Secured	-	-	-	-
Unsecured	-	-	-	-
(Other than falling within the meaning of public deposits)				
(b) Deferred credits	-	-	-	-
(c) Term loans	3,736.31	-	-	-
(d) Inter corporate loans and borrowings	-	-	-	-
(e) Commercial paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other loans (Working Capital demand loan, CC facility)	91,941.55	-	49,421.84	-



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-

Assets:

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

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Secured	133,166.78	68,622.38
(b) Unsecured	34,133.80	28,931.65

34.4 Break-up of leased asset and stock on hire and other assets counting towards AFC activities.

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Lease assets including lease rentals under sundry debtors		
(i) Financial lease	-	-
(ii) Operational lease	-	-
(b) Stock on hire including hire charges under sundry debtors		
(i) Assets on hire	-	-
(ii) Repossessed assets	-	-
(c) Other Loan counting towards AFC activities		
(i) Loans where assets have been repossessed	-	-
(ii) Loans other than (i) above	-	-

34.5 Break up of investments

Current investment:

Particulars	As at March 31, 2024	As at March 31, 2023
A. Quoted		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Debentures and bonds	-	-
(c) Units of mutual funds	-	-
(d) Government securities	-	-
(e) Others	-	-
B. Unquoted		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Debentures and bonds	-	-
(c) Units of mutual funds	-	-
(d) Government securities	-	-
(e) Others	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

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

Category	Secured	Unsecured	Total
1 Related Parties			
(a) Subsidiaries	-	-	-
	(-)	(-)	(-)
(b) Companies in the same group	-	-	-
	(-)	(-)	(-)
(c) Other related parties	-	-	-
	(-)	(-)	(-)
2 Other than related parties	133,166.78	34,133.80	167,300.58
	(68,622.38)	(28,931.65)	(97,554.03)
Total	133,166.78	34,133.80	167,300.58
	(68,622.38)	(28,931.65)	(97,554.03)

34.7 Investor group-wise classification of all investments (current and long term) in shares and securites (both quoted and unquoted)

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

34.8 Other information

Particulars	As at March 31, 2023
1 Particulars	
(i) Gross Non-Performing Assets	
(a) Related parties	-
	(-)
(b) Other than related parties	-
	(-)
(ii) Net Non-Performing Assets	
(a) Related parties	-
	(-)
(b) Other than related parties	-
	(-)
(iii) Assets acquired in satisfaction of debt	-
	(-)

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





NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

35 DISCLOSURES AS REQUIRED IN TERMS OF RBI DIRECTION

35.1 Capital

Particulars	As at March 31, 2024	As at March 31, 2023
(a) CRAR (%)	47.83	53.96
(b) CRAR - Tier I Capital (%)	47.43	53.60
(c) CRAR - Tier II Capital (%)	0.40	0.37
(d) Liquidity Coverage ratio (%)	Not Applicable	Not Applicable
(e) Amount of subordinated debt raised as Tier-II capital	-	-
(f) Amount raised by issue of perpetual Debt Instruments	-	-

35.2 Investments

Particulars	As at March 31, 2024	As at March 31, 2023
1 Value of Investments	-	-
(i) Gross value of Investments		
(a) In India	-	-
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	-	-
(b) Outside India	-	-
2 Movement of provisions held towards depreciation on Investment		
(i) Opening Balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off/write-back of excess provisions during the year	-	-
(iv) closing Balance	-	-

35.3 Derivatives

The Company has not entered into any forward rate agreement/Interest rate swap/Exchange traded interest rate derivative transactions during the current and previous year.

35.4 Securitisation

The Company has not entered into any Securitisation transactions during the current and previous year.

35.5 Assignment

Details of assignment transactions undertaken by the company

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Number of accounts	-	-
(b) Aggregate value (net of provisions) of accounts sold	-	-
(c) Aggregate consideration	-	-
(d) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(e) Aggregate (gain)/loss over net book value	-	-



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

35.6 Details of non-performing financial assets purchased/ sold

Details of non-performing assets purchased

Particulars	As at March 31, 2024	As at March 31, 2023
1 (a) Number of accounts purchased during the year	-	-
(b) Aggregate outstanding	-	-
2 (a) Of these, number of accounts restructured during the year	-	-
(b) Aggregate outstanding	-	-

Details of non-performing assets sold

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Number of accounts sold during the year	-	-
(b) Aggregate outstanding	-	-
(c) Aggregate consideration received	-	-

Details of financial asset sold to Securitisation/ Reconstruction company for Asset reconstruction

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Number of accounts sold	-	-
(b) Aggregate value (net of provisions) of accounts sold to SC/RC	-	-
(c) Aggregate consideration	-	-
(d) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(e) Aggregate (gain)/loss over net book value	-	-

35.7 Fraud

The Company has not reported any fraud during the current and previous year.

35.8 Disclosure on restructuring pursuant to Reserve Bank of India notification DNBS.CO.PD.NO.367/03.10.01/2013-14 dated 23rd January 2014

NIL (Previous Year- NIL)

B) Exposure to Capital Market

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	-	-
(b) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds.	-	-
(c) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

Particulars	As at March 31, 2024	As at March 31, 2023
(d) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	-
(e) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(f) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(g) Bridge loans to companies against expected equity flows / issues	-	-
(h) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(i) Financing to stockbrokers for margin trading	-	-
(j) All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	-	-
Total Exposure to Capital Market	-	-

C) Details of financing of parent company product

NIL (Previous Year- NIL)

D) Details of single borrower limit (SGL)/Group borrower limit (GBL) exceeded by the Company

- Loans and advances including off balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC
NIL (Previous Year- NIL)
- Loans and advances including off balance sheet exposures to any single party in excess of 25 per cent of owned fund of the NBFC
NIL (Previous Year- NIL)

35.9 Exposures

A) Exposure to real estate Sector

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Direct Exposure	-	-
(a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	9,265.18	350.00
(b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	-	-



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(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

Particulars	As at March 31, 2024	As at March 31, 2023
(c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures– i. Residential ii. Commercial Real Estate	-	-
(ii) Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to real Estate Sector	9,265.18	350.00

35.10 Unsecured Advances

The amount of advances for which intangible securities such as charge over the rights licenses, authority, etc. has been taken as also the estimated value of such intangible collateral- ₹ NIL (Previous Year-NIL)

35.11 Miscellaneous details

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Registrations/licence/authorisation, by whatever name called, obtained from other financial sector regulators	Not applicable	Not applicable
(ii) Ratings assigned by credit rating agencies and migration of ratings during the year	CRISIL AA (CE)/ Positive & CRISIL A1+	CRISIL AA (CE)/Stable & CRISIL A1+
(iii) Penalties, if any, levied by any regulator	Nil	Nil
(iv) Information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries	Not applicable	Not applicable

35.12 Disclosures of Penalties imposed by RBI and other regulators

NIL (Previous Year- NIL)

35.13 Remuneration of Directors and Transactions with non executive directors

Refer Note No. 28 forming part of the Notes to the Financial Statements.

35.14 Impact of prior period items on current year's profit and loss

NIL (Previous Year- NIL)

35.15 Circumstances in which Revenue Recognition has been postponed

NIL (Previous Year- NIL)

35.16 Ind AS 110-Consolidated Financial Statements (CFS)

Not Applicable

35.17.1 Additional Disclosures

A) Provisions and Contingencies

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Provisions for depreciation on Investment	-	-
Provision towards NPA#	-	-
Provision for contingencies	278.99	390.22
Provision made towards Income-Tax	2,729.46	768.76
Other provision and contingencies;	-	-
Provision towards impairment of financial instruments other than provision for stage 3 assets	-	-
# Provision for stage 3 assets	-	-
B) Draw down from reserves	-	-



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for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

35.17.2 Concentration of Deposits, Advances, Exposures and NPAs

Particulars	As at March 31, 2024	As at March 31, 2023
A) Concentration of advances		
Total advances to twenty largest borrowers	83,241.29	56,976.84
Percentage of advances to twenty largest borrowers to total advances of the NBFC	49.76	58.41
B) Concentration of exposures		
Total advances to twenty largest borrowers/customers	83,241.29	56,976.84
Percentage of exposures to twenty largest borrowers/customers to total exposures of the NBFC of borrower/customers	49.76	58.41
C) Concentration of NPAs	NIL	NIL
D) Sector-wise NPAs	NIL	NIL

35.18 Movement of NPAs

NIL (Previous Year- NIL)

35.19 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture / Subsidiary	Other Partner in the JV	Country	Total Assets
N.A.	N.A.	N.A.	N.A.

35.20 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of SPV sponsored

Domestic	Overseas
N.A.	N.A.

35.21 Disclosure of Complaints

Particulars	As at March 31, 2024	As at March 31, 2023
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	-	-
(c) No. of complaints redressed during the year	-	-
(d) No. of complaints pending at the end of the year	-	-

35.22 Sectoral Exposure

Sectors	As at March 31, 2024			As at March 31, 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	0%	-	-	0%
2. Industry						
Aviation	4,887.61	-	0%	2,650.00	-	0%
Hand Tools	-	-	0%	499.94	-	0%
Real Estate (LAP)	9,265.18	-	0%	350.00	-	0%
Wholesale and/or Retail Trader	124,525.15	-	0%	73,957.86	-	0%
All engineering	2,724.63	-	0%	-	-	0%
Basic Metal and Metal Products	4,217.61	-	0%	-	-	0%
Beverage & Tobacco	1,498.46	-	0%	-	-	0%
Food Processing	994.32	-	0%	-	-	0%
Other Industries	7,034.29	-	0%	-	-	0%
Wholesale Trader - Commodities	-	-	0%	2,696.95	-	0%



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

Sectors	As at March 31, 2024			As at March 31, 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
Wholesale Trader and Retail Showrooms	8,462.19	-	0%	7,490.50	-	0%
Wholesale Trader-Ferrous and Ferrous Goods	-	-	0%	2,634.66	-	0%
Manufacturer - Iron and Steel	-	-	0%	0.00	-	0%
Total of Industry	163,609.44	-	0%	90,279.91	-	0%
3. Services						
NBFC-Other Financial Services	350.00	-	0%	1,000.00	-	0%
Other Services	256.37	-				
Transportation Services	-	-	0%	3,174.11	-	0%
Total of Services	606.37	-	0%	4,174.11	-	0%
4. Personal Loans	-	-	0%	-	-	0%
5. Others, if any (please specify)						
Individual/ Proprietor	3,084.76	-	0%	3,100.00	-	0%

Note:

- The disclosures as above shall be based on the sector-wise and industry-wise bank credit (SIBC) return submitted by scheduled commercial banks to the Reserve Bank and published by Reserve Bank as 'Sectoral Deployment of Bank Credit'.
- In the disclosures as above, if within a sector, exposure to a specific sub-sector/industry is more than 10 per cent of Tier I Capital of a NBFC, the same shall be disclosed separately within that sector. Further, within a sector, if exposure to specific sub-sector/industry is less than 10 per cent of Tier I Capital, such exposures shall be clubbed and disclosed as "Others" within that sector.

35.23 Related party Transactions

a. Details of all material transaction with the related parties

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/Joint ventures		Key Management Personnel@		Relatives of Key Management Personnel@		Others*		Total	
Items	As at March 31, 2024	Maximum	As at March 31, 2024	Maximum	As at March 31, 2024	Maximum	As at March 31, 2024	Maximum	As at March 31, 2024	Maximum	As at March 31, 2024	Maximum	As at March 31, 2024	Maximum
Borrowings*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ICD	-	-	-	-	-	-	-	-	-	-	38,873.40	-	-	38,873.40
Others*	-	-	-	-	-	-	162.43	544.01	-	-	11.21	14.16	173.64	558.17



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for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/Joint ventures		Key Management Personnel@		Relatives of Key Management Personnel@		Others*		Total	
Items	As at March 31, 2023	Maximum	As at March 31, 2023	Maximum	As at March 31, 2023	Maximum	As at March 31, 2023	Maximum	As at March 31, 2023	Maximum	As at March 31, 2023	Maximum	As at March 31, 2023	Maximum
Borrowings*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ICD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others*	-	-	-	-	-	-	31.39	63.45	-	-	-	3.23	31.39	66.68

b. Disclosure of Policy on dealing with Related Parties Transactions

The Company has made a list of related parties after considering the requirements and based on the annual declaration received from individuals like directors. The directors are also required to inform the Company of any changes to such declaration during the year.

All related party transactions are reported and referred for approval to the Audit Committee as per section 177 of the Companies Act, 2013. The Audit committee may grant general approval for repetitive related party transactions. Such general approval will be valid for a period of one year and a fresh approval shall be taken for every financial year.

As per section 188 of the Act, the consent of the Board/Shareholders' approval is required, by a special resolution in a general meeting, for entering into the specified transactions with a related party, if they are not in ordinary course of business of the Company or at arm's length and exceeds the threshold limits as specified in the Act.

35.24 Asset Liability Management - Maturity pattern of certain items of assets and liabilities

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days (one month)	Over 1 month to 2 months	Over 2 month to 3 months	Over 3 month to 6 months	Over 6 month to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
Deposits	-	-	-	-	-	5,341.96	-	-	-	-
	(3,000)	(6.6)	(-)	(33.50)	(16.20)	(-)	(5,000)	(-)	(-)	(-)
Advances	3,196.58	4,721.90	24,926.08	97,080.66	25,011.76	3,014.86	2,329.36	7,019.38	-	-
	(4,380.00)	(1,863.67)	(9,824.83)	(71,501.36)	(488.36)	(6,845.18)	-	-	(2,650)	(-)
Investments	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Debt securities and Borrowings (other than debt securities)	2,500.00	2,500.00	19,810.61	46,877.63	20,656.30	416.67	833.34	2,083.31	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(49,297.59)	(-)	(-)	(-)
Foreign currency assets	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Note:

- Figures in brackets pertain to those of the previous year.
- In computing the above information certain estimates, assumptions and adjustments have been made by the Management for its regulatory submission which have been relied upon by the Auditors.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

36 DISCLOSURE REQUIREMENTS AS PER RBI CIRCULAR DATED MARCH 13, 2020 HAVING REFERENCE NUMBER RBI/2019-20/170,DOR(NBFC).CC.PD.NO.109/22.10.106/2019-20 AS PER PARA 2 OF PRUDENTIAL FLOOR OF ECL IN RESPECT OF LOAN/INVESTMENT AT AMORTISED COST

Asset Classification as per RBI Norms for the year ended March 31, 2024	Asset classification as per Ind AS 109	Gross Carrying Amounts as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 Provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
Performing Assets						
Standard	Stage 1	167,300.58	669.20	166,631.38	669.20	-
	Stage 2	-	-	-	-	-
Subtotal		167,300.58	669.20	166,631.38	669.20	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful						
Up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	167,300.58	669.20	166,631.38	669.20	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	167,300.58	669.20	166,631.38	669.20	-



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for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

Asset Classification as per RBI Norms for the year ended March 31, 2023	Asset classification as per Ind AS 109	Gross Carrying Amounts as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 Provisions and IRACP norms
1	2	3	4	5=3-4	6	7=4-6
Performing Assets						
Standard	Stage 1	97,554.03	390.22	97,163.81	-	-
	Stage 2	-	-	-	-	-
Subtotal		97,554.03	390.22	97,163.81	-	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful						
Up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	97,554.03	390.22	97,163.81	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	97,554.03	390.22	97,163.81	-	-

Note: For the purpose of above disclosure company has not considered loans measured at fair value through profit and loss account.

37 FINANCIAL RISK MANAGEMENT

The company is exposed to various risk in relation to financial instruments. The company is exposed to market risk, credit risk and liquidity risk. The company risk activities are governed by appropriated policies and procedures and that financial risk are identified, measured and managed in accordance with the companies policies and risk objectives, which are summarized below:-

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Interest rate risk and foreign currency risk. The company does not have any foreign currency risk since the company does not have any foreign currency exposure as on reporting date. The company does not have any interest rate risk as neither its borrowings nor its advances are at floating interest rate as on reporting date.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

b) Credit Risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Lending activities account for most of the Company's credit risk. Other sources of credit risk also exist in loans and transaction settlements. Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. The maximum exposure to credit risk in the case of all the financial instruments is restricted to their respective carrying amount. Credit Risk is monitored through stringent credit appraisal, counter party limits and internal risk ranges of the borrowers. Exposure to credit risk is managed through regular analysis of the ability of all the customers and counterparties to meet interest and capital repayment obligations and by changing lending limits where appropriate. Company primarily offers loans secured by immovable property. In order to mitigate credit risk, the company also seeks collateral appropriate to the product segment. Other means of mitigating credit risk that the company uses are guarantees. The most common types of collateral the company receives, measured by collateral value, are mortgages on financial assets in the form of real estate. The company carries a Standard Assets Provision at 0.40 % on loans and advances.

i) Maximum exposure to the Credit risk

The table below shows the Company's maximum exposure to the credit risk.

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Assets at amortized cost - Loans & Advances (Gross)	167,300.58	97,554.03
Less: Impairment loss allowances	669.20	390.22
Financial Assets at amortized cost - Loans & Advances (Net)	166,631.38	97,163.81
Financial Assets measured at FVTPL - Mutual funds	-	-
Trade receivables	-	-
Total	166,631.38	97,163.81

ii) Credit Quality Analysis

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The credit quality of Loans and advances measured at amortized cost is primarily assessed by the Days Past Due (DPD) status.

Inputs, assumptions and techniques used for estimating impairment

In assessing the impairment of financial assets under the expected credit loss model, the Company defines default when a loan obligation is overdue for more than 90 days.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the Company considers the DPD status of the loans. Credit risk is deemed to have increased significantly when an asset is more than 30 days past due (DPD)

Calculation of expected credit losses

ECL provisioning has been computed taking guidance from the RBI's IRB approach.

The Company has followed simplified approach of ECL provisioning on loan and advances.

Applicable provisions for NBFCs covered under Ind AS:

RBI vide circular no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, provides that NBFCs which are required to comply with Indian Accounting Standards (Ind AS) shall, as hitherto, continue to be guided by the guidelines duly approved by their board and as per the ICAI guidelines for recognition of the impairments.

The following table sets out information about the credit quality of financial assets measured at amortized cost.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

Particulars	As at March 31, 2024	As at March 31, 2023
Gross Stage 1	167,300.58	97,554.03
Less: Impairment loss allowance	669.20	390.22
Net Stage 1 Assets	166,631.38	97,163.81
ECL Prov. Coverage	669.20	390.22
Gross Stage 2	-	-
Less: Impairment loss allowance	-	-
Net Stage 2 Assets	-	-
ECL Prov. Coverage	-	-
Gross Stage 3	-	-
Less: Impairment loss allowance	-	-
Net Stage 3 Assets	-	-
ECL Prov. Coverage	-	-
Total Loans & Advances	167,300.58	97,554.03
Less: Impairment loss allowance	669.20	390.22
Net Loans & Advances	166,631.38	97,163.81
ECL Provision Coverage	669.20	390.22
New and increased / (decreased) provisions (incl. write off)	278.98	390.22
Total charge / (credit) to the income statement	278.98	390.22

Policy for Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off and when there is no reasonable expectation of recovery from the collaterals held. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

iv) Collateral and other credit enhancements

Company would generally have its credit exposures backed by securities, either primary or collateral. Lending Policy of the Company prescribes Asset cover norms and collateral guidelines for its various product offering. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty and product offered. Company grants loans against collateral of immovable property (Land, under construction projects, Ready property) including commercial and residential properties.

As collateral is a source of mitigating credit risk, assessment of the condition of the securities and their value is undertaken on a regular basis. There were no significant changes in the collateral policy of the company during the Financial Year 2023-2024.

v) Credit Concentration

The Company has exposure on Advances, as detailed below.

Particulars	As at March 31, 2024	As at March 31, 2023
Total Advances to twenty largest borrowers	83,241.29	56,976.84
Percentage of Advances to twenty largest borrowers to Total Advances	49.76%	58.41%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are selected by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has in place an Asset-Liability Management Committee (ALCO) which functions as the operational unit for managing the Balance Sheet within the performance and risk parameters laid down by the Board and Risk Committee of the Board. ALCO reviews Asset Liability strategy and Balance Sheet management in relation to asset and liability profile. ALCO ensures that the objectives of liquidity management are met by monitoring the gaps in the various time buckets, deciding on the source and mix of liabilities, setting the maturity profile of the incremental assets and liabilities etc

Key principles adopted in the Company's approach to managing liquidity risk include:

- Monitoring the Company's liquidity position on a regular basis, using a combination of contractual and behavioral modelling of balance sheet and cash flow information
- Maintaining a high quality liquid asset portfolio or maintaining undrawn bank lines
- Operating a prudent funding strategy which ensures appropriate diversification and limits maturity concentrations

The Company's principal sources of liquidity are cash and cash equivalents, undrawn cash credit & overdraft facilities from Banks, liquid asset portfolio like Mutual funds and the cash flow that is generated from operation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include interest accrued till the reporting date.

As at 31 st March, 2024	Contractual Cash Flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	96,077.89	93,999.03	2,078.86	-	-
Debt Securities (Includes Interest accrued but not due)	-	-	-	-	-
Trade and Other Payables	268.67	268.67	-	-	-
Lease Liability	-	-	-	-	-
Other Financial Liabilities	-	-	-	-	-
Total	96,346.56	94,267.70	2,078.86	-	-

As at 31 st March, 2023	Contractual Cash Flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	49,421.84	49,421.84	-	-	-
Debt Securities (Includes Interest accrued but not due)	-	-	-	-	-
Trade and Other Payables	447.12	447.12	-	-	-
Lease Liability	-	-	-	-	-
Other Financial Liabilities	-	-	-	-	-
Total	49,868.96	49,868.96	-	-	-





NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

d) Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or may lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

38 FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVTPL*	FVTOCI**	Amortized cost	FVTPL*	FVTOCI**	Amortized cost
Financial Assets						
(a) Cash and cash equivalents	-	-	2,381.36	-	-	4,139.62
(b) Bank balances other than cash and cash equivalents	-	-	5,341.96	-	-	5,000.00
(c) Loans	-	-	167,300.58	-	-	97,554.03
(d) Investments	-	-	-	-	-	-
(e) Other financial assets	-	-	1,958.01	-	-	898.73
Total Financial Assets	-	-	176,981.91	-	-	107,592.38
Financial Liabilities						
(a) Payables	-	-	-	-	-	-
(i) Trade payables	-	-	-	-	-	-
(ii) Other payables	-	-	-	-	-	-
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(b) Borrowings (other than debt securities)	-	-	95,677.86	-	-	49,297.59
(c) Other financial liabilities	-	-	668.70	-	-	571.37
Total Financial Liabilities	-	-	96,346.56	-	-	49,868.96

* Fair value through Profit & Loss

** Fair value through other comprehensive income

Fair Value Hierarchy

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. Derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

(ii) Financial instruments Fair Value Hierarchy

Particulars	As at March 31, 2024			As at March 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
(a) Cash and cash equivalents	-	-	2,381.36	-	-	4,139.62
(b) Bank balances other than cash and cash equivalents	-	-	5,341.96	-	-	5,000.00
(c) Loans	-	-	167,300.58	-	-	97,554.03
(d) Investments	-	-	-	-	-	-
(e) Other financial assets	-	-	1,958.01	-	-	898.73
Total Financial Assets	-	-	176,981.91	-	-	107,592.38
Financial Liabilities						
(a) Payables	-	-	-	-	-	-
(i) Trade payables	-	-	-	-	-	-
(ii) Other payables	-	-	-	-	-	-
- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(b) Borrowings (other than debt securities)	-	-	95,677.86	-	-	49,297.59
(c) Other financial liabilities	-	-	668.70	-	-	571.37
Total Financial Liabilities	-	-	96,346.56	-	-	49,868.96

39 MATURITY ANALYSIS OF ASSETS & LIABILITIES

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
ASSETS						
Financial Assets						
Cash & cash equivalents	2,381.36	-	2,381.36	4,139.62	-	4,139.62
Bank balances other than Cash & cash equivalents	5,341.96	-	5,341.96	5,000.00	-	5,000.00
Receivables	-	-	-	-	-	-
- Trade Receivables	-	-	-	-	-	-
- other Receivables	-	-	-	-	-	-
Loans	160,281.20	7,019.38	167,300.58	94,904.03	2,650.00	97,554.03
Investments	-	-	-	-	-	-
Other financial assets	1,958.01	-	1,958.01	898.73	-	898.73



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
Non-financial Assets						
Current tax assets(net)	-	377.17	377.17	-	-	-
Deferred tax asset (net)	-	176.74	176.74	-	100.79	100.79
Property, plant and equipment	-	55.63	55.63	-	22.26	22.26
Capital work in progress	-	-	-	85.02	-	85.02
Intangible assets	-	135.51	135.51	-	-	-
Right of use assets	-	-	-	-	-	-
Other non-financial assets	-	215.55	215.55	-	122.55	122.55
Total Assets	169,962.53	7,979.98	177,942.51	105,027.40	2,895.60	107,923.00
LIABILITIES						
Financial Liabilities						
Payables						
(i) Trade Payables	-	-	-	-	-	-
(ii) Other Payables	-	-	-	-	-	-
Debt Securities	-	-	-	-	-	-
Borrowings	95,677.86	-	95,677.86	49,297.59	-	49,297.59
Lease liability	-	-	-	-	-	-
Other financial liabilities	668.70	-	668.70	571.37	-	571.37
Non-Financial Liabilities	-	-	-	-	-	-
Current tax liabilities (net)	-	-	-	-	76.05	76.05
Provisions	-	719.12	719.12	-	401.88	401.88
Other non-financial liabilities	-	-	-	-	-	-
Total Liabilities	96,346.56	719.12	97,065.68	49,868.96	477.93	50,346.89
Net	73,615.97	7,260.86	80,876.83	55,158.44	2,417.67	57,576.11

40 CAPITAL COMMITMENT / OTHER COMMITMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
(a) other commitments (loans committed to be disbursed to the borrowers)	98,411.58	37,828.97

41 LONG-TERM CONTRACTS

The Company did not have any long-term contracts including derivative contracts for which any provision is required for the foreseeable losses.

42 FOREIGN CURRENCY EXPOSURE NOT HEDGED BY DERIVATIVE INSTRUMENTS

NIL (Previous Year- NIL)

43 DISCLOSURE IN RESPECT OF RBI CIRCULAR ON "COVID19 REGULATORY PACKAGE - ASSET CLASSIFICATION AND PROVISIONING

Not Applicable

44 DISCLOSURE AS PER THE FORMAT PRESCRIBED AS PER THE NOTIFICATION NO. RBI/2020-21/16 DOR.NO.BP. BC/3/ 21.04.048/ 2020-21 DATED AUGUST 6, 2020 AND RB1/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 DATED MAY 05, 2021 - ON RESOLUTION FRAMEWORK-RESOLUTION OF COVID-19 RELATED STRESS

Not applicable since no resolution plan implemented under this framework



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

45 DISCLOSURE PERTAINING TO RBI MASTER DIRECTION - RBL/DOR/2021-22/86 DOR STR.REC51/21.04.048/2021-22 RESERVE BANK OF INDIA (TRANSFER OF LOAN EXPOSURES) DIRECTIONS, 2021 DATED SEPTEMBER 24, 2021

- (a) The Company has not transferred through assignment in respect of loans not in default during financial year ended March 31, 2024.
- (b) The Company has not acquired any loans (not in default) through assignment during the financial year ended March 31, 2024.
- (c) The Company has neither acquired nor transferred any stressed loans during the year ended March 31, 2024.

46 PURSUANT TO RBI CIRCULAR ON PRUDENTIAL NORMS ON INCOME RECOGNITION, ASSET CLASSIFICATION AND PROVISIONING PERTAINING TO ADVANCES

Clarification dated November 12, 2021, the Company has taken necessary steps in accordance with the provision of the aforesaid circular. Further, on February 15, 2022, RBI has allowed a deferment of Para 10 of the aforesaid circular till September 30, 2022, pertaining to upgrade of non-performing account.

47 MORATORIUM IN ACCORDANCE WITH THE RESERVE BANK OF INDIA (RBI) GUIDELINES

Not Applicable

48 MANAGERIAL REMUNERATION

During the year, Company has not paid the managerial remuneration to the directors which exceeds the limit prescribed under section 197 and rules thereunder read with Schedule V of the Act.

49 RELATIONSHIP AND TRANSACTIONS WITH STRUCK OFF COMPANIES

The Company does not have any transactions with struck-off companies.

50 UNDISCLOSED INCOME

The Company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

51 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

Satisfaction of charges pending on March 31, 2024:

Particulars	As at March 31, 2024	As at March 31, 2023
DBS Bank India Limited	-	90.00

52 SCHEME(S) OF ARRANGEMENTS

Not Applicable

53 DISCLOSURE W.R.T CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

54 OTHER STATUTORY INFORMATION

- i) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2024 (ALL AMOUNT IN ₹ LAKHS, UNLESS OTHERWISE STATED)

- iii) The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iv) The Company has not been declared as wilful defaulter by any bank or financial institutions or other lender.

55 PRIOR PERIOD COMPARATIVES

Previous years figures have been regrouped and reclassified where necessary to confirm to current year's presentation.

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

Sd/-
Mohan Nayak
Partner
Membership No.029858

Date: 28/05/2024
Place: New Delhi

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

Sd/- Rahul Gupta Director DIN- 07151792	Sd/- Rohan Gupta Director DIN- 08598622	Sd/- Sahil Sikka Chief Financial Officer	Sd/- Ritu Nagpal Company Secretary ICSI Membership No. A38318
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SG FINSERVE

Converting constraints into opportunities

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