



INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of "M/s Akara Capital Advisors Private Limited" ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, 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 opinion on the financial statements.

Key Audit Matters

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

Key Audit Matter	Auditor's Response
1. Up dation of Corporate office with RBI	In addition to the registered office, The Company operates from Khasra no. 337, 1st Floor, CRC-II, M G Road, Sultanpur, Mehrauli, South West Delhi, Delhi, 110030. As confirmed by the management, due to Covid lockdowns and intermittent working, the company has not yet updated the address with RBI, and is currently in process of updating this address in RBI record.
2. Payment of Ex Gratia to the eligible customer	To provide additional relief, the Government of India announced ex-gratia payment to lenders for waiving off compound interest for loans up to 2 crore for some category of borrowers. The Honourable Supreme Court has directed all banks and financial institutions to refund compound interest, interest on interest or penal interest collected during the moratorium period irrespective of the loan amount and category of borrowers. The Supreme Court also lifted the ban it had imposed on declaring accounts of borrowers as non-performing assets. The company had filed a claim for the Ex Gratia under the scheme for Rs 78,93,585.00. The Company



	made multiple attempts to pay the eligible borrowers through cheque issuance and direct deposit. As confirmed by management, such refund to the eligible borrowers was completed in FY 2020-21.
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Responsibility of Management for Standalone Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order.

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 purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- f. Being a private company, provisions of section 197 are not applicable to the company.
- g. 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
- h. With respect to the other matters included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit & Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The management has represented that the company does not have any pending litigations and hence no provision/disclosure has been made against the same.



(ii) The company had not entered into any long term contracts including derivative contracts

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education & Protection Fund by the company.

For Suri & Sudhir
Chartered Accountants
FRN: 000601N



Anuj Arora
(Partner)
Membership. No.: 504815

Date: 24/09/2021

Place: New Delhi

UDIN No: 21504815AAAAHK9299

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **Akara Capital Advisors Private Limited** (the "Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Suri & Sudhir
Chartered Accountants
FRN: 000601N

Anuj Arora
(Partner)
Memb. No.: 504815



Date: 24/09/2021
Place: New Delhi

UDIN No. 21504815AAAAHK9299

Annexure 'B' to the Auditors' Report

The Annexure referred to in Independent Auditors' Report of even date to the members **Akara Capital Advisors Private Limited** on the standalone financial statements for the year ended March 31, 2021, we report that:

- (i) In respect of the Company's fixed assets
 - (b) The company has maintained proper records showing particulars, including quantitative details and situation of fixed assets.
 - (c) All the assets have been physically verified by the management during the year at regular intervals according to a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
 - (d) Since the company is not in the possession of any immovable property hence this clause is not applicable.
- (ii) As the Company do not possess any Inventory therefore Para (ii) do not apply.
- (iii) The company has not granted any loan secured or unsecured to companies, firms, Limited liability partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act and hence provisions of para (iii) are not applicable to the company.
- (iv) The company has not given any loans & advances to directors and parties covered under section 185 or loans and advances under section 186 of the Companies Act, 2013 and hence the provisions of paragraph (iv) are not applicable to the company.
- (v) The company has not accepted any deposits and hence paragraph (v) of the order is not applicable to the company.
- (vi) According to the information and explanations given to us, in our opinion the maintenance of cost records have not been prescribed for the company by the Central Government under subsection (1) of section 148 of the Companies Act.
- (vii)
- (a) The company is fairly regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Goods and Service Tax, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, duty of customs, Goods & Services Tax (GST), cess and other statutory dues were in arrears as at 31st March 2021 for a period of more than six months from the date they become payable.
 - (b) According to the information and explanation given to us, there are no dues of Goods and service tax, income tax, cess and other statutory dues, which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted beyond 90 days in repayment of dues to a financial institution or bank. In the absence of any debentures, the reporting on the debenture dues is not applicable on the company.
- (ix) The company has not raised any money by way of Initial Public Offer (IPO) or further public offer (including debt instruments). The term loans were applied for the purpose for which they were obtained.



(x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

(xi) Being a private limited company, the provisions of section 197 and likewise the reporting under paragraph of the order are not applicable.

(xii) The company is not a nidhi company & hence paragraph (xii) of the order is not applicable to the company.

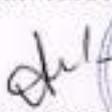
(xiii) Based on audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause (xiv) are not applicable to the company.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into non-cash transactions with directors or persons connected with them.

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

For Suri & Sudhir
Chartered Accountants
FRN: 000601N


Anuj Arora
(Partner)

Membership Number: 504815



Date: 24/09/2021

Place: New Delhi

UDIN No. 21504815AAAAHK9299

Balance Sheet as at 31st March 2021

₹ in rupees

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	1	59,06,91,030.00	32,30,76,620.00
Reserves and surplus	2	17,63,01,049.00	7,76,06,068.00
Money received against share warrants		-	-
		76,69,92,079.00	40,06,82,688.00
Share application money pending allotment		72,750.00	-
Non-current liabilities			
Long-term borrowings	3	45,97,72,842.00	36,37,21,719.00
Deferred tax liabilities (Net)	4	14,13,347.00	-
Other long term liabilities		-	-
Long-term provisions	5	18,91,851.00	3,59,561.00
		46,30,78,040.00	36,40,81,280.00
Current liabilities			
Short-term borrowings	6	1,74,87,423.00	-
Trade payables	7	-	-
(A) Micro enterprises and small enterprises		-	-
(B) Others		2,74,48,188.00	25,45,63,049.00
Other current liabilities	8	2,92,25,607.00	3,64,48,619.00
Short-term provisions	5	1,73,06,778.00	1,29,00,290.00
		9,14,67,896.00	30,39,12,158.00
TOTAL		1,32,16,10,765.00	1,06,86,76,126.00
ASSETS			
Non-current assets			
Property, Plant and Equipment	9	-	-
Tangible assets		19,999.00	66,626.00
Intangible assets		3,88,25,023.00	1,29,37,710.00
Capital work-in-Progress		-	25,70,095.00
Intangible assets under development		-	-
Non-current investments		-	-
Deferred tax assets (net)	4	-	4,42,745.00
Long-term loans and advances	10	-	-
Other non-current assets		-	-
		3,88,45,022.00	1,60,37,376.00
Current assets			
Current investments		-	-
Inventories		-	-
Trade receivables	11	22,51,67,031.00	9,50,715.00
Cash and cash equivalents	12	6,28,83,246.00	1,40,50,099.00
Short-term loans and advances	10	91,84,31,442.00	98,04,69,285.00
Other current assets	13	7,62,64,024.00	5,71,68,651.00
		1,28,27,65,743.00	1,05,26,38,750.00
TOTAL		1,32,16,10,765.00	1,06,86,76,126.00

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

As per our report of even date

For SURI & SUDHIR

Chartered Accountants

(FRN: 000601N)

ANUJ ARORA
PARTNER

Membership No.: 504815

Place: NEW DELHI

Date: 24/09/2021

UDIN: 21504815AAAAHK3299

TUSHAR AGGARWAL
Director
DIN: 01587568

SHRUTI AGGARWAL
Director
DIN: 06367269

For and on behalf of the Board of Directors

PAVEET
Membership No: 35243

Statement of Profit and loss for the year ended 31st March 2021

₹ in rupees

Particulars	Note No.	31st March 2021	31st March 2020
Revenue			
Revenue from operations	14	21,01,18,577.00	53,72,50,464.00
Less: Excise duty		-	-
Net Sales		21,01,18,577.00	53,72,50,464.00
Other income	15	19,63,319.00	-
Total revenue		21,20,81,896.00	53,72,50,464.00
Expenses			
Cost of material Consumed		-	-
Purchase of stock-in-trade		-	-
Changes in inventories		-	-
Employee benefit expenses	16	4,28,89,784.00	3,26,49,522.00
Finance costs	17	4,33,56,301.00	4,42,12,312.00
Depreciation and amortization expenses	18	62,66,931.00	20,26,480.69
Other expenses	19	9,21,17,811.00	44,65,64,258.00
Total expenses		18,46,30,627.00	62,54,62,582.69
Profit before exceptional, extraordinary and prior period items and tax		2,74,51,269.00	1,17,97,881.31
Exceptional items		-	-
Profit before extraordinary and prior period items and tax		2,74,51,269.00	1,17,97,881.31
Extraordinary items		-	-
Prior period item		-	-
Profit before tax		2,74,51,269.00	1,17,97,881.31
Tax expenses			
Current tax	20	71,84,520.00	34,07,423.00
Deferred tax	21	18,56,091.00	(2,548.00)
Excess/short provision relating earlier year tax		-	-
Profit(Loss) for the period		1,84,10,658.00	83,93,006.31
Earning per share			
Basic	22		
Before extraordinary items		0.43	0.28
After extraordinary Adjustment		0.43	0.28
Diluted			
Before extraordinary items		-	-
After extraordinary Adjustment		-	-

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

As per our report of even date

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

ANUJ ARORA
 PARTNER
 Membership No.: 504815
 Place: NEW DELHI
 Date: 24/09/2021

LIPIN: 21504815 ANUJ ARORA HK 3299


 TUSHAR AGGARWAL
 Director
 DIN: 01587360

For and on behalf of the Board of Directors

 SHRUTI AGGARWAL
 Director
 DIN: 06867269

 PAVEET
 Membership No: 35743

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2021

₹ in rupees

	PARTICULARS	31st March 2021	31st March 2020
A.	Cash Flow From Operating Activities		
	Net Profit before tax and extraordinary items(as per Statement of Profit and Loss)	2,74,51,269.00	1,17,97,881.31
	Adjustments for non Cash/ Non trade Items:-		
	Depreciation & Amortization Expenses	62,66,931.00	20,26,480.69
	Finance Cost	4,33,56,301.00	4,42,12,312.00
	Adjustments for unrealised foreign exchange Losses / (Gains)	(29.00)	-
	Interest received	(4,18,796.00)	-
	Other Inflows / (Outflows) of cash	6,73,06,867.00	6,93,47,474.92
	Operating profits before Working Capital Changes	16,39,62,543.00	12,73,84,148.92
	Adjusted For:		
	(Increase) / Decrease in trade receivables	(22,42,16,316.00)	-
	Increase / (Decrease) in trade payables	(22,71,14,851.00)	16,19,48,066.00
	Increase / (Decrease) in other current liabilities	24,46,091.00	(1,36,14,959.92)
	(Increase) / Decrease in Short Term Loans & Advances	6,20,37,843.00	(38,64,24,592.00)
	(Increase) / Decrease in other current assets	(1,91,15,344.00)	(4,41,91,341.00)
	Cash generated from Operations	(24,19,99,444.00)	(15,48,98,588.00)
	Income Tax (Paid) / Refund	(34,07,423.00)	(15,42,390.00)
	Net Cash flow from Operating Activities(A)	(24,54,06,867.00)	(15,64,40,978.00)
B.	Cash Flow From Investing Activities		
	Purchase of tangible assets	-	(25,70,095.00)
	Proceeds from sales of tangible assets	25,70,095.00	19,91,198.00
	Interest Received	4,18,796.00	-
	Purchase of intangible assets	(3,20,87,417.00)	(1,22,71,577.00)
	Net Cash used in Investing Activities(B)	(2,90,96,526.90)	(1,28,50,474.00)
C.	Cash Flow From Financing Activities		
	Finance Cost	(4,33,56,301.00)	(4,42,12,312.00)
	Increase in / (Repayment) of Short term Borrowings	1,74,87,423.00	-
	Increase in / (Repayment) of Long term borrowings	9,60,51,123.00	16,75,80,093.00
	Increase / (Decrease) in share capital	26,76,14,410.00	6,53,84,500.00
	Increase / (Decrease) in share application money pending allotment	72,750.00	(1,50,00,000.00)
	Other Inflows / (Outflows) of cash	(1,45,30,865.00)	(23,59,874.00)
	Net Cash used in Financing Activities(C)	32,33,38,540.00	17,13,92,407.00
D.	Net Increase / (Decrease) in Cash & Cash Equivalents(A+B+C)	4,88,33,147.00	21,00,955.00
E.	Cash & Cash Equivalents at Beginning of period	1,40,50,099.00	1,19,49,144.00
F.	Cash & Cash Equivalents at End of period	6,28,83,246.00	1,40,50,099.00
G.	Net Increase / (Decrease) in Cash & Cash Equivalents(F-E)	4,88,33,147.00	21,00,955.00

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

As per our report of even date

For SURI & SUDHIR

Chartered Accountants

(FRN: 000601N)

ANUJ ARORA
 PARTNER

Membership No.: 504815

Place: NEW DELHI

Date: 24/09/2021

U DIN : 21504815 ANUJ ARORA HIK 3299

TUSHAR AGGARWAL

Director

DIN: 01587959

For and on behalf of the Board of Directors

SHRUTI AGGARWAL

Director

DIN: 06867268

PAVEET

Membership No. 35743

Note:

1. The Cash Flow Statement has been prepared by indirect Method as per AS-3 issued by ICAI.
2. Figures of previous year have been rearranged/regrouped wherever necessary
3. Figures in brackets are outflow/deductions

Notes to Financial statements for the year ended 31st March 2021
 The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

Note No. 1 Share Capital

₹ in rupees

Particulars	As at 31st March 2021	As at 31st March 2020
Authorised :		
100000000 (31/03/2021) Equity shares of Rs. 10.00/- par value	1,00,00,00,000.00	40,00,00,000.00
Issued :		
59069103 (31/03/2021) Equity shares of Rs. 10.00/- par value	59,06,91,030.00	32,30,76,620.00
Subscribed and paid-up :		
59069103 (31/03/2021) Equity shares of Rs. 10.00/- par value	59,06,91,030.00	32,30,76,620.00
Total	59,06,91,030.00	32,30,76,620.00

Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Equity shares

₹ in rupees

	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	3,23,07,662	32,30,76,620.00	2,57,69,212	25,75,92,120.00
Issued during the Period	2,67,61,441	26,76,14,410.00	65,38,450	6,53,84,500.00
Redeemed or bought back during the period	-	-	-	-
Outstanding at end of the period	5,90,69,103	59,06,91,030.00	3,23,07,662	32,30,76,620.00

Right, Preferences and Restriction attached to shares

Equity shares

The company has only one class of Equity having a par value Rs. 10.00 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

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

Type of Share	Name of Shareholders	As at 31st March 2021		As at 31st March 2020	
		No. of Shares	% of Holding	No. of Shares	% of Holding
Equity [NV: 10.00]	Morus Technologies Pte Limited	5,90,69,003	99.99	3,23,07,562	99.99
	Total :	5,90,69,003	99.99	3,23,07,562	99.99

Note: During the year, there has been a change in shareholding of the company after obtaining necessary RBI Approval on 05-10-2020, 07-10-2020 and 05-03-2021

Note No. 2 Reserves and surplus

₹ in rupees

Particulars	As at 31st March 2021	As at 31st March 2020
Surplus		
Opening Balance	76,00,293.59	15,67,161.26
Add: Profit for the year	1,84,10,658.00	83,93,006.31
Less: Transfer to Special Reserve	(54,90,254.00)	(23,50,874.00)
Closing Balance	2,05,20,697.59	76,00,293.59
Securities premium		
Opening Balance	6,69,23,012.00	-
Add: Addition during the year	8,02,84,323.00	6,69,23,012.00
Less: Deletion during the year	-	-
Closing Balance	14,72,07,335.00	6,69,23,012.00
Reserves u/s 45(C)		
Opening Balance	30,82,762.41	7,22,888.49
Add: Addition during the year	54,90,254.00	23,59,873.92
Less: Deletion during the year	-	-
Closing Balance	85,73,016.41	30,82,762.41
Balance carried to balance sheet	17,63,01,049.00	7,76,06,068.00



Note No. 3 Long-term borrowings

₹ in rupees

Particulars	As at 31st March 2021			As at 31st March 2020		
	Non-Current	Current Maturities	Total	Non-Current	Current Maturities	Total
Term Loan - From banks						
AU Small Finance Bank Private Limited secured	7,50,00,002.00	-	7,50,00,002.00	1,66,66,664.00	-	1,66,66,664.00
	7,50,00,002.00	-	7,50,00,002.00	1,66,66,664.00	-	1,66,66,664.00
Term Loan - From Others						
Western Capital Advisors Private Limited secured	-	-	-	2,50,00,000.00	-	2,50,00,000.00
Eclear Leasing and Finance Private Limited secured	-	-	-	2,05,24,885.00	-	2,05,24,885.00
Fusion Corporate Solutions Private Limited secured	3,36,47,669.00	-	3,36,47,669.00	2,23,00,443.00	-	2,23,00,443.00
Jainsons Finlease Limited secured	-	-	-	5,81,79,542.00	-	5,81,79,542.00
Northern Arc Capital secured	2,42,30,836.00	-	2,42,30,836.00	13,08,43,505.00	-	13,08,43,505.00
Kisetsu Saison Finance Private Limited secured	12,91,66,666.00	-	12,91,66,666.00	-	-	-
Vivrti Capital Private Limited secured	15,00,00,000.00	-	15,00,00,000.00	-	-	-
Usha Financial services Private Limited secured	-	-	-	2,11,37,245.00	-	2,11,37,245.00
Positive Moves India Consulting Private Limited secured	4,77,27,669.00	-	4,77,27,669.00	6,90,69,435.00	-	6,90,69,435.00
	38,47,72,840.00	-	38,47,72,840.00	34,79,55,055.00	-	34,79,55,055.00
The Above Amount Includes						
Secured Borrowings	45,97,72,842.00	-	45,97,72,842.00	36,37,21,719.00	-	36,37,21,719.00
Net Amount	45,97,72,842.00	-	45,97,72,842.00	36,37,21,719.00	-	36,37,21,719.00

Note No. 4 Deferred Tax

₹ in rupees

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred tax liability		
Deferred Tax Liability	14,13,347.00	-
Gross deferred tax liability	14,13,347.00	-
Deferred tax assets		
Deferred Tax Assets	-	4,42,745.00
Gross deferred tax asset	-	4,42,745.00
Net deferred tax assets	-	4,42,745.00
Net deferred tax liability	14,13,347.00	-

Note No. 5 Provisions

₹ in rupees

Particulars	As at 31st March 2021			As at 31st March 2020		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Provision for employee benefit						
Gratuity	18,91,851.00	5,095.00	18,96,946.00	3,59,561.00	61,590.00	4,21,151.00
Provision for Leave Encashment	-	18,80,878.00	18,80,878.00	-	10,23,160.00	10,23,160.00
Provision for Bonus	-	-	-	-	15,19,500.00	15,19,500.00
	18,91,851.00	18,85,973.00	37,77,824.00	3,59,561.00	26,04,250.00	29,63,811.00
Other provisions						
Audit fees payable	-	3,83,875.00	3,83,875.00	-	3,53,250.00	3,53,250.00
Expenses Payable	-	55,56,331.00	55,56,331.00	-	33,08,714.00	33,08,714.00
NPA Provision	-	22,96,079.00	22,96,079.00	-	32,26,853.00	32,26,853.00
Provision for Income Tax	-	71,84,520.00	71,84,520.00	-	34,07,423.00	34,07,423.00
	-	1,54,20,805.00	1,54,20,805.00	-	1,02,96,040.00	1,02,96,040.00
Total	18,91,851.00	1,73,06,778.00	1,91,98,629.00	3,59,561.00	29,00,290.00	1,32,59,851.00



Note No. 6 Short-term borrowings

₹ in rupees

Particulars	As at 31st March 2021	As at 31st March 2020
Loans and Advances from related parties		
EQX Analytics Private Limited secured	1,74,87,423.00	-
	1,74,87,423.00	-
The Above Amount Includes		
Secured Borrowings	1,74,87,423.00	-
Total	1,74,87,423.00	-

Note No. 7 Trade payables

₹ in rupees

Particulars	As at 31st March 2021	As at 31st March 2020
(B) Others		
Sundry creditors	2,74,48,188.00	25,45,63,049.00
	2,74,48,188.00	25,45,63,049.00
Total	2,74,48,188.00	25,45,63,049.00

Note No. 8 Other current liabilities

₹ in rupees

Particulars	As at 31st March 2021	As at 31st March 2020
Others payables		
Amount yet to be disbursed	1,06,50,753.00	1,43,39,493.00
Excess Payment Refundable	-	85,953.00
Interest Payable	13,13,493.00	14,89,637.00
Collection from Customers	78,98,519.00	61,53,541.00
Interest on GST Payable	-	1,63,950.00
Employee Reimbursement Payable	16,637.00	5,62,852.00
Director Reimbursement Payable	5,63,761.00	-
TDS Payable	28,43,666.00	1,00,94,240.00
GST Payable	1,24,216.00	94,500.00
Salary Payable	59,21,530.00	25,44,259.00
PF Payable	89,174.00	18,875.00
ESI Payable	3,758.00	1,489.00
	2,92,25,507.00	3,64,48,819.00
Total	2,92,25,507.00	3,64,48,819.00



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AKARA CAPITAL ADVISORS PRIVATE LIMITED

60, THIRD FLOOR, ARJUN NAGAR KOTLA MUBARAKPUR, DELHI-110003

CIN : U74110DL2016PTC290970

Ph No : 9643309883

Email : officer@akaracap.com

(F.Y. 2020-2021)

Note No. 9 Property, Plant and Equipment as at 31st March 2021

₹ in rupees

Assets	Useful Life (in Years)	Balance as at 1st April 2020	Additions during the year	Gross Block Addition on account of business acquisition	Deletion during the year	Balance as at 31st March 2021	Accumulated Depreciation/ Amortisation			Net Block		
							Balance as at 1st April 2020	Provided during the year	Deletion/ adjustments during the year	Balance as at 31st March 2021	Balance as at 31st March 2021	Balance as at 31st March 2020
A Tangible assets												
Own Assets												
CPU	3.00	11,547.00	-	-	-	11,547.00	8,276.00	2,694.00	-	10,970.00	577.00	3,271.00
Director GSM Gateway	3.00	1,84,210.00	-	-	-	1,84,210.00	1,16,871.00	50,782.00	-	1,67,833.00	16,577.00	67,339.00
Computer	3.00	14,537.00	-	-	-	14,537.00	10,318.00	3,482.00	-	13,810.00	727.00	4,219.00
Office Equipments	6.00	42,353.00	-	-	-	42,353.00	30,356.00	9,879.00	-	40,235.00	2,118.00	11,997.00
Total (A)		2,52,647.00	-	-	-	2,52,647.00	1,65,821.00	66,827.00	-	2,32,648.00	19,999.00	86,828.00
P.Y Total		2,52,647.00	-	-	-	2,52,647.00	85,807.00	80,014.00	-	1,65,821.00	86,826.00	1,66,848.00
B Intangible assets												
Intangible assets		1,52,09,088.00	3,20,87,417.00	-	-	4,72,96,505.00	22,71,378.00	62,00,104.00	-	94,71,482.00	3,88,25,023.00	1,29,37,710.00
Total (B)		1,52,09,088.00	3,20,87,417.00	-	-	4,72,96,505.00	22,71,378.00	62,00,104.00	-	84,71,482.00	3,88,25,023.00	1,29,37,710.00
P.Y Total		29,37,511.00	1,22,71,577.00	-	-	1,52,09,088.00	3,24,911.31	19,46,466.69	-	22,71,378.00	1,29,37,710.00	26,12,593.69
C Capital work in progress												
Capital work in progress		25,70,095.00	-	-	25,70,095.00	-	-	-	-	-	-	25,70,095.00
Capital Work in progress		25,70,095.00	-	-	25,70,095.00	-	-	-	-	-	-	25,70,095.00
Total (C)		25,70,095.00	-	-	25,70,095.00	-	-	-	-	-	-	25,70,095.00
P.Y Total		19,91,198.00	25,70,095.00	-	19,91,198.00	25,70,095.00	-	-	-	25,70,095.00	19,91,198.00	19,91,198.00
Current Year Total (A + B + C)		1,80,31,830.00	3,20,87,417.00	-	25,70,095.00	4,75,49,152.00	24,37,199.00	62,66,931.00	-	87,04,130.00	3,88,45,022.00	1,55,94,631.00
Previous Year Total		51,81,356.00	1,48,41,672.00	-	19,91,198.00	1,80,31,830.00	4,10,718.31	20,26,480.69	-	24,37,199.00	1,55,94,631.00	47,70,637.69

General Notes:

- No depreciation if remaining useful life is negative or zero.
- Depreciation is calculated on pro-rata basis in case assets is purchased/sold during current F.Y.
- If above assets is used for any time during the year for double shift, the depreciation will increase by 50% for that period and in case of the triple shift the depreciation shall be calculated on the basis of 100% for that period.



Note No. 10 Loans and advances

₹ in rupees

Particulars	As at 31st March 2021		As at 31st March 2020	
	Long-term	Short-term	Long-term	Short-term
Other loans and advances				
Unsecured, considered good(Head)	-	91,84,31,442.00	-	98,04,69,285.00
	-	91,84,31,442.00	-	98,04,69,285.00
Total	-	91,84,31,442.00	-	98,04,69,285.00

Standard Asset: Asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to a business. Loans & advances without any specific stipulation for immediate repayment shall become due upon mutually agreed correspondence for repayment.

Sub Standard Asset: Asset in respect of which repayment is due for a period greater than 180 days and it remain due for a period up to 365 days

Provision for Portfolio

Provisions for Loan Portfolio are made as per the Prudential Master Circular- Introduction of New Category of NBFCs - 'Non-Banking Financial Company-Non-Systemically Important Non-Deposit Taking Company Reserve Bank Directions' 2016 vide RBI/DNBR/2016-17/44 Master Direction DNBR.PD.007/03.10.119/2016-17 updated as on Aug 02, 2019.

The Amount of provision accounted in books is computed as follows:-

Type of asset	Days Past Due	Loan Book	Provision (%)	Total Provision	Provision (Opening Balance)	Provision to be created/ (reversed)
Standard Asset	0-180	91,84,31,442.00	0.25%	22,96,079.00	24,31,289.00	(1,35,211.00)
Sub- Standard	181-546	-	10%	-	7,95,364.00	(7,95,364.00)
Doubtful Asset 1	546-911	-	20%	-	-	-
Doubtful Asset 2	911-1276	-	30%	-	-	-
Doubtful Asset 3	1276-1641	-	50%	-	-	-
Total loan book outstanding as on 31.03.2021		91,84,31,442.00		22,96,079.00	32,26,653.00	(9,30,574.00)

Note No. 10(a) Loans and advances : Other loans and advances: Unsecured, considered good(Head)

₹ in rupees

Particulars	As at 31st March 2021		As at 31st March 2020	
	Long-term	Short-term	Long-term	Short-term
Loan Portfolio	-	91,84,31,442.00	-	98,04,69,285.00
Total	-	91,84,31,442.00	-	98,04,69,285.00

Note No. 11 Trade receivables

₹ in rupees

Particulars	As at 31st March 2021		As at 31st March 2020	
Exceeding six months				
Doubtful		9,50,715.00		-
Total		9,50,715.00		-
Less than six months				
Unsecured, Considered Good		22,42,16,316.00		-
Doubtful		-		9,50,715.00
Total		22,42,16,316.00		9,50,715.00
Total		22,51,67,031.00		9,50,715.00



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 AKARA CAPITAL ADVISORS PRIVATE LIMITED
 60, THIRD FLOOR, ARJUN NAGAR KOTLA MUBARAKPUR, DELHI-110003
 CIN : U74110DL2016PTC290970
 Ph No : 9643309883
 Email : cofficer@akaracap.com

(F.Y. 2020-2021)

Note No. 12 Cash and cash equivalents

₹ in rupees

Particulars	As at 31st March 2021	As at 31st March 2020
Balance with banks		
ICICI- Escrow A/C	4,65,00,297.00	9,19,405.00
Balance with Banks	1,63,52,949.00	1,31,30,694.00
Total	6,28,53,246.00	1,40,50,099.00
Cash in hand		
Cash in hand	30,000.00	-
Total	30,000.00	-
Total	6,28,83,246.00	1,40,50,099.00

Note No. 13 Other current assets

₹ in rupees

Particulars	As at 31st March 2021	As at 31st March 2020
Other Assets		
Prepaid Expenses	57,969.00	53,443.00
TDS Receivable	37,759.00	2,910.00
Ex Gratia Receivable	78,93,585.00	-
GST Input	3,27,55,204.00	2,62,03,585.00
Accrued interest on loan	2,03,36,587.00	1,68,72,185.00
Advance Tax	-	15,00,000.00
Advance to Suppliers	1,200.00	14,59,246.00
Amount Recoverable	-	22,090.00
Collateral to Lenders	-	25,00,000.00
Other Receivables	1,43,50,241.00	65,42,583.00
TDS Unconsumed	8,51,479.00	12,608.00
Total	7,62,84,024.00	5,71,68,651.00



Note No. 14 Revenue from operations

₹ in rupees

Particulars	31st March 2021	31st March 2020
Interest income from operations	20,26,88,954.00	50,15,23,153.00
Other financial services		
Processing Fees	-	2,54,37,697.00
Bad Debts Recovered	73,82,505.00	33,43,673.00
Bounce Charges	47,118.00	69,45,941.00
	74,29,623.00	3,57,27,311.00
Net revenue from operations	21,01,18,577.00	53,72,50,464.00

Note No. 15 Other income

₹ in rupees

Particulars	31st March 2021	31st March 2020
Interest Income		
Interest on Fixed Deposits	4,18,796.00	-
	4,18,796.00	-
Other non-operating income		
Foreign exchange Fluctuation	29.00	-
Balance Writen off	6,13,920.00	-
Excess NPA Provision Reversal	9,30,574.00	-
	15,44,523.00	-
Total	19,63,319.00	-

Note No. 16 Employee benefit expenses

₹ in rupees

Particulars	31st March 2021	31st March 2020
Salaries and wages		
Salary and wages	2,71,30,633.00	3,03,94,637.00
Leave encashment	21,58,086.00	9,73,561.00
Director Remuneration	1,32,11,700.00	11,06,959.00
	4,25,00,419.00	3,24,76,177.00
Contribution to provident and other fund		
Employer Contribution ESI	26,771.00	16,542.00
Employer Contribution PF	2,84,487.00	1,31,400.00
Admin Charges PF	42,173.00	11,525.00
	3,53,431.00	1,69,467.00
Staff welfare Expenses		
Staff Welfare Expenses	35,934.00	14,878.00
	35,934.00	14,878.00
Total	4,28,89,784.00	3,26,49,522.00

Note No. 17 Finance costs

₹ in rupees

Particulars	31st March 2021	31st March 2020
Interest		
Other interest charges	3,81,789.00	-
	3,81,789.00	-
Other Borrowing costs		
Interest on Secured Borrowings	4,29,74,512.00	4,42,12,312.00
	4,29,74,512.00	4,42,12,312.00
Total	4,33,56,301.00	4,42,12,312.00

Note No. 18 Depreciation and amortization expenses

₹ in rupees

Particulars	31st March 2021	31st March 2020
Depreciation on tangible assets	66,827.00	80,014.00
Amortisation on intangible assets	62,00,104.00	19,46,466.69
Total	62,66,931.00	20,26,480.69



Note No. 19 Other expenses

₹ in rupees

Particulars	31st March 2021	31st March 2020
Audit fees	4,15,000.00	3,90,000.00
Bank charges	24,08,141.00	27,11,247.00
ROC Fees	5,97,200.00	77,900.00
Professional fees	1,76,93,833.00	15,09,43,931.00
Credit Rating expenses	1,39,35,644.00	2,31,97,356.00
NPA Provision	-	10,54,263.00
Bank Statement Analysis Expenses	24,57,534.00	96,97,355.00
Business Promotion Expenses	1,23,811.00	8,66,200.00
Commission	2,59,84,327.00	5,77,17,745.00
Directors sitting fees	4,96,875.00	10,00,000.00
FLDG Expense	-	6,04,57,548.00
Interest on TDS	3,81,906.00	1,67,784.00
Late Filing Fees	13,330.00	58,500.00
Printing and stationery	38,125.00	17,70,466.00
Provision For Gratuity	14,75,795.00	1,25,232.00
Travel and Boarding and Lodging Expenses	92,089.00	2,21,724.00
Marketing expenses	2,64,453.00	34,17,424.00
Annual fees	11,781.00	10,000.00
Conveyance expenses	1,04,723.00	15,333.00
GST 50% Credit (expense)	79,91,512.00	2,41,60,348.00
Technologies Expenses	23,899.00	7,17,629.00
Bad debts- Greater than Rs 1,00,000	-	2,80,23,342.00
Bad debts- Less than Rs 1,00,000	20,00,870.00	7,59,68,485.00
Late Interest on GST	8,776.00	1,64,910.00
Office Expenses	18,300.00	1,57,673.00
Collection and Recovery Expenses	1,19,93,206.00	10,01,285.00
Physical and Tele Verification Expenses	4,64,647.00	1,95,103.00
Legal expenses	5,55,310.00	1,98,650.00
Manpower Expenses	2,00,000.00	24,18,200.00
Insurance expenses	42,799.00	1,407.00
Short and Excess	-	11,738.00
Advertising expenses	26,235.00	6,55,490.00
Rent	20,29,500.00	-
Foreclosure Charges	2,66,990.00	-
Total	9,21,17,611.00	44,65,64,268.00

Note No. 20 Current tax

₹ in rupees

Particulars	31st March 2021	31st March 2020
Current tax pertaining to current year	71,84,520.00	34,07,423.00
Total	71,84,520.00	34,07,423.00

Note No. 21 Deferred tax

₹ in rupees

Particulars	31st March 2021	31st March 2020
Deferred Tax Asset	4,42,745.00	(2,548.00)
Deferred Tax Liability	14,13,346.00	-
Total	18,56,091.00	(2,548.00)

Note No. 22 Earning Per Share

₹ in rupees

Particulars	Before Extraordinary items		After Extraordinary items	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
Basic				
Profit after tax (A)	1,84,10,658.00	83,93,006.31	1,84,10,658.00	83,93,006.31
Weighted average number of shares outstanding (B)	4,27,99,076	3,00,32,024	4,27,99,076	3,00,32,024
Basic EPS (A / B)	0.43	0.28	0.43	0.28
Face value per share	10.00	10.00	10.00	10.00



Note no. 23**1. COMPANY BACKGROUND**

M/s Akara Capital Advisors Private Limited was incorporated on 11-02-2016 under the companies act 2013. The company was registered as a Non-Deposit taking Non-Banking Financial Company under section 45IA of the Reserve Bank of India (RBI) Act 1934.

The Authorized Share Capital of the company is Rs. 1,00,00,00,000.00 divided into 10,00,00,000 ordinary equity shares of Rs. 10/- carrying one voting right per shares at all times. The Subscribed Share Capital of the company is Rs. 59,06,91,030.00 divided into 5,90,69,103 ordinary equity shares of Rs. 10/- carrying one voting rights per shares at all times.

The company is a wholly owned subsidiary of Morus Technologies Pte Ltd having a shareholding of Rs 59,06,90,030 in the entire share capital of Akara Capital Advisors Private Limited.

The Company's registered office is at 6D, Third Floor, Arjun Nagar, Kotla Mubarakpur, New Delhi 110003. In addition, company operates from Khasra no. 337, 1st Floor, CRC-II, M G Road, Sultanpur, Mehrauli, South West Delhi, Delhi, 110030. The company is in process of updating this address in RBI record.

Nature of Operations

Akara Capital Advisors Private Limited. ("The Company") is primarily engaged in business of lending activities for providing loans.

2. SIGNIFICANT ACCOUNTING POLICIES**A. Basis of Preparation of Financial Statements**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 and the provisions of the Reserve



Notes to financial statements for the year ended March 31, 2021

Bank of India as applicable to a non-banking financial company. Financial Statements have been prepared under the historical cost convention on an accrual basis of accounting.

B. Use of Estimates

The preparation of financial statements, in accordance with the Generally Accepted Accounting Principles, require the management to make estimates and assumptions that effect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of financial statements, reported amount of expenses and revenues of the year and the amortized amount of preliminary expenditure of the year. Estimates and underlining assumptions are reviewed on ongoing basis. Actual results could differ from these estimates. Any revision to accounting estimate is recognized prospectively in current and future at the date of the financial statements.

C. Current-Non Current Classification

All assets and liabilities are classified into current and non-current.

Assets

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

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

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

Liabilities

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

- i. It is expected to be settled in the Company's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;



Notes to financial statements for the year ended March 31, 2021

- iii. It is due to be settled within 12 months after the reporting date; or
- iv. The company does not have an unconditional right to defer the settlement of liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

Operating Cycle

Company has ascertained its operating cycle as 12 months that is the time gap between the acquisition of assets for processing and their realization in cash or cash equivalents.

D. Cash & Cash Equivalents

Cash & cash equivalents for the purpose of cash flow statement comprises cash in hand, cash in bank, fixed deposits and other short term highly liquid investments with an original maturity of three months or less that are readily convertible into known amount of cash and which are subject to an insignificant risk of change in value.

E. Cash Flow Statement

Cash flow are reported using the indirect method whereby cash flows from operating, investing & financing activities of the company are segregated and profit before tax is adjusted for the effect of transactions of non-cash nature or any deferrals or accruals of past or future cash receipts or payments.

F. Property, Plant & Equipment

Property, Plant & Equipment comprising both tangible and intangible assets are stated at their original cost of acquisition including taxes, freight and other incidental expenses related to acquisition and installation of the concerned assets less depreciation till date.



Notes to financial statements for the year ended March 31, 2021

Company has adopted cost model for all class of items of Property Plant and Equipment.

G. Depreciation

Depreciation on all fixed assets of the Company is provided on Straight Line Method at the rates specified in schedule II of the Companies Act, 2013.

H. Borrowing Costs

The Company has incurred borrowing cost during the Financial Year. The Borrowing Cost has been incurred on the loan facility availed from various lenders. The total expense amount incurred for the period ending 31st March 2021 is **Rs. 4,33,56,301**

I. Impairment of Assets

The Company identifies Impaired assets based on individual assets or cash generating unit concept at the year-end in terms of Para 5.13 of AS-28 issued by the ICAI for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets. Impairment loss when crystallizes is charged against revenue of the year.

J. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- I. Interest income on all loans upto 90 days is recognized under accrual basis. Beyond that or in case of any default on loan repayment interest income is recognized only when realized.
- II. Interest income on deposits with banks is recognized on an accrual basis taking into account the amount outstanding and rate applicable.



Notes to financial statements for the year ended March 31, 2021

- III. Processing fees on loans are recognized on upfront basis in the books of IT Service Provider as platform fees. (The IT Service Company provides a customer interface with Akara Capital Advisors Private Limited).
- IV. Interest on term deposits has been accrued on the time proportion basis, using the underlying interest rates.
- V. Dividend income is accounted when the right to receive dividend is established.

All other income is recognized on an accrual basis.

The company has reported accrued interest income on loans amounting to **Rs 2,03,36,587.00**. The Revenue is recognized for Interest Accrued but not received on Standard Asset upto 90 days till the period ended 31st March 2021.

K. Classification of Loan Portfolio and provisioning policy

Loan portfolio is classified and provision is made in accordance with the Non-Systematically Important Non-Banking Financial (Non Deposit Accepting or Holding) Companies Directions, 2015 issued by Reserve Bank of India as mentioned below-

The Loan Portfolio maintained in the books is inclusive of amount yet to be disbursed shown in current liabilities.

Asset Classification

The Company after taking into account the degree of defined credit weaknesses and extent of dependence on collateral security for realization, classify its loans and advances and any other forms of credit into the following classes, namely:

- (i) Standard assets;
- (ii) Sub-standard assets;
- (iii) Doubtful assets; and
- (iv) Loss assets.

Standard Asset: Standard asset shall mean the asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business



Notes to financial statements for the year ended March 31, 2021

Sub-standard asset: Sub-standard asset shall mean an asset which has been classified as non-performing asset for a period not exceeding 18 months;

Doubtful asset: Doubtful Asset shall mean: a term loan, or a lease asset, a hire purchase asset, or any other asset, which remains a sub-standard asset for a period exceeding 18 months

Loss Asset: Loss Asset shall mean:

- (a) An asset which has been identified as loss asset by the company or its internal or external auditor or by the Reserve Bank during the inspection of the applicable NBFC, to the extent it is not written off by the company ; and
- (b) An asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower

Non-Performing Asset

- (a) An asset, in respect of which, interest has remained overdue for a period of six months or more;
- (b) A term loan inclusive of unpaid interest, when the installment is overdue for a period of six months or more or on which interest amount remained overdue for a period of six months or more;
- (c) A demand or call loan, which remained overdue for a period of six months or more from the date of demand or call or on which interest amount remained overdue for a period of six months or more;
- (d) A bill which remains overdue for a period of six months or more;
- (e) The interest in respect of a debt or the income on receivables under the head 'other current assets' in the nature of short term loans / advances, which facility remained overdue for a period of six months or more;
- (f) Any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of six months or more;
- (g) The lease rental and hire purchase installment, which has become overdue for a period of twelve months or more;
- (h) in respect of loans, advances and other credit facilities (including bills purchased and discounted), the balance outstanding under the credit facilities (including accrued interest) made available to the same borrower / beneficiary when any of the above credit facilities becomes non-performing asset :



Notes to financial statements for the year ended March 31, 2021

(ii) Provisioning Policy for Portfolio Loans & Advances**Provision for Portfolio**

Provisions for non-performing assets are made as per the Prudential Master Circular- Introduction of New Category of NBFCs - 'Non-Banking Financial Company-Non-Systemically Important Non-Deposit Taking Company Reserve Bank Directions' 2016 vide RBI/DNBR/2016-17/44 Master Direction DNBR.PD.007/03.10.119/2016-17 updated as on February 17, 2020.

The aggregate loan provision of the company shall be

- i) 0.25% of the Loan Portfolio Outstanding
- ii) 10% of the loan portfolio outstanding in case of sub-standard assets
- iii) 100% In case of Doubtful and Unsecured Assets
- iv) In case of Doubtful and Secured Assets
 - a) Upto One Year 20%
 - b) One to Three year 30%
 - c) More than Three year 50%
- v) 100% in case of Loss assets

The Amount of provision accounted in books is computed as follows:-

Type of asset	Days Past Due	Loan Book	Provision (%)	Total Provision	Provision (Opening Balance)	Provision to be created/ (reversed)
Standard Asset	0-180	91,84,31,442.00	0.25%	22,96,079.00	24,31,289.00	(1,35,211.00)
Sub- Standard	181-546	-	10%	-	7,95,364.00	(7,95,364.00)
Doubtful Asset 1	546-911	-	20%	-	-	-
Doubtful Asset 2	911-1276	-	30%	-	-	-
Doubtful Asset 3	1276-1641	-	50%	-	-	-
Total loan book outstanding as on 31.03.2021		91,84,31,442.00		22,96,079.00	32,26,653.00	(9,30,574.00)

The NPA Provision has been reversed during the year amounting to Rs 9,30,574.00.

The Company has also reported Bad Debts during the year:-

Bad Debts (Less Than Rs 1,00,000 Each)- Rs 20,00,870.00



Notes to financial statements for the year ended March 31, 2021

Bad Debts amounting to Rs 73,82,505 has also been recovered during the year.

L. Expenditure

The provision is made for all the known losses and liabilities.

M. Income Taxes

- i) Provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted or substantively enacted tax rates.
- ii) Deferred Tax Assets (DTA) are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward unabsorbed depreciation and losses, DTA are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which DTA can be realised. These are reviewed for the appropriateness of their respective carrying values at each Balance sheet date.
- iii) Current tax is the amount of tax payable on the taxable income including interest for the year as determined in accordance with the provisions of Income Tax Act, 1961. The Company has made a provision for Income Tax of **Rs 71,84,520.00** in the books.

N. Provisions

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events: 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. Contingent liabilities are not recognized, but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

O. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit / loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of equity shares outstanding



Notes to financial statements for the year ended March 31, 2021

during the period are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed to have been converted as of the beginning of the year, unless they have been issued at a later time.

Computation of Earnings Per Share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(A) Profit after taxation (Rs.)	1,84,10,658.00	83,93,007.00
(B) Weighted average number of equity shares (Nos)	4,27,99,076	3,00,32,024
(C) Earnings per share (in Rs.): [(A)/(B)]	0.43	0.28

3. Notes on Financial Statements

- I. No interest has been paid/payable by the Company during the year to the suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006. The above information is per the management representation provided on behalf of the vendors.
- II. Balance reconciliations of Escrow Accounts is subject to management confirmation.
- III. The balances receivables and payables are subject to confirmation and reconciliation. Pending such confirmation and reconciliation, the impact on accounts is not ascertainable at this stage.
- IV. The company is a Small and Medium sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 2013. Accordingly, the company has complied with the Accounting Standards as applicable to Small & Medium Sized Company. Segment Reporting as per AS 17 is not mandatory for the Company being an SMC company.
- V. To provide additional relief, the Government of India announced ex-gratia payment to lenders for waiving off compound interest for loans up to 2 crore for some category of borrowers. The Honourable Supreme Court has directed all banks and financial institutions to refund compound interest, interest on interest or penal interest collected during the moratorium period irrespective of the loan amount and category of borrowers. The Supreme Court also lifted the ban it had imposed on declaring accounts of borrowers as non-performing assets. The company had filed a claim for the Ex Gratia under the scheme for Rs 78,93,585.00. The Company made multiple attempts to pay the eligible borrowers through cheque issuance and direct deposit. Such refund to the eligible borrowers was completed in FY 2020-21.



Notes to financial statements for the year ended March 31, 2021

- VI. The Company faces counter party risk as it uses services of payment gateways for collections which has had impact on company's settlement of funds in the financial year.

VII. **Retirement Benefits:-**

The gratuity is payable to all eligible employees of the Company on superannuation, death or permanent disablement in terms of the provisions of the payment of Gratuity Act. The liability with regard to gratuity and compensated absences is accrued based on actuarial valuation at the Balance Sheet date, carried out by an Independent actuary Mr. Ashok Kumar Garg. The Gratuity Valuation is done both on Short Term Gratuity payable and Long Term Gratuity Payable and provided in the books on accrual basis as per AS-15(revised 2005) issued by The Institute of Chartered Accountants of India.

1: Table Showing Changes in Present Value of Obligations:

Period	From: 01-04-2020 To: 31-03-2021	From: 01-04-2019 To: 31-03-2020
Present value of the obligation at the beginning of the period	4,21,151	2,95,919
Interest cost	29,481	20,714
Current service cost	5,97,421	2,51,521
Past Service Cost	0	0
Benefits paid (if any)	0	0
Actuarial (gain)/loss	8,48,893	(1,47,003)
Present value of the obligation at the end of the period	18,96,946	4,21,151

2: Key results (The amount to be recognized in the Balance Sheet):

Period	As on: 31-03-2021	As on: 31-03-2020
Present value of the obligation at the end of the period	18,96,946	4,21,151
Fair value of plan assets at end of period	0	0
Net liability/(asset) recognized in Balance Sheet and related analysis	18,96,946	4,21,151
Funded Status - Surplus/ (Deficit)	(18,96,946)	(4,21,151)



Notes to financial statements for the year ended March 31, 2021

3: Expense recognized in the statement of Profit and Loss:

Period	From: 01-04-2019 To: 31-03-2021	From: 01-04-2018 To: 31-03-2020
Interest cost	29,481	20,714
Current service cost	5,97,421	2,51,521
Past Service Cost	0	0
Expected return on plan asset	(0)	(0)
Net actuarial (gain)/loss recognized in the period	8,48,893	(1,47,003)
Expenses to be recognized in P&L	14,75,795	1,25,232

The Basis of Valuation is as listed below:

1: Summary of membership data at the date of valuation and statistics based thereon:

Period	As on: 31-03-2021	As on: 31-03-2020
Number of employees	33	17
Total monthly salary	18,54,616	6,87,058
Average Past Service(Years)	1.5	1.5
Average Future Service (yr.)	27.4	25.2
Average Age(Years)	32.6	34.8
Weighted average duration (based on discounted cash flows) in years	22	23
Average monthly salary	56,200	40,415

2: The assumptions employed for the calculations are tabulated:

Discount rate	7.00 % per annum	7.00 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14
Expected rate of return	0	0
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.

3: Benefits valued:

Normal Retirement Age	60 Years	60 Years
Salary	Last drawn qualifying salary	Last drawn qualifying salary
Vesting Period	5 Years of service	5 Years of service
Benefits on Normal Retirement	15/26 * Salary * Past Service (yr.)	15/26 * Salary * Past Service (yr.)
Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	2000000.00	2000000.00



Notes to financial statements for the year ended March 31, 2021

4: Current Liability

Period	As on: 31-03-2021	As on: 31-03-2020
Current Liability (Short Term)*	5,095	61,590
Non-Current Liability (Long Term)	18,91,851	3,59,561
Total Liability	18,96,946	4,21,151

VIII. Movement in Deferred tax :

Deferred tax asset/liability has been estimated using the substantively enacted rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year.

Particulars	For the year ended 31.03.2021 (Rs)	For the year ended 31.03.2020 (Rs)
(a) The movement in deferred tax Liability is as follows:		
Opening Balance	-	
Current Year deferred tax expense	14,13,347.00	
Closing Balance	14,13,347.00	
(b) The movement in deferred tax Asset is as follows:		
Opening Balance	4,42,745.00	4,40,197.00
Current Year deferred tax credit	(4,42,745.00)	2,548.00
Closing Balance	-	4,42,745.00
Net Deferred Tax Asset/Liability as at the year end	14,13,347.00	4,42,745.00

IX. Expenditure in Foreign Currency:

Company has incurred the following expenses in foreign currency

Particulars	For the year ended 31.03.2021 (Rs)	For the year ended 31.03.2020 (Rs)
Expenditure in Foreign Currency	Nil	63,470.00



Notes to financial statements for the year ended March 31, 2021

x. **Payments to Auditors:-**

Auditors Remuneration	2020-21	2019-20
Audit Fees	4,15,000.00	3,90,000.00
GST	7,47,00.00	70,700.00
Total	4,89,700.00	4,60,200.00

xi. **Related Party Disclosure- Accounting Standard 18:**A. **Names of the related parties:**

Key Management Personnel	<ol style="list-style-type: none"> Ms. Shruti Aggarwal, Director. Mr. Tushar Aggarwal, Director. Mr. Satish Chandra Sinha, Director Mr. Radhakrishnan Ramachandra Iyer, Director Ms. Paveet, Company Secretary
Parties having Significant influence	<ol style="list-style-type: none"> Morus Technologies Pte Ltd (Holding Company of Akara Capital Advisors Private Limited) EQX Analytics Private Limited (Company Having Common Director with Akara Capital Advisors Private Limited) Titanium Fortune Financial Services Private Limited (Company Having Common Director with Akara Capital Advisors Private Limited)

B. **Related Party transactions:****Transactions with Key Management Personnel**

Particulars	FY 2020-21	FY 2019-20
(i) Managerial remuneration: Ms. Shruti Aggarwal	Rs 1,32,11,700.00	Rs 11,06,959.00
(ii) Managerial remuneration: Mr. Tushar Aggarwal	-	-
(iii) Managerial remuneration: Ms Paveet	Rs 2,04,507.00	Rs 2,04,000.00
(iv) Reimbursement of Expenses Ms. Shruti Aggarwal	Rs 4,78,214.00	Rs 57,99,864.00



Notes to financial statements for the year ended March 31, 2021

Particulars	FY 2020-21	FY 2019-20
(v) Director Sitting Fees Mr. Satish Chandra Sinha	Rs 4,21,875.00	Rs 10,00,000.00
(vi) Director Sitting Fees Mr. Radhakrishnan Ramachandra Iyer	Rs 75,000.00	-

Balances with parties having significant influence FY 2020-21

Particulars	Opening Balance	Dr. Transaction	Cr. Transaction	Closing balance
(i) Morus Technologies Pte Limited Investment in shares of Akara	Rs 32,30,75,620.00 CR	-	Rs 26,76,14,410.00	Rs 59,06,90,030.00 CR
(ii) EQX Analytics Private Limited Reimbursement of Expenses	Rs 4,97,20,854.31 CR	Rs 1,06,00,43,102.93	Rs 78,64,84,387.56	Rs 22,38,37,861.06 DR
(iii) EQX Analytics Private Limited Amount payable to EQX	Rs 18,95,52,184.60 CR	Rs 41,88,36,139.60	Rs 24,28,05,302.50	Rs 1,35,21,347.50 CR
(iv) EQX Analytics Private Limited Repayment of Loan	-	Rs 3,25,12,577.00	Rs 5,00,00,000.00	Rs 1,74,87,423.00 CR
(v) Titanium Fortune Financial Services Private Limited Amount Payable to Titanium	-	Rs 26,50,00,000.00	Rs 26,50,00,000.00	-

Balances with parties having significant influence FY 2019-20

Particulars	Opening Balance	Dr. Transaction	Cr. Transaction	Closing balance
(i) Morus Technologies Pte Limited Investment in shares of Akara	-	-	Rs 32,30,75,620.00	Rs 32,30,75,620.00 CR



Notes to financial statements for the year ended March 31, 2021

(ii) EQX Analytics Private Limited Reimbursement of Expenses	Rs 60,36,889.38 CR	Rs 1,03,82,71,982.12	Rs 1,08,19,55,947.05	Rs 4,97,20,854.31 CR
(iii) EQX Analytics Private Limited Amount payable to EQX	Rs 6,79,88,005.50 CR	Rs 12,10,37,802.90	Rs 24,26,01,982.00	Rs 18,95,52,184.60 CR
(iv) EQX Analytics Private Limited Repayment of Loan	-	-	-	-
(v) Titanium Fortune Financial Services Private Limited Amount Payable to Titanium	-	-	-	-

Note: Related party relationships are identified by the management of the company and relied upon by the auditor.

- XII. The Company has not accepted any public deposit during the financial year and there is NIL outstanding as on 31.03.2021.
- XIII. The Net Owned Fund of the Company as on 31.03.2021 is 72,81,67,056.00 (Rupees Seventy Two Crore Eighty One Lakh Sixty Seven Thousand and Fifty Six Only).

Net Owned Fund calculated as follows:	Amount (Rs.)
Paid up Equity Share Capital	59,06,91,030.00
Add: Reserve & Surplus (excluding revaluation reserves)	17,63,01,049.00
Less: Deferred Tax Asset	-----
Less: Miscellaneous Expenditure	-----
Less: Intangible Assets	(3,88,25,023.00)
Total Net Owned Fund as on 31.03.2021(a)	72,81,67,056.00
Total Number of Outstanding Equity Shares as on 31.03.2021 (b)	5,90,69,103
Book Value Per Equity Share (a/b)	12.32

- XIV. The Total Assets Size and Loan Asset Portfolios of the Company as on 31.03.2021 are Rs. 1,32,16,10,765.00/- (Rupees One Hundred Thirty Two Crores Sixteen Lakhs Ten Thousand Seven Hundred Sixty Five only) and Rs. 91,84,31,442.00 /-(Rupees Ninety



Notes to financial statements for the year ended March 31, 2021

One Crores Eighty Four Lakhs Thirty One Thousand Four Hundred and Forty Two only) respectively.

xv. The Capital Adequacy Ratio of the company is 55.09% as on 31.03.2021.

Statement showing calculation of Capital Adequacy Ratio

A Tier I Capital	72,81,67,056.00
B Tier II Capital	-
Total of Adjusted Assets	72,81,67,056.00
C Risk Weighted Assets	132,16,10,765.00
Capital Adequacy Ratio [(A+B)/C]	55.09%

Tier I Capital calculated as follows:	Amount
Paid up Equity Share Capital	59,06,91,030.00
Add: Reserve & Surplus (excluding revaluation reserves)	17,63,01,049.00
Less: Deferred Tax Asset	-----
Less: Miscellaneous Expenditure	-----
Less: Intangible Assets	(3,88,25,023.00)
Total Tier I Capital as on 31.03.2021(A)	72,81,67,056.00
Tier II Capital calculated as follows:	
Paid up Preference Share Capital (Optionally Converted)	-----
Add: General Provisions and Loss Reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth (1.25) percent of risk weighted assets.	-----
Total Tier II Capital as on 31.03.2021(B)	-----

Risk Weighted Assets Calculated as follows:-			
Assets	Amount (1)	Risk Weight (2)	Risk Weighted Assets (1*2)
Cash & Bank Balance	6,28,83,246.00	100%	6,28,83,246.00
Deposits other than Lien Marked	0	0%	0
Deposits With Lien Marked	0	100%	0
Loan Portfolio	91,84,31,442.00	100%	91,84,31,442.00
Fixed Assets	3,88,45,022.00	100%	3,88,45,022.00
Security Deposits	0	100%	0
Advance Tax & MAT	0	100%	0
Staff Advances	0	0%	0



Akara Capital Advisors Private Limited

FYR 2020-21

Notes to financial statements for the year ended March 31, 2021

Other Current Assets	30,14,51,055.00	100%	30,14,51,055.00
Total (C)			Rs 132,16,10,765.00

xvi. Previous year figures have been regrouped / rearranged wherever necessary.

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

As per our report of even date

For SURI & SUDHIR

Chartered Accountants

(FRN: 000601N)



ANUJ ARORA
PARTNER
Membership No.: 504815
Place: NEW DELHI
Date: 24-09-2021



TUSHAR AGGARWAL
Director
DIN: 01587360



SHRUTI AGGARWAL
Director
DIN: 06867269



PAVEET DHAIYA
Company Secretary
Membership No-35743

For and on behalf of the Board
of Directors