

## **INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Members of Avasara Finance Limited**

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

#### **Opinion**

We have audited the accompanying financial statements of Avasara Finance Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement and Statement of Changes in equity for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 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, 2025, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Emphasis of Matter**

As mentioned in Note 22 of the Ind AS financial statements, the Company has incurred a loss of Rs.44.61 lakhs and has an accumulated loss of Rs.299.16 lakhs resulting in significant erosion of the net worth of the Company. The financial statements of the Company have been prepared on a going concern basis for the reasons stated in Note 22 to the statement. The validity of going concern assumption would depend upon the performance of the company as per its future business plan. Our opinion is not qualified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**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 Annual Report but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained 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 required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding 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 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:

- i. 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.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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.
- v. 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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



**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 the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the afore said financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2025 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
  - 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, during the year the Company has not paid any remuneration to its directors.
  - h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note No.24)
    - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2025 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 during the year ended March 31, 2025.



iv. a. The Management has represented that, to the best of its knowledge and belief, as disclosed in Note no. 23 of the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note no. 23 of the financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

d. No dividend has been declared or paid during the financial year.

i) Based on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants of India, which included test checks, we report that the company has used an accounting software for maintaining its books of account 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. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Our examination of the audit trail was in the context of an audit of financial statements carried out in accordance with the Standard of Auditing and only to the extent required by Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014. We have not carried out any audit or examination of the audit trail beyond the matters required by the aforesaid Rule 11(g) nor have we carried out any standalone audit or examination of the audit trail.

For P. B. Shetty & Co. LLP  
Chartered Accountants  
Firm registration number - 110102W/W101056



Brijesh Shetty  
Partner  
Membership number - 131490  
UDIN: 25131490BBIQPU1516  
Place: Mumbai  
Date: May 27, 2025



**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

As referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2025.

**Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2020:**

- i. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including the quantitative details and situation of the Property Plant and Equipment.  
  
(B) According to the information and explanation given to us, there are no intangible assets in the name of the company.  
  
(b) According to the information and explanation given to us and on the basis of our examination of the records of the company the Property, plant and equipment have been physically verified by the management at reasonable intervals during the year. No material discrepancies were found on such verification.  
  
(c) According to the information and explanations given to us and on the basis of examination of the records of the company, the Company does not have any immovable property in its name and therefore the said clause is not applicable.  
  
(d) During the year ended March 31, 2025, the company has not revalued its Property, Plant and Equipment.  
  
(e) According to the information and explanations given to us by the Management of the company, 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. (a) The company does not have any inventory and hence reporting under clause 3(ii)(a) is not applicable  
  
(b) According to the information and explanations given to us, the company has not been sanctioned any working capital at any point in time during the year ended 31<sup>st</sup> March, 2025, from banks or financial institutions on the basis of security of current assets and hence reporting under this clause is not applicable.
- iii. According to the information and explanations given to us, during the year Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability partnerships or any other parties. Accordingly, clause 3(iii)(a) to (f) are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed there under are not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence reporting under clause (vi) of the order is not applicable to the Company.



vii.

(a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing undisputed statutory dues including Income Tax, Goods and Service Tax, Value Added Tax, Cess and other material statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues in respect of above as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records examined by us, there are no material dues of Income Tax, Goods and Service Tax, Value Added Tax and Cess outstanding on account of any disputes as on March 31, 2025.

viii. According to information and explanation given to us and based on examination of the records, there has been no such transactions which are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence, reporting under clause (ix)(a) of the Order is not applicable.

(b) According to the information and explanation given to us, the company has not taken any loan or borrowings from any bank of financial institution and hence this clause is not applicable to the company.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanation given to us, the company has not raised any short-term loan.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanation given to us, during the year the company has not raised any loans hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. a. The Company has not raised money through initial public offer or further public offer (including debt instruments) and hence reporting under clause 3(x)(a) of the Order is not applicable.

b. The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. a. During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company by its officers or employees, has been noticed or reported during the year.

b. During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c. During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management no whistle-blower complaints has been received by the company.

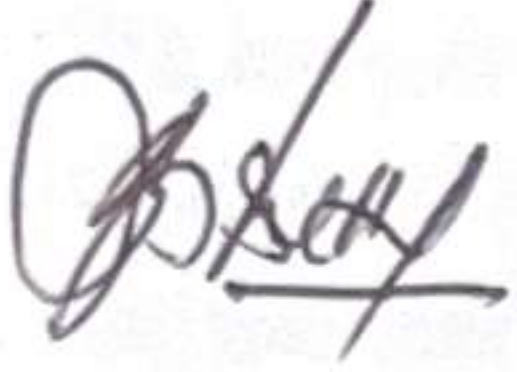


- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, provisions of paragraph 3 (xii)(a), (b) and (c) of the Order are not applicable.
- xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. a. In our opinion and based on our examination, the company has an internal audit system which is 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. According to the information and explanation given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with its directors and hence provisions of section 192 of 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, ('RBI Act') 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 the RBI Act. The Company has not conducted any housing finance activities and is not required to obtain CoR for such activities from the RBI.
- c. The Company is not Core Investment Company ('CIC') and hence reporting under paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- d. The Group (as defined under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023) does not have any CIC as part of the group.
- xvii. The Company has incurred a cash loss of Rs.44.56 lakhs during the current financial year covered by our audit. There was no cash loss incurred during the immediately preceding financial year.
- xviii. During the year, there have been no resignation by the Statutory Auditor of the company and accordingly this clause is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.



- xx. The provision of Corporate Social Responsibility is not applicable as the company's net worth was not more than 500 crores nor the turnover of the company was more than 1000 crores nor the net profit was more than 5 crores. Accordingly, the provisions of paragraph 3 (xx) (a) and (b) of the Order are not applicable.

For P. B. Shetty & Co. LLP  
Chartered Accountants  
Firm registration number - 110102W/W101056



Brijesh Shetty  
Partner  
Membership number - 131490  
UDIN: 25131490BMIQPU1516



Place: Mumbai  
Date: May 27, 2025

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in Para 2(f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2025.

### **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 Avasara Finance Limited ("the Company") as of March 31, 2025, 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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 March 31, 2025, 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 P. B. Shetty & Co. LLP  
Chartered Accountants  
Firm registration number - 110102W/W101056



Brijesh Shetty  
Partner  
Membership number - 131490  
UDIN: 25131490BMIQPU1516



Place: Mumbai  
Date: May 27, 2025

**Avasara Finance Limited**

CIN: L74899MH1994PLC216417

**Balance sheet as at March 31, 2025**

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

| Particulars                                                                                 | Note  | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------------------------------------------------------------------------|-------|----------------------|----------------------|
| <b>ASSETS</b>                                                                               |       |                      |                      |
| <b>Financial Assets</b>                                                                     |       |                      |                      |
| Cash and cash equivalents                                                                   | 3     | 0.43                 | 1.92                 |
| Receivables                                                                                 | 4     |                      |                      |
| Trade receivable                                                                            |       | 125.00               | 147.50               |
| Other receivable                                                                            |       | -                    | -                    |
| Loans                                                                                       | 5     | 101.37               | 107.62               |
| Other Financial Assets - current                                                            | 6     | 13.55                | 44.84                |
| Investments - non-current                                                                   |       |                      | -                    |
| <b>Non Financial Assets</b>                                                                 |       |                      |                      |
| Property, Plant and Equipment                                                               | 7A    | 0.02                 | 0.07                 |
| Other Non Financial Assets                                                                  | 7B    | 7.78                 | 3.93                 |
| <b>Total Assets</b>                                                                         |       | <b>248.15</b>        | <b>305.88</b>        |
| <b>LIABILITIES AND EQUITY</b>                                                               |       |                      |                      |
| <b>LIABILITIES</b>                                                                          |       |                      |                      |
| <b>Financial Liabilities</b>                                                                |       |                      |                      |
| Trade payables                                                                              | 8     |                      |                      |
| (i) Total outstanding dues of micro enterprises and small enterprises                       | 8(i)  | 1.68                 | -                    |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 8(ii) | 30.22                | 34.77                |
| <b>Non Financial Liabilities</b>                                                            |       |                      |                      |
| Deferred Tax Liability (Net)                                                                |       | 0.02                 | 0.02                 |
| Other Non Financial Liabilities                                                             | 9     | 15.30                | 25.55                |
| <b>Total Liabilities</b>                                                                    |       | <b>47.22</b>         | <b>60.34</b>         |
| <b>Equity</b>                                                                               |       |                      |                      |
| Equity share capital                                                                        | 10    | 500.09               | 500.09               |
| Other Equity                                                                                | 11    | (299.16)             | (254.55)             |
| <b>Total Equity</b>                                                                         |       | <b>200.93</b>        | <b>245.54</b>        |
| <b>Total Liabilities and Equity</b>                                                         |       | <b>248.15</b>        | <b>305.88</b>        |

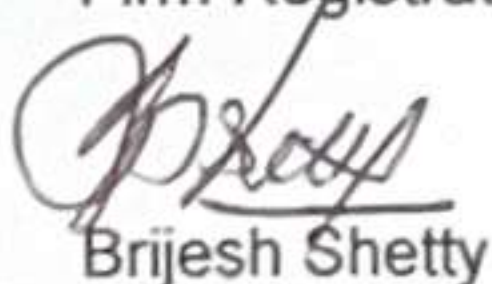
The accompanying notes form an integral part to financial statements

In terms of our report attached

**For P. B. Shetty & Co. LLP**

Chartered Accountants

Firm Registration No. 110102W / W101056

  
Brijesh Shetty

Partner

Membership number - 131490



Date: 27th Day of May, 2025

Place: Mumbai

**For and on behalf of the Board of Directors**

  
Sabarinath Gopalakrishnan  
Director  
DIN: 08479403

  
Raj Surendra Jain  
Chief Financial Officer

  
Korodi Sanjay Prabhu  
Director  
DIN: 00023196

  
K. Madhavi  
Company Secretary  
F6844

Avasara Finance Limited

CIN: L74899MH1994PLC216417

Statement of profit and loss for the year ended March 31, 2025

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

| Particulars                                               | Note | Year ended<br>March 31,<br>2025 | Year ended March<br>31, 2024 |
|-----------------------------------------------------------|------|---------------------------------|------------------------------|
| <b>Revenue from operations</b>                            |      |                                 |                              |
| Consultancy services                                      |      | -                               | 130.00                       |
| Interest Income                                           | 12   | -                               | 3.00                         |
| <b>Total Revenue from Operations</b>                      |      | -                               | <b>133.00</b>                |
| <b>Expenses</b>                                           |      |                                 |                              |
| Employee benefits expenses                                | 13   | 11.00                           | 17.63                        |
| Depreciation and amortisation expenses                    | 7C   | 0.05                            | 0.06                         |
| Other Expenses                                            | 14   | 33.56                           | 93.63                        |
| <b>Total Expenses</b>                                     |      | <b>44.61</b>                    | <b>111.32</b>                |
| <b>Profit / (loss) before exceptional items and tax</b>   |      | <b>(44.61)</b>                  | <b>21.68</b>                 |
| Exceptional Items                                         |      |                                 |                              |
| Less : Current Tax                                        |      | -                               | -                            |
| Add : MAT Credit                                          |      | -                               | -                            |
| Less : Deferred Tax                                       |      | -                               | -                            |
| <b>Profit/(Loss) for the Period</b>                       |      | <b>(44.61)</b>                  | <b>21.68</b>                 |
| <b>Other Comprehensive Income</b>                         |      |                                 |                              |
| (i) Items that will not be Reclassified to Profit or Loss |      | -                               | -                            |
| Remeasurements of post-employment benefit obligations     |      | -                               | -                            |
| (ii) Income tax effect                                    |      | -                               | -                            |
| <b>Other Comprehensive Income</b>                         |      | -                               | -                            |
| <b>Total Comprehensive Income for the year</b>            |      | <b>(44.61)</b>                  | <b>21.68</b>                 |
| <b>Earnings Per Equity Share</b>                          |      |                                 |                              |
| Basic and diluted (₹)                                     |      | (0.89)                          | 0.43                         |

The accompanying notes form an integral part to financial statements

In terms of our report attached

For P. B. Shetty & Co. LLP

Chartered Accountants

Firm Registration No. 110102W / W101056

  
Brijesh Shetty

Partner

Membership number - 131490



Date: 27th Day of May, 2025

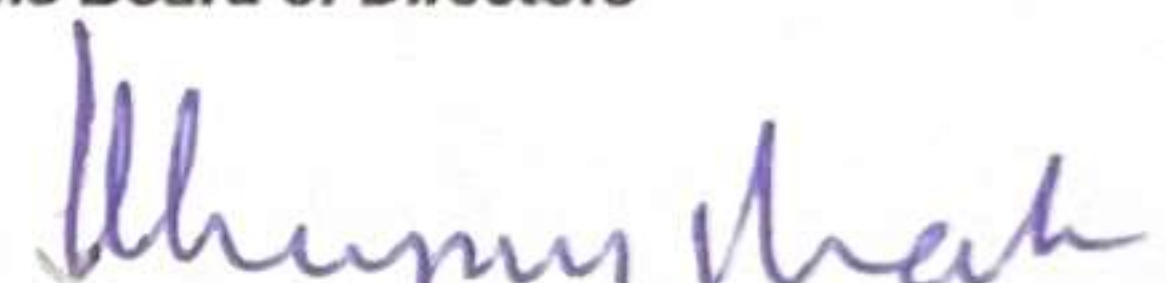
Place: Mumbai

For and on behalf of the Board of Directors

  
Sabarinath Gopalakrishna

Director

DIN: 08479403



Korodi Sanjay Prabhu

Director

DIN: 00023196



Raj Surendra Jain

Chief Financial Officer



K Madhavi

Company Secretary

F6844

Avasara Finance Limited

CIN: L74899MH1994PLC216417

Statement of cashflows for the year ended March 31, 2025

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

|    | Particulars                                                             | Year ended March<br>31, 2025 | Year ended March<br>31, 2024 |
|----|-------------------------------------------------------------------------|------------------------------|------------------------------|
| A. | <b>Cash Flow from Operating Activities</b>                              |                              |                              |
|    | Profit/(loss) before tax                                                | (44.61)                      | 21.68                        |
|    | Adjustments for :                                                       |                              |                              |
|    | Depreciation and amortisation expenses                                  | 0.05                         | 0.06                         |
|    | <b>Operating Profit/(Loss) before Working Capital changes</b>           | <b>(44.56)</b>               | <b>21.74</b>                 |
|    | Adjustments for :                                                       |                              |                              |
|    | <b>Financial</b>                                                        |                              |                              |
|    | (Increase)/Decrease in Trade receivables                                | 22.50                        | (129.80)                     |
|    | (Increase)/Decrease in Loans                                            | 6.25                         | 35.57                        |
|    | (Increase)/Decrease in Other Financial Assets - current                 | 31.29                        | 34.78                        |
|    | (Increase) /Decrease in non-current investments                         | -                            | -                            |
|    | (Increase)/Decrease in other non-financial Assets                       | (3.84)                       | 1.43                         |
|    | Increase/Decrease in trade payables                                     | (2.87)                       | 15.36                        |
|    | Increase/Decrease in other financial liabilities                        | (10.25)                      | 24.70                        |
|    | <b>Cash generated from/(used in) Operations</b>                         | <b>(1.49)</b>                | <b>3.78</b>                  |
|    | Direct (Taxes paid) / refund received                                   | -                            | (2.00)                       |
|    | <b>Net Cash generated from/(used) in Operating Activities (A)</b>       | <b>(1.49)</b>                | <b>1.78</b>                  |
| B. | <b>Cash Flow from Investing Activities</b>                              |                              |                              |
|    | Purchase of Property, Plant and Equipment                               | -                            | -                            |
|    | <b>Net Cash generated from/(used) in Investing Activities (B)</b>       | <b>-</b>                     | <b>-</b>                     |
| C. | <b>Cash Flow from Financing Activities</b>                              |                              |                              |
|    | <b>Net Cash generated from/(used) in Financing Activities (C)</b>       | <b>-</b>                     | <b>-</b>                     |
|    | <b>Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>     | <b>(1.49)</b>                | <b>1.78</b>                  |
|    | <b>Cash and Cash Equivalents at the beginning of the year</b>           | <b>1.92</b>                  | <b>0.14</b>                  |
|    | <b>Cash and Cash Equivalents at the end of the year (Refer note 3 )</b> | <b>0.43</b>                  | <b>1.92</b>                  |

The company is investment company. Investment in securities are considered part of "cash flow from operating activities". Returns on those securities are considered "cash flow from operating activities".

In terms of our report attached

For P. B. Shetty & Co. LLP

Chartered Accountants

Firm Registration No. 110102W / W101056

  
Brijesh Shetty

Partner

Membership number - 131490



Date: 27th Day of May, 2025

Place: Mumbai

For and on behalf of the Board of Directors

  
Sabarinath Gopalakrishnan  
Director  
DIN: 08479403

  
Raj Surendra Jain  
Chief Financial Officer

  
Korodi Sanjay Prabhu  
Director  
DIN: 00023196

  
K. Madhavi  
Company Secretary  
F6844

Avasara Finance Limited

CIN: L74899MH1994PLC216417

Statement of changes in equity for the year ended March 31, 2025

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

Statement of Changes in Equity

a. Equity Share Capital

| Particulars                   | Amount |
|-------------------------------|--------|
| (1) Current reporting period  |        |
| Balance at March 31, 2024     | 500.09 |
| Issued during the year        | -      |
| Balance at March 31, 2025     | 500.09 |
| (2) Previous reporting period |        |
| Balance as at April 01, 2023  | 500.09 |
| Issued during the year        |        |
| Balance at March 31, 2024     | 500.09 |

b. Other equity

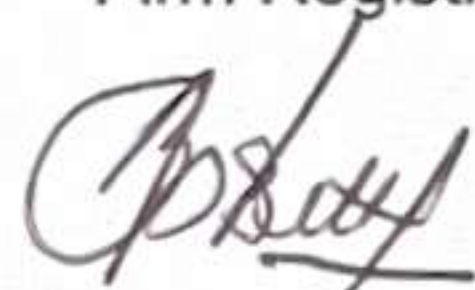
| Particulars                             | Statutory reserve | Retained earnings | Total    |
|-----------------------------------------|-------------------|-------------------|----------|
| (1) Current reporting period            |                   |                   |          |
| Balance as at April 1, 2024             | 43.14             | (297.70)          | (254.55) |
| Profit/(loss) for the year              | -                 | (44.61)           | (44.61)  |
| Transfer to other statutory reserve     | -                 | -                 | -        |
| Remeasurement of defined benefit plans  | -                 | -                 | -        |
| Other Comprehensive Income for the year | -                 | -                 | -        |
| Balance as at March 31, 2025            | 43.14             | (342.31)          | (299.16) |
| (2) Previous reporting period           |                   |                   |          |
| Balance as at April 1, 2023             | 38.80             | (315.04)          | (276.24) |
| Profit/(loss) for the year              | -                 | 21.68             | 21.68    |
| Transfer to other statutory reserve     | 4.34              | (4.34)            | -        |
| Other Comprehensive Income for the year | -                 | -                 | -        |
| Balance as at March 31, 2024            | 43.14             | (297.70)          | (254.55) |

In terms of our report attached

For P. B. Shetty & Co. LLP

Chartered Accountants

Firm Registration No. 110102W / W101056



Brijesh Shetty

Partner

Membership number - 131490

Date: 27th Day of May, 2025

Place: Mumbai



For and on behalf of the Board of Directors



Sabarinath Gopalakrishnan

Director

DIN: 08479403



Raj Surendra Jain

Chief Financial Officer



Korodi Sanjay Prabhu

Director

DIN: 00023196



K Madhavi

Company Secretary

F6844

- 1 Avasara Finance Limited (Formerly known as TRC Financial Services Ltd.) (Avasara) was originally incorporated as TRC Financial and Management Services Pvt. Ltd on May 24, 1994. The Company was converted into Public Limited Company during the year and accordingly its name was changed as TRC Financial and Management Services Limited. On 8th November 1994, the name of the Company was changed to TRC Financial Services Limited. On 12th January 2022 the name of Company was changed to Avasara Finance Limited. The Company having registered office in Mumbai, India. The Company is listed on the Bombay stock Exchange ( BSE). The financial statements are approved by the Board of Directors on 27/05/2025. The Company is having a valid certificate of registration with Reserve Bank of India dated 29-12-2016 under section 45IA of the RBI Act, 1934. The Company is classified as a Base Layer NBFC.

2 **SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these financial

(I) **Basis of Accounting and Preparation of Financial Statements**

(i) **Compliance with Ind AS**

The financial statements ("financial statements") comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended, and other relevant provisions of the Act.

The Company follows the guidelines issued by the Reserve Bank of India (RBI) as applicable to a Non Banking Finance Company.

(ii) **Historical cost convention**

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities that are measured at fair value

(II) **Current / Non-current classification of assets / liabilities**

The Company has classified all its assets / liabilities into current / noncurrent based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non current.

(III) **Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash which are subject to insignificant risks of changes in value.

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value. Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn.

(IV) **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

(V) **Taxes on income**

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

a) **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted and are applicable as at the end of the reporting period.



**b) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

**c) Current and deferred tax for the year**

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

**(VI) Revenue Recognition**

The Company mainly derives income from consultancy services.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenue, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

The method for recognizing revenues depends on the nature of the services rendered:

**A. Fixed-price consultancy contracts**

Revenue from fixed-price contracts, where the performance obligations are satisfied over time, are recognized ratably over the period since the Company has a stand ready obligation to provide service over the period of the contract.

**B. Commission income:**

The Company earns commission income as a percentage of loan sanctioned to the customers. The performance obligation is satisfied at the point in time when the customer derives benefit, hence the Company recognises commission income as revenue when the loan is sanctioned to the customer.

**C. Interest income:**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**D. Dividend income:**

Income from dividend is accounted as and when such dividend has been declared and the Company's right to receive payment is established.

**(VII) Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.



(VIII) **Property, plant and equipment**

Property, plant and equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Company and that the cost of the items can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes all direct cost related to the acquisition of PPE.

(IX) **Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

(X) **Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

**Initial recognition and measurement:**

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

**Subsequent measurement:**

**Financial assets at amortised cost-**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial Assets at fair value through other comprehensive Income:**

Financial assets are measured at fair value through other comprehensive income ('FVTOCI') if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

**Financial Assets at fair value through profit or loss:**

Financial assets are measured at fair value through profit or loss ('FVTPL') unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

**Impairment- Financial assets**

Expected Credit Loss (ECL) has been estimated on the loan commitments and investments measured at AC (Amortised Cost) & FVOCI (Fair Value through Other Comprehensive Income) portfolio of the Company. The portfolios have been divided into 3 stages based on the Staging rules defined subsequently. ECL has been separately estimated for each stage.

The loan portfolio of the Company consists of advances given to individuals and corporates. The tenure of the advance is 365 days or less. Staging rules set have been applied to the product categories to bucket them into either Stage 1, Stage 2 or Stage 3.

| Stages  | Days Past Due | ECL           |
|---------|---------------|---------------|
| Stage 1 | Upto 30 Days  | 12- Month ECL |
| Stage 2 | 30- 90 Days   | Lifetime ECL  |
| Stage 3 | 90+ Days      | Lifetime ECL  |



**Notes forming part of the financial statements**

The primary risk components applied for estimation of ECL are Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). ECL is estimated as a multiple of PD, LGD and EAD for each of the product sub categories.

i. The PD provides an estimate of the likelihood that a borrower will be unable to meet his debt obligations. PD may be applied at a rating grade for corporate borrowers or for a pool of accounts showing similar behavioral and risk characteristics.

ii. The EAD is the total receivables that the Company is exposed to at the time of an account's default.

iii. LGD is usually shown as the percentage of EAD that the Company might lose in case the borrower defaults. It depends, among others, on the type and amount of collateral, collection mechanism existing in the Company and the expected proceeds from a work out (e.g. recovery from sale of collaterals/securities or otherwise) of the assets.

**Definition of default**

All accounts greater than 90 days past due are considered as default accounts.

**Significant increase in credit risk**

The Company monitors all financial assets, issued loan commitments that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL. The Company's accounting policy is to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment including forward-looking information.

**Write-off**

**Presentation of allowance for ECL in the statement of financial position**

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for financial assets measured at FVTOCI: no loss allowance is recognised in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;
- for loan commitments as a provision.

**Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

**Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets that are measured at amortised cost and FVTPL, the exchange difference are recognised in profit or loss.

**Equity Instrument**

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



**Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

**Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

**(XI) Impairment- Non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

**(XII) Operating cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

**(XIII) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors, has been identified as the chief operating decision maker ('CODM').



(XIV) **Critical judgments in applying the Company's accounting policies**

The following are the critical judgments that the management have made in the process of applying the Company's accounting policies.

- Business model assessment: Classification and measurement of financial assets depends on the results of the Solely Payments of Principle and Interest (SPPI) and the business model test (please see financial assets sections of note 1). The Company determines the business model at a level that reflects how Company's financial assets are managed together to achieve a particular business objective.
- Significant increase of credit risk: Expected Credit Loss (ECL) are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.
- Probability of default: PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.
- Loss Given Default: LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.



Avasara Finance Limited

CIN: L74899MH1994PLC216417

Notes forming part of the financial statements

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

**Note 3 - Cash and cash equivalents**

| Particulars                                                                                  | As at<br>March 31,<br>2025 | As at<br>March 31,<br>2024 |
|----------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| Cash in hand                                                                                 | -                          | 0.12                       |
| <b>Balances with Banks</b>                                                                   |                            |                            |
| (a) In Current Accounts                                                                      | 0.43                       | 1.80                       |
| (b) In deposit accounts                                                                      | -                          | -                          |
| (i) Bank deposits with less than 3 months maturity                                           | -                          | -                          |
| (ii) Deposit with maturity for more than 3 months and less than 12 months (refer note below) | -                          | -                          |
| <b>Total</b>                                                                                 | <b>0.43</b>                | <b>1.92</b>                |

**Note 4 - Trade receivables (Unsecured considered good)**

| Particulars                                                            | As at<br>March 31,<br>2025 | As at<br>March 31,<br>2024 |
|------------------------------------------------------------------------|----------------------------|----------------------------|
| (i) Trade receivables -considered good-Unsecured                       | 125.00                     | 147.50                     |
| (i) Trade Receivables – which have significant increase in credit risk | -                          | -                          |
| (iii) Trade Receivables – credit impaired                              | -                          | -                          |
| <b>Total</b>                                                           | <b>125.00</b>              | <b>147.50</b>              |

**Trade Receivables ageing schedule as at 31st March,2025**

| Particulars                                                                       | Outstanding for following periods from due date of payment |                  |           |           |                   |        |
|-----------------------------------------------------------------------------------|------------------------------------------------------------|------------------|-----------|-----------|-------------------|--------|
|                                                                                   | Less than 6 months                                         | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total  |
| (i) Undisputed Trade receivables -considered good                                 |                                                            | -                | 125.00    | -         | -                 | 125.00 |
| (i) Undisputed Trade Receivables – which have significant increase in credit risk | -                                                          | -                | -         | -         | -                 | -      |
| (iii) Undisputed Trade Receivables – credit impaired                              | -                                                          | -                | -         | -         | -                 | -      |
| (iv) Disputed trade receivables - considered doubtful                             | -                                                          | -                | -         | -         | -                 | -      |
| (v) Disputed Trade Receivables – which have significant increase in credit risk   | -                                                          | -                | -         | -         | -                 | -      |
| (vi) Disputed Trade Receivables – credit impaired                                 | -                                                          | -                | -         | -         | -                 | -      |

**Trade Receivables ageing schedule as at 31st March,2024**

| Particulars                                                                       | Outstanding for following periods from due date of payment |                  |           |           |                   |        |
|-----------------------------------------------------------------------------------|------------------------------------------------------------|------------------|-----------|-----------|-------------------|--------|
|                                                                                   | Less than 6 months                                         | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total  |
| (i) Undisputed Trade receivables -considered good                                 | 147.50                                                     | -                | -         | -         | -                 | 147.50 |
| (i) Undisputed Trade Receivables – which have significant increase in credit risk | -                                                          | -                | -         | -         | -                 | -      |
| (iii) Undisputed Trade Receivables – credit impaired                              | -                                                          | -                | -         | -         | -                 | -      |
| (iv) Disputed trade receivables - considered doubtful                             | -                                                          | -                | -         | -         | -                 | -      |
| (v) Disputed Trade Receivables – which have significant increase in credit risk   | -                                                          | -                | -         | -         | -                 | -      |
| (vi) Disputed Trade Receivables – credit impaired                                 | -                                                          | -                | -         | -         | -                 | -      |

The Company estimates the expected credit loss for trade



Avasara Finance Limited

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Notes forming part of the financial statements

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

**Note 5 - Loans**

| Particulars                     | As at March 31, 2025 |          |               | As at March 31, 2024 |          |               |
|---------------------------------|----------------------|----------|---------------|----------------------|----------|---------------|
|                                 | Amortised Cost       | Others   | Total         | Amortised Cost       | Others   | Total         |
| <b>Loans</b>                    |                      |          |               |                      |          |               |
| <b>Current</b>                  |                      |          |               |                      |          |               |
| Loans repayable on Demand       |                      |          |               |                      |          |               |
| i. Non performing assets        | 143.55               | -        | 143.55        | 118.55               | -        | 118.55        |
| ii. Others                      |                      | -        | -             | 25.00                | -        | 25.00         |
|                                 | <b>143.55</b>        | <b>-</b> | <b>143.55</b> | <b>143.55</b>        | <b>-</b> | <b>143.55</b> |
| <b>Non-current</b>              |                      |          |               |                      |          |               |
| Long term-loans and advances    | -                    | -        | -             | -                    | -        | -             |
|                                 | -                    | -        | -             | -                    | -        | -             |
|                                 | -                    | -        | -             | -                    | -        | -             |
| <b>Total (Gross)</b>            | <b>143.55</b>        | <b>-</b> | <b>143.55</b> | <b>143.55</b>        | <b>-</b> | <b>143.55</b> |
| Less: Impairment loss allowance | (42.18)              | -        | (42.18)       | (35.93)              | -        | (35.93)       |
| <b>Total (Net)</b>              | <b>101.37</b>        | <b>-</b> | <b>101.37</b> | <b>107.62</b>        | <b>-</b> | <b>107.62</b> |
| Secured by tangible assets      | -                    | -        | -             | -                    | -        | -             |
| Unsecured                       | 143.55               | -        | 143.55        | 143.55               | -        | 143.55        |
| <b>Total (Gross)</b>            | <b>143.55</b>        | <b>-</b> | <b>143.55</b> | <b>143.55</b>        | <b>-</b> | <b>143.55</b> |
| Less: Impairment loss allowance | (42.18)              | -        | (42.18)       | (35.93)              | -        | (35.93)       |
| <b>Total (Net)</b>              | <b>101.37</b>        | <b>-</b> | <b>101.37</b> | <b>107.62</b>        | <b>-</b> | <b>107.62</b> |
| <b>Advances in India</b>        |                      |          |               |                      |          |               |
| Others                          | 143.55               | -        | 143.55        | 143.55               | -        | 143.55        |
| <b>Total (Gross)</b>            | <b>143.55</b>        | <b>-</b> | <b>143.55</b> | <b>143.55</b>        | <b>-</b> | <b>143.55</b> |
| Less: Impairment loss allowance | (42.18)              | -        | (42.18)       | (35.93)              | -        | (35.93)       |
| <b>Total (Net)</b>              | <b>101.37</b>        | <b>-</b> | <b>101.37</b> | <b>107.62</b>        | <b>-</b> | <b>107.62</b> |

During the year, loans outstanding to the following customers have been classified as non performing assets as they have become over due as on 31st March 2025. Summary of the party wise non-performing assets & NPA provisions against the same is tabulated as under:

**Current reporting period:**

Amount in Lakhs

| Name of Customer            | Loan Outstanding | NPA Provision | ECL Provision | Total NPA Provision |
|-----------------------------|------------------|---------------|---------------|---------------------|
| Fealty F&A Services Pvt Ltd | 30.00            | 9.00          | -             | 9.00                |
| C&A Educators Pvt Ltd       | 25.00            | 7.50          | -             | 7.50                |
| Radhakrishnan               | 26.50            | 7.95          | -             | 7.95                |
| Astrabrand Solutions LLP    | 37.05            | 11.12         | -             | 11.12               |
| Gati Securities Pvt Ltd     | 25.00            | 6.25          | 0.36          | 6.61                |
| <b>Total</b>                | <b>143.55</b>    | <b>41.82</b>  | <b>0.36</b>   | <b>42.18</b>        |

**Previous reporting period:**

Amount in Lakhs

| Name of Customer            | Loan Outstanding | NPA Provision | ECL Provision | Total NPA Provision |
|-----------------------------|------------------|---------------|---------------|---------------------|
| Fealty F&A Services Pvt Ltd | 30.00            | 9.00          | -             | 9.00                |
| C&A Educators Pvt Ltd       | 25.00            | 7.50          | -             | 7.50                |
| Radhakrishnan               | 26.50            | 7.95          | -             | 7.95                |
| Astrabrand Solutions LLP    | 37.05            | 11.12         | -             | 11.12               |
| Gati Securities Pvt Ltd     | 25.00            | -             | 0.36          | 0.36                |
| <b>Total</b>                | <b>143.55</b>    | <b>35.57</b>  | <b>0.36</b>   | <b>35.93</b>        |



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**Note 6 - Other Financial Assets**

| Particulars                                                  | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------------------------------------------|----------------------|----------------------|
| <b>Unsecured, considered good -</b>                          |                      |                      |
| <b>Current</b>                                               |                      |                      |
| Interest accrued but not due on term deposit and loans given | -                    | 9.23                 |
| Security Deposits                                            | 1.70                 | 1.70                 |
| Other advances (receivable in cash or kind)                  | 11.85                | 33.91                |
| <b>Total</b>                                                 | <b>13.55</b>         | <b>44.84</b>         |

**Note 7A-Property, Plant and Equipment**

| Particulars                                        | Office Equipment | Total       |
|----------------------------------------------------|------------------|-------------|
| Cost as at 1st April 2023                          | 0.40             | 0.40        |
| Additions                                          | -                | -           |
| Disposals                                          | -                | -           |
| Cost as at 31st March 2024                         | 0.40             | 0.40        |
| Additions                                          | -                | -           |
| Disposals                                          | -                | -           |
| Cost as at 31st March 2025 (A)                     | <b>0.40</b>      | <b>0.40</b> |
| Accumulated depreciation as at 1st April 2023      | 0.27             | 0.27        |
| Depreciation charged during the year               | 0.06             | 0.06        |
| Disposals                                          | -                | -           |
| Accumulated depreciation as at 31st March 2024     | 0.33             | 0.33        |
| Depreciation charged during the year               | 0.05             | 0.05        |
| Disposals                                          | -                | -           |
| Accumulated depreciation as at 31st March 2025 (B) | <b>0.38</b>      | <b>0.38</b> |
| Net Carrying Amount as at 31st March 2025 (A-B)    | <b>0.02</b>      | <b>0.02</b> |
| Net Carrying Amount as at 31st March 2024          | <b>0.07</b>      | <b>0.07</b> |
| Net Carrying Amount as at 1st April 2023           | 0.13             | 0.13        |

**Note 7B - Other Non Financial Assets**

| Particulars                            | As at March 31, 2025 | As at March 31, 2024 |
|----------------------------------------|----------------------|----------------------|
| <b>Unsecured, considered good -</b>    |                      |                      |
| Advance to vendors                     | 1.58                 | -                    |
| Prepaid expenses                       | 1.44                 | 0.06                 |
| Balance with government authorities    | 0.89                 | -                    |
| Advance income tax (net of provisions) | 3.87                 | 3.87                 |
| <b>Total</b>                           | <b>7.78</b>          | <b>3.93</b>          |



**Note 8 - Trade Payables**

| Particulars                 | As at March 31, 2025 | As at March 31, 2024 |
|-----------------------------|----------------------|----------------------|
| (i) MSME                    | 1.68                 | -                    |
| (ii) Others                 | 30.22                | 34.77                |
| (iii) Disputed dues- MSME   | -                    | -                    |
| (iv) Disputed dues - Others | -                    | -                    |
| <b>Total</b>                | <b>31.90</b>         | <b>34.77</b>         |

| Particulars | Outstanding for following periods from due date of payment |           |           |                   |       |
|-------------|------------------------------------------------------------|-----------|-----------|-------------------|-------|
|             | Less than 1 year                                           | 1-2 years | 2-3 years | More than 3 years | Total |

**Trade Payables ageing schedule: As at 31st March 2025:**

|                             |      |       |      |      |       |
|-----------------------------|------|-------|------|------|-------|
| (i) MSME                    | 1.68 | -     | -    | -    | 1.68  |
| (ii) Others                 | 6.04 | 12.72 | 8.08 | 3.38 | 30.22 |
| (iii) Disputed dues- MSME   | -    | -     | -    | -    | -     |
| (iv) Disputed dues - Others | -    | -     | -    | -    | -     |

**Trade Payables ageing schedule: As at 31st March 2024:**

|                             |       |      |      |      |       |
|-----------------------------|-------|------|------|------|-------|
| (i) MSME                    | -     | -    | -    | -    | -     |
| (ii) Others                 | 23.31 | 8.08 | 2.88 | 0.50 | 34.77 |
| (iii) Disputed dues- MSME   | -     | -    | -    | -    | -     |
| (iv) Disputed dues - Others | -     | -    | -    | -    | -     |

**Note 9 - Other Non Financial Liabilities**

| Particulars                      | As at March 31, 2025 | As at March 31, 2024 |
|----------------------------------|----------------------|----------------------|
| <b>Non Financial Liabilities</b> |                      |                      |
| Other Current Liability          | 12.99                | 2.54                 |
| Duties and taxes payable         | 2.31                 | 23.01                |
|                                  | <b>15.30</b>         | <b>25.55</b>         |

**Note 10 - Equity Share Capital**

| Particulars                                   | As at March 31, 2025 |               | As at March 31, 2024 |               |
|-----------------------------------------------|----------------------|---------------|----------------------|---------------|
|                                               | Number               | Amount        | Number               | Amount        |
| <b>Authorised</b>                             |                      |               |                      |               |
| Equity Shares of Rs 10 each                   | 60,00,000            | 600.00        | 60,00,000            | 600.00        |
| Preference Shares of Rs. 10 each              | 20,00,000            | 200.00        | 20,00,000            | 200.00        |
| <b>Total</b>                                  | <b>80,00,000</b>     | <b>800.00</b> | <b>80,00,000</b>     | <b>800.00</b> |
| <b>Issued, Subscribed &amp; fully Paid up</b> |                      |               |                      |               |
| Equity Shares of Rs 10 each fully paid        | 50,00,900            | 500.09        | 50,00,900            | 500.09        |
| <b>Total</b>                                  | <b>50,00,900</b>     | <b>500.09</b> | <b>50,00,900</b>     | <b>500.09</b> |

**a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year**

**Equity Shares**

| Particulars                                     | As at March 31, 2025 |               | As at March 31, 2024 |               |
|-------------------------------------------------|----------------------|---------------|----------------------|---------------|
|                                                 | Number               | Amount        | Number               | Amount        |
| Shares outstanding at the beginning of the year | 50,00,900            | 500.09        | 50,00,900            | 500.09        |
| Add : Shares issued                             | -                    | -             | -                    | -             |
| Shares outstanding at the end of the year       | <b>50,00,900</b>     | <b>500.09</b> | <b>50,00,900</b>     | <b>500.09</b> |

**b)** The Company has only one class of equity shares with voting rights ( one vote per share). The distribution of dividend is in proportion to the number of equity shares held by the shareholders in the ensuing AGM. In the event of liquidation of the Company, the equity shareholder are entitled to receive only residual assets of the company.

**c)** Shares in the Company held by each shareholder holding more than 5 percent shares

**Equity Shares**

| Name of Shareholder             | As at March 31, 2025 |              | As at March 31, 2024 |              |
|---------------------------------|----------------------|--------------|----------------------|--------------|
|                                 | No. of Shares held   | % of Holding | No. of Shares held   | % of Holding |
| Jupiter Capital Private Limited | 32,94,426            | 65.87%       | 32,94,426            | 65.87%       |

**d)** Shares held by promoters :

| Name of Shareholder                          | No. of Shares | % of Holding | % Change during the year |
|----------------------------------------------|---------------|--------------|--------------------------|
| <b>at the end of the year March 31, 2025</b> |               |              |                          |
| 1. Jupiter Capital Private Limited           | 32,94,426     | 65.87%       | 0.00%                    |
| <b>at the end of the year March 31, 2024</b> |               |              |                          |
| 1. Jupiter Capital Private Limited           | 32,94,426     | 65.87%       | 0.00%                    |



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Notes forming part of the financial statements

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

Note 11 -Other equity

| Particulars                                                                                                                                                                                                                                                                                      | As at March 31,<br>2025 | As at March 31,<br>2024 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Statutory reserves</b><br>This represents transfer of 20% of the profit after tax to the statutory reserve (rounded off upwards to the nearest lakh) in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934.                                               | 43.15                   | 43.15                   |
| <b>Retained earnings/(deficit)</b><br>Retained earnings/(deficit) comprise of the Company's current and prior years' undistributed earnings after taxes or accumulated losses and other items of other comprehensive income pertaining to re-measurement of net defined benefit liability/asset. | (342.31)                | (297.70)                |
|                                                                                                                                                                                                                                                                                                  | (299.16)                | (254.55)                |

| Particulars                                                            | As at March 31,<br>2025 | As at March 31,<br>2024 |
|------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Others-Statutory Reserve</b>                                        |                         |                         |
| Opening balance                                                        | 43.15                   | 38.79                   |
| Add: Transfer from retain earnings                                     | -                       | 4.34                    |
| <b>Closing Balance</b>                                                 | <b>43.15</b>            | <b>43.15</b>            |
| <b>Retained earnings/(deficit)</b>                                     |                         |                         |
| Opening balance                                                        | (297.70)                | (315.04)                |
| Add: Profit / (Loss) for the year                                      | (44.61)                 | 21.68                   |
| Less : Transfer to other statutory reserve                             | -                       | (4.34)                  |
| Remeasurements of the defined benefit liabilities / (asset) net of tax | -                       | -                       |
| <b>Closing Balance</b>                                                 | <b>(342.31)</b>         | <b>(297.7)</b>          |



Avasara Finance Limited

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Notes forming part of the financial statements

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

**Note 12 - Interest Income**

| Particulars                                                      | Year ended March<br>31, 2025 | Year ended<br>March 31, 2024 |
|------------------------------------------------------------------|------------------------------|------------------------------|
| Interest on Loans and inter corporate deposits at amortised cost | -                            | 3.00                         |
| <b>Total</b>                                                     | -                            | <b>3.00</b>                  |

**Note 13- Employee benefits expenses**

| Particulars        | Year ended March<br>31, 2025 | Year ended<br>March 31, 2024 |
|--------------------|------------------------------|------------------------------|
| Salaries and wages | 11.00                        | 17.63                        |
| <b>Total</b>       | <b>11.00</b>                 | <b>17.63</b>                 |

**Note 14 - Other Expenses**

| Particulars                               | Year ended March<br>31, 2025 | Year ended<br>March 31, 2024 |
|-------------------------------------------|------------------------------|------------------------------|
| Rent                                      | 3.00                         | 3.00                         |
| Listing Fees                              | 3.63                         | 3.25                         |
| Auditor remuneration (Refer note i below) | 1.14                         | 1.40                         |
| Legal and Professional charges            | 3.23                         | 10.96                        |
| Travelling and conveyance                 | 2.07                         | 1.36                         |
| Insurance Expenses                        | 0.60                         | 1.76                         |
| Provision for NPA/ECL                     | 6.25                         | 35.57                        |
| Other expenditure                         | 13.63                        | 36.33                        |
| <b>Total</b>                              | <b>33.56</b>                 | <b>93.63</b>                 |
| <b>Note (i) Auditors' remuneration:</b>   |                              |                              |
| a) as Statutory Auditor                   |                              |                              |
| - Audit fee                               | 0.60                         | 0.60                         |
| - Limited review                          | 0.50                         | 0.50                         |
| - Certificates                            | 0.04                         | 0.00                         |
| - Others                                  | -                            | 0.30                         |
| <b>SUB - TOTAL</b>                        | <b>1.14</b>                  | <b>1.40</b>                  |



Avasara Finance Limited

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Notes forming part of the financial statements

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

Additional information to the financial statements

15 Contingent liabilities and commitments (to the extent not provided for)

| S.No. | Particulars                                                                | As at March 31, 2025 | As at March 31, 2024 |
|-------|----------------------------------------------------------------------------|----------------------|----------------------|
| (i)   | Contingent liabilities:<br>Claims against Company not acknowledged as debt | -                    | -                    |

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

| Particulars                                                                                                                                                                                                                                              | As at March 31, 2025 | As at March 31, 2024 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year                                                                                                                                                               | 1.68                 | -                    |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year                                                                                                                                                          | -                    | -                    |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day                                                                                                                                    | -                    | -                    |
| (iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act                                  | -                    | -                    |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year                                                                                                                                                                | -                    | -                    |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 | -                    | -                    |
| Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.                                             |                      |                      |

17 Segment information for the year ended March 31, 2025

The Company has identified a single reportable segment which is investment and relating consultancy services. The Company operates as single segment based on the nature of services, resource allocation, regulatory environment, customers and distribution methods, there are no additional disclosures to be provided in terms of Ind AS 108 on 'Operating Segments'.

18 Earnings per share:

| Particulars                                                | Year ended March 31, 2025 | Year ended March 31, 2024 |
|------------------------------------------------------------|---------------------------|---------------------------|
| Net profit / (loss) after tax                              | (44.61)                   | 21.68                     |
| The weighted average number of ordinary shares outstanding | 50,00,900                 | 50,00,900                 |
| Earnings Per Share (Rs.) – Basic and Diluted               | (0.89)                    | 0.43                      |
| (Nominal value of Rs.10 per share)                         |                           |                           |



## 19 Related parties

## Related party and relationships

| Name of the Related Parties                                      | Relationship             |
|------------------------------------------------------------------|--------------------------|
| Jupiter Capital Private Limited                                  | Holding Company          |
| Hindusthan Infrastructure Projects & Engineering Private Limited | Fellow Subsidiary        |
| Charmi Gindra                                                    | Key Managerial Personnel |

## Transactions with related parties and outstanding balances

| Particulars                                                                        | Year ended March 31, 2025   | Year ended March 31, 2024   |
|------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Transactions for the year</b>                                                   |                             |                             |
| <b>Income :</b>                                                                    |                             |                             |
| Consultancy Fee - Hindusthan Infrastructure Projects & Engineering Private Limited | -                           | 5.00                        |
| <b>Expenses :</b>                                                                  |                             |                             |
| Salary Paid - Charmi Gindra - KMP                                                  | 1.60                        | 1.77                        |
| <b>Balance as at Balance Sheet</b>                                                 | <b>As at March 31, 2025</b> | <b>As at March 31, 2024</b> |
| <b>Assets :</b>                                                                    |                             |                             |
| <u>Other financial assets - Holding Company</u>                                    |                             |                             |
| Opening balance                                                                    | 28.74                       | 36.13                       |
| Add: Advance repaid during the year                                                | 0.39                        | 8.58                        |
| Less: Advance given during the year                                                | 22.20                       | 15.97                       |
| Closing balance                                                                    | 6.93                        | 28.74                       |
| <b>Liabilities:</b>                                                                |                             |                             |
| <u>Other current liability - Fellow Subsidiary Company</u>                         |                             |                             |
| Opening balance                                                                    | 2.54                        | -                           |
| Add: Advance taken during the year                                                 | 8.00                        | 9.00                        |
| Less: Advance repaid during the year                                               | -                           | 6.46                        |
| Closing balance                                                                    | 10.54                       | 2.54                        |
| Reimbursement Payable - KMP                                                        | -                           | 1.97                        |
| Salary Payable - KMP                                                               | -                           | 1.44                        |



**(i) Financial risk management**

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, equity price risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks.

**(ii) Credit risk**

Credit risk in the Company is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the business function and approvers in the credit risk function. Board approved credit policies and procedures mitigate the Company's prime risk-default risk. There is a Credit Risk Management Committee in the Company for the review of the policies, process and products on an ongoing basis, with approval secured from the Board as and when required.

**Significant increase in credit risk**

The Company monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company measures the loss allowance based on lifetime rather than Stage 1 (12-month) Expected Credit Loss (ECL). Pending the adoption of scoring models to assess the change in credit status at an account level and at portfolio level, the Company has adopted SICR (Significant Increase in Credit risk) criteria based on Days Past Due (DPD). The following table lists the staging criteria used in the Company: Staging Criterion

Stage-1 : 0 – 30 days past due

Stage-2 : 31 – 89 days past due

Stage-3 : 90+ days past due

Stage 2 follows the rebuttable presumption of Ind AS 109, that credit risk has increased significantly since initial recognition no later than when contractual payments are more than 30 days past due.

**Measurement of ECL**

The key inputs used for measuring ECL are:

Probability of default (PD):

The PD is an estimate of the likelihood of default over a given time horizon (12 Month). It is estimated as at a point in time. To compute Expected Credit Loss (ECL) the portfolio is segregated into 3 stages viz. Stage 1, Stage 2 and Stage 3 on the basis of Days Past Dues. The Company uses 12 month PD for the stage 1 borrowers and lifetime PD for stage 2 and 3 to compute the ECL. The Company has used 0.03% PD for unsecured corporate loans

Loss given default (LGD):

LGD is an estimation of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from eligible collateral. The Company has computed LGD for Microfinance loans using empirical data and for other portfolios it used FIRB (Foundation Internal Rating Based) guidelines and Loan Loss Provisioning paper as given by Reserve Company of India. LGD for unsecured corporate loans is considered as 65%

Exposure at default (EAD):

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

EAD is the total outstanding balance at the reporting date including principal and accrued interests at the reporting date

The Company measures ECL as the product of PD , LGD and EAD estimates for its Ind AS 109 specified financial obligations



**(iii) Equity price risk**

The Company has investments in listed securities and mutual funds and thereby exposed to equity price risk.

The Company limits its risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

**(iv) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, Companying facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

| Particulars               | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------|----------------------|----------------------|
| Cash and cash equivalents | 0.43                 | 1.92                 |
| <b>Total</b>              | <b>0.43</b>          | <b>1.92</b>          |

The table below provides details regarding the contractual maturities of significant financial liabilities As at March 31, 2025, & As at March 31, 2024

| Particulars                                    | As at                | As at March 31, 2025 |           |                   |
|------------------------------------------------|----------------------|----------------------|-----------|-------------------|
|                                                |                      | Less than 1 year     | 1-2 years | 2 years and above |
| Trade payables and other financial liabilities | As at March 31, 2025 | 23.02                | 12.72     | 11.46             |
|                                                | As at March 31, 2024 | 60.32                | -         | -                 |

**(v) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any interest rate fluctuation since it does not have any borrowings

**(vi) Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows:

| Particulars                                                          | As at March 31, 2025 | As at March 31, 2024 |
|----------------------------------------------------------------------|----------------------|----------------------|
| Total equity attributable to the equity share holders of the company | 200.93               | 245.54               |
| As percentage of total capital                                       | 100%                 | 100%                 |
| Current borrowings                                                   | -                    | -                    |
| Non-current borrowings                                               | -                    | -                    |
| Total borrowings                                                     | -                    | -                    |
| As a percentage of total capital                                     | 0%                   | 0%                   |
| <b>Total capital (borrowings)</b>                                    | <b>200.93</b>        | <b>245.54</b>        |

The Company is predominantly equity financed which is evident from the capital structure table.



Avasara Finance Limited

CIN: L74899MH1994PLC216417

Notes forming part of the financial statements

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

## 21 Dividend

During the year end March 31, 2025, the company has not paid any dividend. For the financials Year 2024-25, the company has not proposed any dividend

## 22 Going Concern

As on 31st March, 2025, the company has accumulated losses of Rs.299.16 Lacs (Previous year Rs.254.55 Lacs) which has resulted in significant erosion of networth of the Company. The management is hopeful of improving the performance of the Company by exploring various avenues of enhancing revenue. The said measures are expected to improve the performance of the Company and accordingly the financial statements continue to be prepared on a Going Concern Basis.

## 23 Ultimate Beneficiary

a) No funds have been advance or loaned or invested (either from borrowed funds or share premium or any other sources or any other 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 lend or invest in party identified by or on behalf of the company (Ultimate beneficiaries).

b) the company has not received any funds from any party(s) (funding party) with the understanding that the company shall whether directly or indirectly lend or invest in other persons or entities indentified by or on behalf of the company ("Ultimate Beneficiaries") or provide any gurantee, security or the like on behalf of the Ultimate Beneficiaries.

## 24 Other Disclosures:

a) There are no proceedings initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

b) The company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

c) The company has not traded or invested in Crypto currency or Virtual currency during the financial year

d) The company does not have any such transactions which is not recorded in the books of accounts that 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).

e) The company does not have any transactions with company struck- off under section 248 of the companies act 2013 or section 560 of companies act 1956.



25 Additional Regulatory Information

Ratios:

| Particulars                                                 | FY 2024-25     | FY 2023-24   |
|-------------------------------------------------------------|----------------|--------------|
| <b>Current Ratio (in times)</b>                             | <b>3.11</b>    | <b>3.29</b>  |
| Current Assets/Current Liabilities                          |                |              |
| Current Assets                                              | 146.78         | 198.19       |
| Current Liabilities                                         | 47.22          | 60.32        |
| <b>Return on Equity Ratio (%)</b>                           | <b>(8.92)</b>  | <b>4.34</b>  |
| Net Profit/(loss) After Tax/Average Shareholder's Equity    |                |              |
| Net Profit/(loss) After Tax                                 | (44.61)        | 21.68        |
| Average Shareholder's Equity                                | 500.09         | 500.09       |
| <b>Trade Receivables Turnover Ratio (in times)</b>          | <b>-</b>       | <b>0.90</b>  |
| Revenue from Operation/Average Trade Receivables            |                |              |
| Revenue from operations                                     | -              | 133.00       |
| Trade Receivables                                           | 125.00         | 147.50       |
| <b>Trade Payable Turnover Ratio (in times)</b>              | <b>1.40</b>    | <b>3.20</b>  |
| Operating Expenses and Other expenses/Average Trade Payable |                |              |
| Operating Expenses and Other expenses                       | 44.56          | 111.26       |
| Trade Payable                                               | 31.90          | 34.77        |
| <b>Net Capital Turnover Ratio (in times)</b>                | <b>-</b>       | <b>0.96</b>  |
| Revenue from operations/Working Capital                     |                |              |
| Revenue from operations                                     | -              | 133.00       |
| Working Capital                                             | 99.56          | 137.87       |
| <b>Net Profit Ratio (%)</b>                                 | <b>NA</b>      | <b>16.30</b> |
| Net Profit After Tax/Revenue from operations * 100          |                |              |
| Net Profit/(loss) After Tax                                 | (44.61)        | 21.68        |
| Revenue from operations                                     | -              | 133.00       |
| <b>Return on Capital employed (%)</b>                       | <b>(22.20)</b> | <b>8.83</b>  |
| Profit before Interest and Taxes/Capital Employed*100       |                |              |
| Profit before Interest and Taxes                            | (44.61)        | 21.68        |
| Capital Employed                                            | 200.93         | 245.53       |

Note: In view of nature of business and various components of financial statements, other Ratios as mentioned in Schedule III are not applicable to the Company

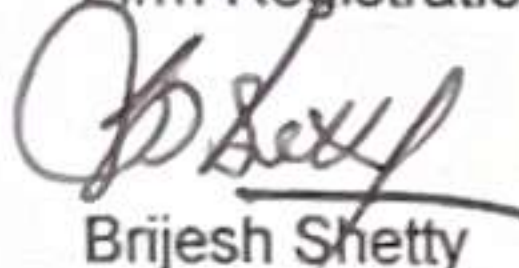
26 Previous year's figures are re-grouped and re-classified wherever necessary to make the same comparable with the figures of the current year

In terms of our report attached

For P. B. Shetty & Co. LLP

Chartered Accountants

Firm Registration No. 110102W / W101056

  
Brijesh Shetty

Partner

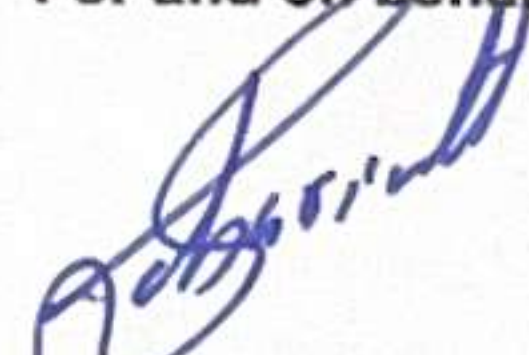
Membership number - 131490

Date: 27th Day of May, 2025

Place: Mumbai



For and on behalf of the Board of Directors

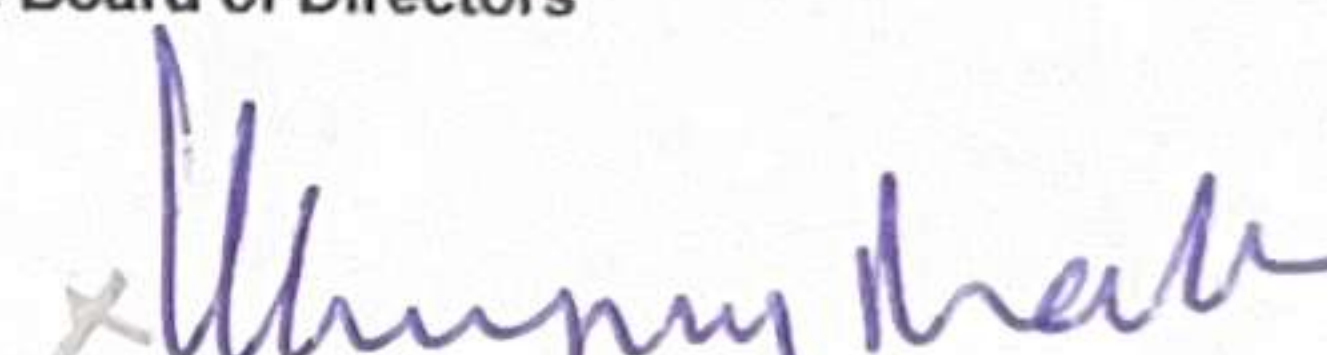
  
Sabarinath Gopalakrishnan

Director

DIN: 08479403

  
Raj Surendra Jain

Chief Financial Officer

  
Korodi Sanjay Prabhu

Director

DIN: 00023196

  
K. Madhavi

Company Secretary  
F6844