

Mehul Gada & Associates

Chartered Accountants

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Independent Auditors' Report

To The Members of

Pargro Investments Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Pargro Investments Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2025, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the standalone financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards 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 31 March 2025, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

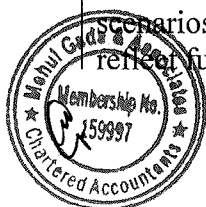
We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 standalone financial statements for the financial year ended 31 March 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matters | How our Audit addressed the key audit matter |
|---|--|
| <p>Impairment of Loans based on expected credit loss model (ECL):</p> <p>As at 31 March 2025, the carrying value of loan assets carried at amortised cost, aggregated ₹ 1,068.43 Lakhs (net of allowance for expected credit loss ₹ 114.76 Lakhs) constituting approximately 49.66% of the Company's total assets has been recorded as at reporting date in accordance with Ind AS 109 – Financial Instruments ('Ind AS 109').</p> <p>Significant management judgement is used in classifying these loan assets, applying appropriate measurement principles, use of different modelling techniques and assumptions which could have a material impact on reported profits. ECL on such loan assets carried at amortised cost is a critical estimate involving greater level of management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the standalone financial statements.</p> <p>The elements of estimating ECL which involved increased level of audit focus in measuring ECL especially while calculating the PD and LGD and which also includes management overlays involves the following critical factors which are applied to such modelling techniques:</p> <ul style="list-style-type: none"> • Qualitative and quantitative factors used in staging the loan assets carried at amortised cost using criteria in accordance with Ind AS 109, • Basis used for estimating of probability of defaults (PD), loss given defaults (LGD), and exposure at defaults (EAD), • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions: | <p>Principal audit procedure performed:</p> <ul style="list-style-type: none"> • We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of their business models. We have also verified the methodology adopted for computation of ECL ("ECL Model") that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost. Our audit procedures related to the allowance for ECL included the following, among others: <p>Testing the design and operating effectiveness of the following:</p> <ul style="list-style-type: none"> • completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied; • completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and • accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic adjustment basis forward looking information. <p>Test of details on a sample in respect of the following:</p> <ul style="list-style-type: none"> • accuracy and completeness of the input data such as period of default and other related information used in estimating the PD; • the mathematical accuracy of the ECL computation by using the same input data as used by the Company; • completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed; • assessed whether the disclosures on key judgements, assumptions and quantitative data |



Further, the management has adopted a methodology which in addition to the model adopted as above is further analyzed on case-to-case basis and wherever impairment impact needs to be changed the same is considered in the financial statements.

The disclosures made in standalone financial statements for ECL especially in relation to judgements and estimates made by the Management in determination of the ECL. Refer note 4.1 to the standalone financial statements.

with respect to impairment loss allowance in standalone financial statements are appropriate and sufficient.



Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information/ Management Analysis and Discussion but does not include the standalone financial statements and our auditor's report thereon. The Reports are expected to be made available to us after the date of this auditors' report.

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

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

In preparing the standalone financial statements, the 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 the 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 responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to the standalone financial statements 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 standalone financial statements of the current financial year 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.

Other Matter

1. The standalone financial results of the Company for the year ended 31 March 2024 were audited by the predecessor auditor whose report dated 21st June 2024 had expressed an unmodified opinion.

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 paragraphs 3 and 4 of the Order, to the extent applicable.

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

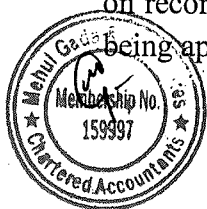
a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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 Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

e) On the basis of written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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”; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial control over financial reporting.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors, including sitting fees paid to directors, during the year is in excess of the limits prescribed under Section 197 of the Act, in respect of which approvals from the shareholders have been obtained as prescribed.

h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

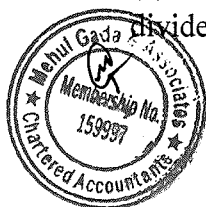
(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

(b) The management has also represented to us, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to 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 such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year and has not proposed a final dividend for the year.



(vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year. Further, for the audit periods where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for the record retention.

For Mehul Gada & Associates

Chartered Accountants

Firm Reg. No. 156057W



Mehul Gada



Proprietor

Membership No. 159997

Mumbai, 24th April 2025

UDIN 2515 9997 BMNAST 3024

(vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year. Further, for the audit periods where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for the record retention.

For Mehul Gada & Associates

Chartered Accountants

Firm Reg. No. 156057W



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Proprietor

Membership No. 159997

Mumbai, 24th April 2025

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ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date

I. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment and relevant details of right-of-use Assets.

(B) The Company has maintained proper records showing full particulars of its Intangible assets.

b) The Company has a phased program of physical verification of Property, Plant and Equipment and right-of-use Assets so to cover all the assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) The Company does not have any immovable properties. Accordingly, the provision of the clause 3(i)(c) of the Order is not applicable to the Company.

d) In our opinion and according to the information and explanation given to us, the Company has not revalued its Property, Plant and Equipment (including right-of-use Assets) and intangible assets during the year.

e) According to information and explanations given to us and on the basis of our examination of the records 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 is in the business of providing loans and does not have any physical inventories. Accordingly, the provision of the clause 3(ii)(a) of the Order is not applicable to the Company.

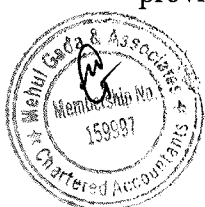
(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the books of account of the Company does not arise.



III. During the year, the Company has made investments in and granted loans or advances in the nature of loans, unsecured, to companies, firms, limited liability partnerships or any other parties. The Company has not provided any guarantee or security to any entity during the year. With respect to such investments and loans and advances:

- a) The Company's principal business is to give loans. Accordingly, the provision of the clause 3(iii)(a) of the Order is not applicable to the Company.
- b) In our opinion and according to information and explanations given to us, the investments made and the terms and conditions of the grant of all the loans and advances in the nature of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- c) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 4.1 to the standalone financial statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations.
- d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 4.1 to the standalone financial statements for summarised details of such loans/advances which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps are taken by the Company for recovery thereof.
- e) The Company's principal business is to give loans. Accordingly, the provision of the clause 3(iii)(e) of the Order is not applicable to the Company.
- f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the provision of the clause 3(iii)(f) is not applicable to the Company.

IV. In our opinion and according to the information and explanations given to us, the Company has not given loan to any director in accordance with the provisions of Section 185 of the Companies Act, 2013. The Company has not given any loans or guarantees and being a Non-banking financial company, its investments are exempted under Section 186(11) (b), hence the Company has complied with the provisions of Section 185 and 186 of the Act, as applicable.



V. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in regard to the Company. Accordingly, the provision of the clause 3(v) of the Order is not applicable to the Company.

VI. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company. Accordingly, the provision of the clause 3(vi) of the Order is not applicable to the Company.

VII. According to the information and explanations given to us, in respect of statutory dues:

a) The Company has generally been regular in depositing the undisputed statutory dues including income tax, goods and service tax, and any other statutory dues as applicable to the appropriate authorities.

There are no arrears of outstanding statutory dues as at the last day of the financial year for the period of more than six month from the date they became payable. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.

b) There are no dues referred in sub clause (a) which have not been deposited with the appropriate authorities on account of any dispute as on 31 March 2025.

VIII. According to the information and explanations given to us, no transactions relating to previously unrecorded income were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

IX. According to the information and explanations given to us, in respect of borrowings:

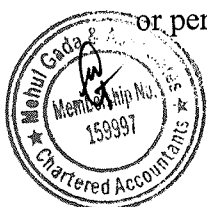
a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

c) Term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment of the funds in debt mutual funds, balances in banks and short-term fixed deposits pending application in respect of term loans raised towards the end of the year.

d) On an overall examination of the standalone financial statements of the Company, no funds raised on short- term basis have been prima facie used for long-term purposes during the year by the Company.

e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, associates or joint ventures.



f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary, associates or joint ventures.

X. a) In our opinion and according to information and explanation given to us, the Company has not raised any moneys by way of initial Public Offer or further public offer (including debt instruments) during the year. Accordingly, Clause 3(x)(a) of the Order is not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) 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, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to information and explanations given to us there were no whistle blower complaints received by the Company during the year.

XII. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provision of the clause 3(xii) of the Order is not applicable to the Company.

XIII. According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements, etc. as required by the applicable accounting standards.

XIV. In our opinion and according to the information and explanations given to us, during the year provisions of section 138 relating to Internal Audit System are not applicable to Company, hence, reporting under clause 3(xiv)(a) and (b) of the Order is not applicable.

XV. According to the information and explanations 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 its directors or persons connected with them during the year. Accordingly, the provision of the clause 3(xv) of the Order is not applicable to the Company and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

XVI. a) The Company is registered as Non- banking Financial Company as required under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

b) According to the information and explanations given to us, the Company has conducted Non-Banking Financial activities after obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

c) According to the information and explanations given to us, the Company is not a Core Investment Company ('CIC') as defined under the Regulations by the Reserve Bank of India.



d) According to the information and explanations given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, the provision of the clause 3(xvi) of the Order is not applicable to the Company.

XVII. According to the information and explanations given to us, the Company has incurred *cash losses* in the financial year of Rs 684.05 Lakhs and in the immediately preceding financial year Rs 29.22 Lakhs.

XVIII. There has been no resignation of the auditor during the year and hence, there is no requirement to report under this clause.

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 standalone 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. Currently Provisions of Section 135(5) of the Companies Act are not applicable to the Company, hence the reporting under clause 3(xx) of the Order is not applicable.

For Mehul Gada & Associates

Chartered Accountants

Firm Reg. No. 156057W



Mehul Gada



Proprietor

Membership No. 159997

Mumbai, 24th April 2025

UDIN 25159997BMNA5T3024

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(g) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of Pargro Investments Private Limited (hereinafter referred to as "the Company") as of 31 March 2025 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls 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 the 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.

Auditor's 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 prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting. 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 standalone 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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone 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 further 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 31 March 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.

For Mehul Gada & Associates

Chartered Accountants

Firm Reg. No. 156057W



Mehul Gada

Proprietor

Membership No. 159997

Mumbai, 24th April 2025

UDIN 25159997 BMNAS73024



Pargro Investments Private Limited
Balance Sheet as at 31st March 2025

(Rs. In Lakhs)


| Particulars | Notes | As at 31st March 2025 | As at 31st March 2024 | As at 1st April 2023 |
|---|-------|-----------------------|-----------------------|----------------------|
| Assets | | | | |
| (1) Financial Assets | | | | |
| (a) Cash and cash equivalents | 3 | 151.75 | 19.58 | 28.60 |
| (b) Loans | 4 | 1,068.43 | 8.76 | - |
| (c) Investments | 5 | 692.32 | 824.98 | 876.58 |
| (d) Other financial assets | 6 | 11.52 | - | - |
| (2) Non-financial assets | | | | |
| (a) Current tax Asset (Net) | 7 | 1.11 | 13.79 | 10.66 |
| (b) Property, plant and equipment | 8 | 121.61 | - | - |
| (c) Capital Work-in-progress | 9 | 37.92 | - | - |
| (d) Other intangible assets | 10 | 44.20 | 44.38 | - |
| (e) Other non-financial assets | 11 | 22.82 | 4.11 | 3.02 |
| TOTAL ASSETS | | 2,151.68 | 915.60 | 918.86 |
| LIABILITIES AND EQUITY | | | | |
| LIABILITIES | | | | |
| (1) Financial liabilities | | | | |
| (a) Payables | | | | |
| (I) Trade payables | 12 | - | - | - |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 3.72 | 24.57 | 3.08 |
| (b) Borrowings (other than debt securities) | 13 | 200.00 | - | - |
| (c) Other financial liabilities | 14 | 132.53 | - | - |
| Non-financial liabilities | | | | |
| (a) Provisions | 15 | 5.28 | - | - |
| (b) Deferred tax liabilities (Net) | 16 | - | - | 1.13 |
| (c) Other non-financial liabilities | 17 | 15.44 | 11.50 | 0.31 |
| Equity | | | | |
| (a) Equity share capital | 18 | 390.00 | 210.00 | 210.00 |
| (b) Other equity | 19 | 1,404.72 | 669.53 | 704.35 |
| TOTAL LIABILITIES AND EQUITY | | 2,151.68 | 915.60 | 918.86 |

The accompanying notes form an integral part of the Standalone financial statements

For Mehul Gada & Associates

Chartered Accountants

ICAI Firm Registration Number : 156057W



Mehul Gada

Proprietor

Membership no: 159997



For and on behalf of the Board of Directors
Pargro Investments Private Limited



Apurva Parekh

Director

DIN: 00111366



Amit Raje

Director

DIN: 06809197

Place : Mumbai

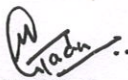
Date : 24 April, 2025

Pargro Investments Private Limited
Statement of Profit and Loss for the year ended 31st March 2025

| (Rs. In Lakhs) | | | |
|---|--------|---------------------------------------|---------------------------------------|
| Particulars | Notes | For the year ended 31st March 2025 | For the year ended 31st March 2024 |
| Revenue from operations | | | |
| (i) Interest income | 20 | 116.83 | 0.10 |
| (ii) Fee and commission income | 21 | 1.23 | - |
| (iii) Net gain/(Loss) on fair value changes | 22 | 0.24 | 15.47 |
| I Total revenue from operations | | 118.30 | 15.57 |
| II Other non Operating Income | 23 | 62.67 | 116.25 |
| III Total Income (I + II) | | 180.97 | 131.82 |
| Expenses | | | |
| Finance costs | 24 | 5.70 | 0.00 |
| Impairment on financial instruments | 25 | 114.74 | 0.02 |
| Employee benefits expense | 26 | 608.06 | 141.38 |
| Depreciation, amortisation and impairment | 8 & 10 | 20.76 | 0.63 |
| Other expenses | 27 | 136.53 | 19.63 |
| IV Total expenses | | 885.78 | 161.66 |
| V Profit before exceptional items and tax (III- IV) | | (704.81) | (29.85) |
| VI Exceptional Items | | - | - |
| VII Profit before tax (V + VI) | | (704.81) | (29.85) |
| VIII Tax expenses: | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax | | - | (1.13) |
| (3) Prior year tax adjustments | | - | 6.10 |
| IX Profit for the year (VII- VIII) | | (704.81) | (34.82) |
| X Other Comprehensive Income (OCI) | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| - Remeasurement gain / (loss) on defined benefit plans | | - | - |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| Other Comprehensive Income (OCI) | | - | - |
| XI Total Comprehensive Income | | (704.81) | (34.82) |
| XII Earnings per equity share (Face value of Rs. 10 each): | | | |
| Basic and Diluted | 28 | (22.69) | (1.66) |


The accompanying notes form an integral part of the Standalone financial statements

For Mehul Gada & Associates
Chartered Accountants
ICAI Firm Registration Number : 156057W


Mehul Gada
Proprietor
Membership no: 159997



For and on behalf of the Board of Directors
Pargro Investments Private Limited


Apurva Parekh
Director
DIN: 00111366


Amit Rajee
Director
DIN: 06809197

Place : Mumbai
Date : 24 April, 2025

(Rs. In Lakhs)

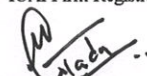
| Particulars | Notes | As at 31st March 2025 | As at 31st March 2024 |
|--|-------|-----------------------|-----------------------|
| A Cash flow from operating activities | | | |
| Profit before tax | | (704.81) | (29.85) |
| Adjustments for: | | | |
| Depreciation, amortisation and impairment | | 20.76 | 0.63 |
| Impairment of financial assets | | 114.74 | 0.02 |
| Amortisation of Prepaid Rent | | 0.46 | |
| Fair Value of Financial Instruments | | (0.24) | (15.47) |
| Unwinding of Interest on Security Deposit | | (0.37) | |
| Interest on lease liabilities | | 4.85 | - |
| Dividend Income | | | (3.94) |
| Interest income on IT Refund | | (0.19) | (2.85) |
| Interest income on investment | | - | 2.08 |
| Net (gain) / loss on sale of investments | | (62.11) | (101.51) |
| Operating cash flow before working capital changes | | (626.93) | (150.89) |
| Add / (Less): Adjustments for working capital changes | | | |
| Decrease/(Increase) in Loans (net) | | (1,174.41) | (8.78) |
| Decrease/(Increase) in Other financial assets | | (15.70) | (3.12) |
| Decrease/(Increase) in Other non financial assets | | (14.61) | (1.09) |
| Increase / (Decrease) in Trade payables | | (20.84) | 21.49 |
| Increase / (Decrease) in Non financial liabilities and provisions | | 9.21 | 11.19 |
| Increase / (Decrease) in Other financial liability | | 22.25 | - |
| Cash generated from / (used in) operations before adjustments for interest received and interest paid | | (1,821.02) | (131.20) |
| Interest Paid | | 0.85 | 0.00 |
| Cash generated from / (used in) operations | | (1,820.17) | (131.20) |
| Income taxes paid (net of refunds) | | 12.68 | (6.10) |
| NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A) | | (1,807.49) | (137.30) |
| B Cash flow from investing activities | | | |
| Purchase of Property, plant and equipment and Intangible Assets | | (24.67) | (45.00) |
| Decrease/(Increase) in Intangibles under development including CWIP | | (37.92) | - |
| Purchase/Sale of Investment | | 195.00 | 168.58 |
| Interest Received | | 0.19 | 0.76 |
| Dividend on investments | | - | 3.94 |
| NET CASH GENERATED FROM / (USED IN) IN INVESTING ACTIVITIES (B) | | 132.61 | 128.29 |
| C Cash flow from financing activities | | | |
| Proceeds from issuance of Share capital (including Securities Premium) | | 1,620.00 | - |
| Increase / (Decrease) in Borrowings other than Debt Securities1 | | 200.00 | - |
| Repayment of lease obligations | | (12.10) | - |
| Interest on borrowings | | (0.85) | (0.00) |
| NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C) | | 1,807.05 | (0.00) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | | 132.17 | (9.01) |
| CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE YEAR | | 19.58 | 28.60 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | | 151.75 | 19.58 |
| Components of Cash and Cash Equivalents | | | |
| Cash and cash equivalents at the end of the year | | | |
| - Cash on hand | | 0.16 | 0.01 |
| -Balances with banks in current accounts | | 151.59 | 19.58 |
| TOTAL | | 151.75 | 19.58 |

The accompanying notes form an integral part of the Standalone financial statements

For Mehul Gada & Associates

Chartered Accountants

ICAI Firm Registration Number : 156057W



Mehul Gada

Proprietor

Membership no: 159997



For and on behalf of the Board of Directors

Pargro Investments Private Limited



Apurva Parekh

Director

DIN: 00111366



Amit Raj

Director

DIN: 06809197

Place : Mumbai

Date : 24 April, 2025

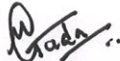
Pargro Investments Private Limited
Statement of Changes in Equity for the year ended March 31, 2025

| (a) Equity share capital | Outstanding as on April 01, 2023 | Issued during the year | Outstanding as on March 31, 2024 | Issued during the year | Outstanding as on March 31, 2025 |
|--|----------------------------------|------------------------|----------------------------------|------------------------|----------------------------------|
| Issued, Subscribed and Paid up (Equity shares of Rs.10 each, fully paid-up) | 210.00 | - | 210.00 | 180.00 | 390.00 |
| | 210.00 | - | 210.00 | 180.00 | 390.00 |

| (b) Other Equity | Securities Premium Account | Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 | Retained Earnings | Total |
|----------------------------|----------------------------|--|-------------------|-----------------|
| Balance at April 01, 2023 | - | 170.75 | 533.60 | 704.35 |
| Profit/(Loss) for the year | - | - | (34.82) | (34.82) |
| Balance at March 31, 2024 | - | 170.75 | 498.78 | 669.53 |
| Profit/(Loss) for the year | - | - | (704.81) | (704.81) |
| Issued during the year | 1,440.00 | - | - | 1,440.00 |
| Balance at March 31, 2025 | 1,440.00 | 170.75 | (206.04) | 1,404.72 |

As per our report of even date attached.


For Mehul Gada & Associates
Chartered Accountants
ICAI Firm Registration Number : 156057W



Mehul Gada
Proprietor
Membership no: 159997



Place : Mumbai
Date : 24 April, 2025

For and on behalf of the Board of Directors
Pargro Investments Private Limited


Apurva Parekh
Director
DIN: 00111366


Amit Raj
Director
DIN: 06809197

1.0 Corporate Information

Pargro Investments Private Limited ('the Company') is a limited company incorporated in India under the Companies Act, 1956, having its registered office at 7th Floor, Regent Chambers, Jammalal Bajaj Marg, 208 Nariman Point. The Company is registered with the Reserve Bank of India (RBI) as a Non deposit taking Non-Banking Financial Company ("NBFC") as defined under section 45-IA of the Reserve Bank of India (RBI) Act, 1934. The Company is classified under "Base Layer" pursuant to Master Direction- Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023.

The registration details are as follows:

Reserve Bank of India Registration no : No - 13.01573

Corporate Identity Number (CIN) : U65990MH2000PTC128637

The Company gives unsecured consumer loans and unsecured business loans.

2.0 Summary of Material Accounting Policies

2.1 Statement of compliance and basis of preparation and presentation

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 ("the Act"), and is in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020.

The Company's financial statements upto and for the year ended 31st March, 2024 were prepared in accordance with the Standards as per Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act which was the previous GAAP (IGAAP). These are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has applied Ind AS 101, First-time Adoption of Indian Accounting Standards for transition from IGAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 30

Any application guidance/ clarifications/ directions/ expectations issued by RBI or other regulators are implemented as and when they are issued/ applicable. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These standalone or separate financial statements have been approved by the Company's Board of Directors and authorised for issue on 24th April 2025.

2.2 Functional and presentation currency :

These financial statements are presented in Indian Rupees ('INR' or '₹') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless indicated otherwise.

2.3 Basis of measurement:

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair values as required by relevant Ind AS.

2.4 First time adoption of Ind AS – mandatory exceptions and optional exemptions

Overall principle:

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2023 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company. Significant items are as discussed below:

i) De-recognition of financial assets and financial liabilities:

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

ii) Investments:

The Company has elected to measure investments in Equity shares, Mutual Fund, Bonds at at Fair Market Value through Profit and Loss Account

2.5 Measurement of fair values:

The Company's certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

2.6 Use of estimates and judgements and Estimation uncertainty:

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

(i) Effective Interest Rate (EIR) Method

The Company recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

ii) Impairment of Financial Assets

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The classification of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Management overlay, if any, used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Company's lending portfolios.

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary

iii) Provisions and contingent liabilities

The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs. Contingent Liabilities in respect of show cause notices are considered only when converted into demands.

The reliable measure of the estimates and judgments pertaining to litigations and the regulatory proceedings in the ordinary course of the Company's business are disclosed as contingent liabilities.

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

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made. The disclosure of contingent liability is made when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligation for which a reliable estimate cannot be made as a contingent liability.

iv) Provision for income tax and deferred tax:

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax, including the amount expected to be paid / recovered for uncertain tax positions. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses, if any, can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

v) Defined Benefit Plans:

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

vi) Going Concern:

The financial statements of the Company are prepared on a going concern basis.

The Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.7 Revenue recognition:

a) Recognition of interest income:

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets, the Company recognises interest income on the amortised cost net of impairment loss on financial assets at EIR. If financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis (amortised cost).

Additional interest levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

b) Subvention income:

Subvention income received from vendor at the inception of the loan contracts which is directly attributable to individual loan contracts in respect of loan financed is recognised in the Statement of profit and loss using the effective interest method over the tenor of such loan contracts measured at amortised cost.

c) Fees, charges and commission income :

The Company recognises service and administration charges at point in time towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees and commission that are not directly linked to the sourcing of financial assets are recognised at point in time in the Statement of Profit and Loss on an accrual basis when the right to receive the same is established.

Instrument Return Charges levied on customers for non payment of instalments on the contractual date is recognised on realisation. The income so earned is recognised on successful distribution on behalf of other entities subject to there being no significant uncertainty of its recovery from the other entities.

2.8 Property, plant and equipment (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any. Cost of acquisition consists of purchase price or construction cost which is the amount paid, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured.

Other repairs and maintenance costs are expensed off as and when incurred. Advances paid towards the acquisition of PPE outstanding at each balance sheet date are disclosed separately under other non-financial assets.

Capital work in progress comprises the cost of PPE that are not ready for its intended use at the reporting date. Capital work-in-progress is stated at cost, net of impairment loss, if any. Depreciation on PPE is provided on straightline basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis subject to exceptions listed here below. Depreciation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

In accordance with Ind AS 116 - Leases, the Right-Of-Use assets (Leasehold premises) are initially recognised at cost which comprises of initial amount of lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. These are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-Of-Use assets (Leasehold premises) are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The estimated useful lives used for computation of depreciation are as follows:

Office Equipments (including Computers & Laptops)- 3 to 6 years
Furniture and fixtures- 10 years
Right-Of-Use assets (Leasehold premises)- Based on Lease Agreement

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Assets retired from active use and held for disposal are generally stated at the lower of their carrying amount & fair value less costs to sell. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognised.

2.9 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment loss, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Intangible assets comprises of computer software. The amortisation period is lower of license period or 6 years which is based on management's estimates of useful life. Amortisation is calculated using the straight line method to write down the cost of intangible assets over their amortisation period. Amortisation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development". An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised

2.10 Financial instruments

(a) Initial Recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially recognised 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 FVTPL) 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 FVTPL are recognised immediately in Statement of profit and loss.

(b) Classification and subsequent measurement of financial assets

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

- Amortised cost;
- FVOCI - debt instruments;
- FVOCI - equity instruments;
- FVTPL

Amortised cost -

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held within a business model of collecting contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest ('SPPI') on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments that meet the SPPI criterion at amortised cost.

FVOCI - debt instruments -

The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments -

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

If the Company elects to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to statement of profit and loss on disposal of such instruments. Investments representing equity interest in subsidiary, joint venture and associate are carried at cost less any provision for impairment.

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

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instrument which are accounted as per hedge accounting requirements discussed below.

Subsequent measurement of financial assets:

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, and impairment provisions are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income at coupon rate and impairment provision, if any, are recognised in Statement of profit and loss. Net gains or losses on fair valuation are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

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

(c) Financial liabilities and equity instruments:

Classification as debt or equity -

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

Equity instruments -

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities -

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

(d) Derecognition:

Financial assets

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

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

Financial liabilities

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

(e) Impairment of financial instruments:

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' Expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis. The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower. Based on the above, the Company categorises its loans

into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit

impaired upon origination are classified under this stage. The Company classifies all standard advances and advances up to 0-29 days default under this category. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets

past due for 30-89 days are classified under this stage. The Company uses the below criteria for assessing movement to Stage 2:

a. Financial assets past due between 30-89

b. The Company becomes aware about any deterioration in the financial condition and reputation of the obligor which the management believes may lead to significant deterioration in credit risk

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

Non performing Asset classification is done in line with Reserve Bank of India Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and Clarifications dated 12 November 2021 and dated February 15, 2022.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

a. Significant financial difficulty of the borrower or issuer;

b. A breach of contract such as a default or past due event; or c. The disappearance of an active market for a security because of financial difficulties.

The Company calculates ECLs based on probability weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) – Probability of default ("PD") is defined as the likelihood of default over a particular time horizon. The PD of an obligor is a fundamental risk

parameter in credit risk analysis and depends on obligor specific as well as macroeconomic risk factors. The impact of macroeconomic criteria on the PD results in two different PD estimates, through-the-cycle ("TTC") and the point-in-time ("PIT") PD. A TTC PD estimate remains largely unaffected by the economic cycle, while a PIT PD estimate varies with the economic cycle.

Exposure at Default (EAD) – EAD is taken as the gross exposure under a facility upon default of an obligor. The amortized principal and the interest accrued is considered as EAD for the purpose of ECL computation

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

(f) Write offs:

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor/borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off as per the Company's policy. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made from written off assets are netted off against the amount of financial assets written off during the year under "Bad debts and write offs" forming part of "Impairment on financial instruments" in the Statement of profit and loss.

2.11 Employee Benefits

a) Short-term employee benefits -

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and these are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Gratuity -

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/termination benefits. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement gains/losses -

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of profit and loss in the subsequent period.

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

2.12 Finance costs :

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost.

2.13 Taxation - Current and deferred tax:

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

(a) Current tax :

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously. Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax :

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. 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 consequence 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.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could 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 is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities on a net basis or simultaneously.

2.14 Provisions, contingent liabilities and contingent assets

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision is made. The disclosure of contingent liability is made when there is a possible obligation or present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligation for which a reliable estimate cannot be made as a contingent liability. Contingent Liabilities are reviewed at each Balance Sheet date.

A contingent asset is disclosed where an inflow of economic benefit is probable. When some or all economic benefits required to settle a provision are expected to be recovered from third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount can be measured reliably.

2.15 Leases

In accordance with Ind AS 116 – Leases at the date of commencement of the lease, the Company has recognised a Lease Liability, except for leases with a term of 12 months or less (short-term leases) and low value leases. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116.

Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to termination of lease and the importance of the underlying to the Company's operation taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflect the current economic circumstances.

The right-of-use assets is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straightline method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss. The company recognises the amount of the remeasurement of lease liability due to modification as an adjustment to the right-of-use asset and standalone

statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in standalone statement of profit and loss. The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lock in period of 12 months or less and leases for which the underlying asset is of low value.

The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Pargro Investments Private Limited

Notes to the financial statements for year ended March 31, 2025 (Continued)

| | As at 31st March 2025 | As at 31st March 2024 | (Rs. In Lakhs) As at 1st April 2023 |
|------------------------------------|--------------------------|--------------------------|---|
| 3 Cash and cash equivalents | | | |
| Cash on hand | 0.16 | 0.01 | 0.02 |
| Balances with banks | 151.59 | 19.58 | 28.58 |
| - in current accounts | <u>151.75</u> | <u>19.58</u> | <u>28.60</u> |

| | As at 31st March 2025 | As at 31st March 2024 | (Rs. In Lakhs) As at 1st April 2023 |
|------------------------------------|--------------------------|--------------------------|---|
| 4 Loans (At amortised Cost) | | | |
| A. Term Loans | | | |
| (i) Unsecured Retail loans | 1,183.19 | 8.78 | - |
| Total (A) - Gross | | | |
| Less: Impairment loss allowance | (114.76) | (0.02) | |
| Total (A) - Net | <u>1,068.43</u> | <u>8.76</u> | <u>-</u> |

- (i) The Company's business model is to collect contractual cash flows, being the payment of Principal and Interest and accordingly the loans are measured at amortized cost.
- (ii) Loans where fraud has been committed and reported for the year is ' Nil (31 March 2024 and 1 April 2023: ' Nil)
- (iii) The Company has not provided any loans or advances to promoters, directors, KMPs and the related parties.

(continuation)
For the Year Ended April 1, 2023

| Particulars | Non-credit impaired | | | Credit impaired | | | Total |
|---|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-------|
| | Stage I | Stage II | Stage III | | | | |
| | Gross carrying amount | Allowance for ECL | Gross carrying amount | Allowance for ECL | Gross carrying amount | Allowance for ECL | |
| Transfers to 12 Month ECL (Stage 1) | - | - | - | - | - | - | - |
| Transfers to lifetime ECL (Stage 2) | - | - | - | - | - | - | - |
| Transfers to lifetime ECL- Credit impaired (Stage 3) | - | - | - | - | - | - | - |
| Remeasurement of ECL arising from transfer of stage (net) | - | - | - | - | - | - | - |
| Net new sanctions and (disbursement) | - | - | - | - | - | - | - |
| Closing Balance | - | - | - | - | - | - | - |

In respect of loans granted by the Company:
- the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per repayment schedules except for 56 cases having loan outstanding balance at year end aggregating to Rs.136.94 Lakhs wherein the repayments of principal and interest are not regular; and
- the total amount of loan outstanding wherein the overdue is more than 90 days (5 cases) as at the balance sheet date is Rs 9.93 lakhs. Herein the overdue amounts are Rs 4.46 Lakhs (Principal amount Rs 3.60 Lakhs and Interest amount Rs 0.86 Lakhs)

5 Investments

| (Rs. In Lakhs) | | | | | | |
|------------------------------------|--------------------------|-----------------|-----------------|---|-------------------------|------------------------|
| As at March 31, 2025 | At fair value | | | | | |
| Particulars | At Amortised cost (1) | Through OCI (2) | Through P&L (3) | Designated at fair value through Profit or loss (4) | Subtotal 5 = (2+3+4) | Total (7) = (1+5+6) |
| Units of mutual fund | | | | 692.32 | 692.32 | 692.32 |
| Total - Gross (A) | | | | 692.32 | 692.32 | 692.32 |
| Investment in Mutual Fund | | | | | | |
| (i) Investments outside India | | | | 692.32 | 692.32 | 692.32 |
| (ii) Investment in India | | | | 692.32 | 692.32 | 692.32 |
| Total (B) | | | | 692.32 | 692.32 | 692.32 |
| Less: Allowance for impairment (C) | | | | | | |
| Total Net (B-C) | | | | 692.32 | 692.32 | 692.32 |

| (Rs. In Lakhs) | | | | | | |
|------------------------------------|--------------------------|-----------------|-----------------|---|-------------------------|------------------------|
| As at March 31, 2024 | At fair value | | | | | |
| Particulars | At Amortised cost (1) | Through OCI (2) | Through P&L (3) | Designated at fair value through Profit or loss (4) | Subtotal 5 = (2+3+4) | Total (7) = (1+5+6) |
| Units of mutual fund | | | | 824.98 | 824.98 | 824.98 |
| Total - Gross (A) | | | | 824.98 | 824.98 | 824.98 |
| (i) Investments outside India | | | | | | |
| (ii) Investment in India | | | | 824.98 | 824.98 | 824.98 |
| Total (B) | | | | 824.98 | 824.98 | 824.98 |
| Less: Allowance for impairment (C) | | | | | | |
| Total Net (A-C) | | | | 824.98 | 824.98 | 824.98 |

| (Rs. In Lakhs) | | | | | | |
|------------------------------------|--------------------------|-----------------|-----------------|---|-------------------------|------------------------|
| As at 1st April 2023 | At fair value | | | | | |
| Particulars | At Amortised cost (1) | Through OCI (2) | Through P&L (3) | Designated at fair value through Profit or loss (4) | Subtotal 5 = (2+3+4) | Total (7) = (1+5+6) |
| Investments in Equity Instruments | | | | | | |
| - Quoted | | | | 406.33 | 406.33 | 406.33 |
| Investments in Bonds | | | | | | |
| - Quoted | 50.00 | | | | | 50.00 |
| Investments in Mutual Funds | | | | | | |
| - Un-Quoted | | | | 420.26 | 420.26 | 420.26 |
| Total - Gross (A) | 50.00 | | | 826.58 | 826.58 | 876.58 |
| (i) Investments outside India | | | | | | |
| (ii) Investment in India | 50.00 | | | 826.58 | 826.58 | 876.58 |
| Total (B) | 50.00 | | | 826.58 | 826.58 | 876.58 |
| Less: Allowance for impairment (C) | | | | | | |
| Total Net (A-C) | 50.00 | | | 826.58 | 826.58 | 876.58 |

[illegible]

| | As at March 31, 2025 | | | As at March 31, 2024 | | | As at April 1, 2023 | | | (Rs. In Lakhs) |
|---|----------------------|----------|--------|----------------------|----------|--------|---------------------|-------------|--------|----------------|
| | Face Value/ NAV | Quantity | Amount | Face Value/ NAV | Quantity | Amount | Face Value/ NAV | Quantity | Amount | |
| Units of Mutual Funds | | | | | | | | | | |
| SB1 Equity Hybrid Fund | - | - | - | - | - | - | 10.00 | 73,559.16 | 30.89 | |
| Kotak Liquid Regular Plan Growth | - | - | - | - | - | - | 10.00 | 1,527.59 | 7.41 | |
| Aditya Birla Sun Life Global Excellence Equity Fund | - | - | - | - | - | - | 10.00 | 1,08,753.00 | 25.37 | |
| Axis Focused 25 Fund | - | - | - | - | - | - | 10.00 | 2,87,614.00 | 118.50 | |
| Axis Midcap Fund | - | - | - | - | - | - | 10.00 | 37,508.00 | 27.38 | |
| ICICI Prudential US Bluechip Equity Fund | - | - | - | - | - | - | 10.00 | 51,789.00 | 27.61 | |
| Kotak Emerging Equity Fund | - | - | - | - | - | - | 10.00 | 35,674.00 | 29.91 | |
| Kotak Standard Multi Cap Fund | - | - | - | - | - | - | 10.00 | 2,47,951.00 | 145.17 | |
| SB1 Liquid Fund | - | - | - | - | - | - | 10.00 | 229.00 | 8.01 | |
| Kotak Liquid Regular Plan Growth | 10.00 | 13,335 | 692.32 | 10.00 | 17,045 | 824.98 | | | | |
| | | | 692.32 | | | 824.98 | | | 420.26 | |
| In Bonds (Quoted) (Fully Paid Up) : | | | | | | | | | | |
| 8.59% National Highway Authority of India | - | - | - | - | - | - | 1,000.00 | 5,000 | 50.00 | |
| | | | | | | | | | 50.00 | |
| In Equity Instruments (Fully Paid Up) : | | | | | | | | | | |
| I) Quoted | | | | | | | | | | |
| HDFC Bank Ltd | - | - | - | - | - | - | 1.00 | 2,310.00 | 37.18 | |
| ICICI Bank Ltd | - | - | - | - | - | - | 2.00 | 6,165.00 | 54.08 | |
| Infosys Ltd | - | - | - | - | - | - | 5.00 | 2,995.00 | 42.77 | |
| Kotak Mahindra Bank Ltd | - | - | - | - | - | - | 5.00 | 1,150.00 | 19.93 | |
| Embassy Office Parks REIT | - | - | - | - | - | - | 300.00 | 15,200.00 | 47.45 | |
| Mindspace Business Parks REIT | - | - | - | - | - | - | 275.00 | 14,100.00 | 46.12 | |
| Nippon India ETF Nifty 100 | - | - | - | - | - | - | 205.00 | 30,300.00 | 54.09 | |
| Powergrid Infrastructure Investment Trust | - | - | - | - | - | - | 1.00 | 43,800.00 | 53.66 | |
| Nippon India ETF Nifty Bees | - | - | - | - | - | - | 1.00 | 13,100.00 | 24.88 | |
| SB1 ETF Nifty Next 50 | - | - | - | - | - | - | 10.00 | 5,675.00 | 22.46 | |
| Jyoti Structures Ltd | - | - | - | - | - | - | 10.00 | 70,000.00 | 3.70 | |
| | | | - | | | - | | | 406.33 | |

Pargro Investments Private Limited

Notes to the financial statements for year ended March 31, 2025 (Continued)

(Rs. In Lakhs)

| | As at 31st March 2025 | As at 31st March 2024 | As at 1st April 2023 |
|--|--------------------------|--------------------------|----------------------|
| 6 Other financial assets | | | |
| Unsecured, Considered good | 11.52 | - | - |
| Security Deposits | 11.52 | - | - |
| 7 Advance Income Tax (Net of Provision) | 1.11 | 13.79 | 10.66 |
| | 1.11 | 13.79 | 10.66 |

8 Property, Plant and Equipment

| Description of Assets | Gross Block | | | Accumulated Depreciation and Impairment | | Net Block | |
|-------------------------------|----------------------|---------------------------|---------------------------|---|-------------------------------------|----------------------|----------------------|
| | As at April 01, 2024 | Additions during the year | Disposals during the year | As at April 01, 2024 | Charge for the year during the year | As at March 31, 2025 | As at March 31, 2024 |
| Property, Plant and Equipment | | | | | | | |
| Furniture and Fixtures | - | 1.63 | - | - | 0.05 | 1.58 | - |
| Office equipment | - | 1.76 | - | - | 0.09 | 1.67 | - |
| Computers | - | 13.69 | - | - | 1.10 | 12.58 | - |
| Right-of-use Asset (ROU) | - | 117.53 | - | - | 11.75 | 105.78 | - |
| Total | - | 134.60 | - | - | 12.99 | 121.61 | - |

| Description of Assets | Gross Block | | | Accumulated Depreciation and Impairment | | Net Block | |
|-------------------------------|----------------------|---------------------------|---------------------------|---|-------------------------------------|----------------------|---------------------|
| | As at April 01, 2023 | Additions during the year | Disposals during the year | As at April 01, 2023 | Charge for the year during the year | As at March 31, 2024 | As at April 1, 2023 |
| Property, Plant and Equipment | | | | | | | |
| Total | - | - | - | - | - | - | - |

9 Capital Work-in-progress

| CWIP | As at March 31, 2025 (Rs. In Lakhs) | | | |
|---------------------|-------------------------------------|-----------|-----------|-------------------|
| | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years |
| Project in progress | 37.92 | - | - | - |
| Total | 37.92 | - | - | 37.92 |

| CWIP | As at March 31, 2024 (Rs. In Lakhs) | | | |
|---------------------|-------------------------------------|-----------|-----------|-------------------|
| | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years |
| Project in progress | - | - | - | - |
| Total | - | - | - | - |

| CWIP | As at April 01, 2023 (Rs. In Lakhs) | | | |
|---------------------|-------------------------------------|-----------|-----------|-------------------|
| | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years |
| Project in progress | - | - | - | - |
| Total | - | - | - | - |

Pargro Investments Private Limited

Notes to the financial statements for year ended March 31, 2025 (Continued)

| | As at 31st March 2025 | As at 31st March 2024 | (Rs. In Lakhs) As at 1st April 2023 |
|--|--------------------------|--------------------------|---|
| 11 Other non-financial assets | | | |
| Input tax credit (Goods and Services Tax) | 18.72 | 4.11 | 2.92 |
| Others | - | - | 0.09 |
| Prepaid expenses | 4.10 | - | - |
| | 22.82 | 4.11 | 3.02 |
| 12 Trade Payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 3.72 | 24.57 | 3.08 |
| Trade payables to related parties | - | - | - |
| | 3.72 | 24.57 | 3.08 |

Note:

Other payables

(i) Total outstanding dues to creditors other than micro enterprises and small enterprises

(ii) Total outstanding dues of micro enterprises and small enterprises

12.1 Trade Payable Ageing :-

| Particulars | Outstanding for March 31, 2025 | | | | Total |
|-----------------------------|--------------------------------|-----------|-----------|-------------------|----------|
| | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) MSME | | | | | |
| (ii) Others | 3.72 | | | | |
| (iii) Disputed dues - MSME | | | | | |
| (iv) Disputed dues - Others | | | | | |
| Total | 3.72 | - | - | - | - |

Trade Payable Ageing :-

| Particulars | Outstanding for March 31, 2024 | | | | Total |
|-----------------------------|--------------------------------|-----------|-----------|-------------------|----------|
| | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) MSME | | | | | |
| (ii) Others | 24.57 | | | | |
| (iii) Disputed dues - MSME | | | | | |
| (iv) Disputed dues - Others | | | | | |
| Total | 24.57 | - | - | - | - |

Trade Payable Ageing :-

| Particulars | Outstanding for April 1, 2023 | | | | Total |
|-----------------------------|-------------------------------|-----------|-----------|-------------------|----------|
| | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) MSME | | | | | |
| (ii) Others | 3.08 | - | - | - | - |
| (iii) Disputed dues - MSME | | | | | |
| (iv) Disputed dues - Others | | | | | |
| Total | 3.08 | - | - | - | - |

Pargro Investments Private Limited
Notes to the financial statements for year ended March 31, 2025 (Continued)

| | As at 31st March 2025 | As at 31st March 2024 | (Rs. In Lakhs) As at 1st April 2023 |
|---|--------------------------|--------------------------|---|
| 13 Borrowings other than debt securities (In India) (At amortised cost) | | | |
| Term Loan (unsecured) | 200.00 | - | - |
| From related parties | <u>200.00</u> | <u>-</u> | <u>-</u> |
| 14 Other financial liabilities | | | |
| Lease liabilities | 110.28 | - | - |
| Others* | <u>22.25</u> | <u>-</u> | <u>-</u> |
| | <u>132.53</u> | <u>-</u> | <u>-</u> |
| * Others also include deferred subvention income and provision for expenses | | | |
| 15 Provisions | | | |
| Provision for employee benefits Un-funded (refer note) | | | |
| Gratuity | 5.28 | - | - |
| | <u>5.28</u> | <u>-</u> | <u>-</u> |
| 16 Deferred Tax | | | |
| Deferred Tax Liability | - | - | 1.13 |
| | <u>-</u> | <u>-</u> | <u>1.13</u> |
| 17 Other non-financial liabilities | | | |
| Revenue received in advance | - | | |
| Statutory dues payable | 15.44 | 11.50 | 0.31 |
| | <u>15.44</u> | <u>11.50</u> | <u>0.31</u> |

Pargro Investments Private Limited
Notes to the financial statements for year ended March 31, 2025 (Continued)

18 Equity share capital

Authorised Capital
1,00,00,000 (P.Y-31/03/24-30L, 01/04/2023 - 30L) Equity Share of Rs.10/- each

(Rs. In Lakhs)
As at 31st March 2025 As at 31st March 2024 As at 1st April 2023

| | | |
|-----------------|---------------|---------------|
| 1,000.00 | 300.00 | 300.00 |
| 1,000.00 | 300.00 | 300.00 |

Issued, Subscribed & Paid Up Capital

39,00,000 (P.Y-31/03/24 - 21L, 01/04/2023 - 21L) Equity Shares of Rs.10/- each fully paid up

| | | |
|---------------|---------------|---------------|
| 390.00 | 210.00 | 210.00 |
| 390.00 | 210.00 | 210.00 |

(a) Movement in share capital :

Outstanding at the beginning of the year
Shares issued during the year
Outstanding at the end of the year

| | | |
|------------------|------------------|------------------|
| 21,00,000 | 21,00,000 | 21,00,000 |
| 18,00,000 | - | - |
| 39,00,000 | 21,00,000 | 21,00,000 |

(b) Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

(c) Shares held by Promoters/holding/ultimate holding company and/or their subsidiaries

| | As at March 31, 2025 | | As at March 31, 2024 | | As at April 1, 2023 | |
|------------------------------|----------------------|-------------|----------------------|-------------|---------------------|-------------|
| | No of shares | % | No of shares | % | No of shares | % |
| Bhimad Commercial Co Pvt Ltd | 39,00,000 | 100 | - | - | - | - |
| Shri Narendrakumar K. Parekh | - | - | 1,26,000.00 | 6% | 1,26,000.00 | 6% |
| Smt. Kalpana A. Parekh | - | - | 2,10,000.00 | 10% | 2,10,000.00 | 10% |
| Shri Madhukar B. Parekh | - | - | 3,15,000.00 | 15% | 3,15,000.00 | 15% |
| Shri Ajay B. Parekh | - | - | 1,89,000.00 | 9% | 1,89,000.00 | 9% |
| Smt. Mrudula S. Parekh | - | - | 3,36,000.00 | 16% | 3,36,000.00 | 16% |
| Smt. Bharti N. Parekh | - | - | 1,26,000.00 | 6% | 1,26,000.00 | 6% |
| Smt. Mala M. Parekh | - | - | 3,15,000.00 | 15% | 3,15,000.00 | 15% |
| Smt. Ami A. Parekh | - | - | 1,89,000.00 | 9% | 1,89,000.00 | 9% |
| Shri R. H. Parekh | - | - | 1,26,000.00 | 6% | 1,26,000.00 | 6% |
| Shri Apurva N. Parekh | - | - | 1,26,000.00 | 6% | 1,26,000.00 | 6% |
| Others | - | - | 42,000.00 | 2% | 42,000.00 | 2% |
| | 39,00,000 | 100% | 21,00,000 | 100% | 21,00,000 | 100% |

(d) There are no bonus shares issued or shares bought back or shares issued for consideration other than cash by the Company during five years immediately preceding the balance sheet date.

| | | | (Rs. In Lakhs) |
|----|---------------------------------------|-----------------------|----------------------|
| | | As at 31st March 2025 | As at March 31, 2024 |
| 19 | Other Equity | | As at 1st April 2023 |
| | Securities premium | 1,440.00 | - |
| | Statutory reserve under section 45-IC | 170.75 | 170.75 |
| | Retained earnings | (206.04) | 533.60 |
| | | 1,404.72 | 669.53 |
| | | | 704.35 |

Note: For movement in Other Equity, refer 'Statement of changes in Equity'.

19.1 Nature and purpose of Reserves

(a) Securities Premium

Securities premium is used to record the premium on issue of shares. Balance in Securities premium can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(b) Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934

Reserve created under section 45-IC of the Reserve Bank of India Act, 1934 a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. Since, the company has incurred losses in FY 2023-24 and 2024-25 there was no sum transferred to special reserve.

(c) Retained Earnings

Retained earnings comprises of the Company's undistributed earnings after taxes.

Pargro Investments Private Limited
Notes to the financial statements for year ended March 31, 2025 (Continued)

(Rs. In Lakhs)

| | For the year ended 31st March 2025 | For the year ended 31st March 2024 |
|---|---------------------------------------|---------------------------------------|
| 20 Interest Income (at amortised cost) | | |
| Interest on Loans | 116.83 | 0.10 |
| | 116.83 | 0.10 |
| 21 Fee and commission income | | |
| Service charges and other fees income | 1.23 | - |
| | 1.23 | - |
| 22 Net gain/loss on fair value changes | | |
| Others - Mutual Fund Units | 0.24 | 15.47 |
| | 0.24 | 15.47 |
| 23 Other Non Operating Income | | |
| Dividend | - | 3.94 |
| Interest on IT refund | 0.19 | 2.85 |
| Interest - Taxable | - | 2.08 |
| Profit on Sale of Investments (Net) | 62.11 | 101.51 |
| Rent Income | - | 5.85 |
| Rent Income | 0.37 | 0.01 |
| Other Income | 62.67 | 116.25 |

Pargro Investments Private Limited

Notes to the financial statements for year ended March 31, 2025 (Continued)

(Rs. In Lakhs)

| | For the year ended 31st March 2025 | For the year ended 31st March 2024 |
|--|---------------------------------------|---------------------------------------|
| 24 Interest Income (at amortised cost) | | |
| Interest on borrowings | 0.81 | - |
| Other interest expense (including bank charges) | 0.05 | 0.00 |
| Interest on lease liabilities | 4.85 | - |
| | 5.70 | 0.00 |
| 25 Impairment on financial instruments | | |
| On financial instruments measured at Amortised cost | | |
| Loan | 114.74 | 0.02 |
| | 114.74 | 0.02 |
| 26 Employee benefit expenses | | |
| Salaries and Wages | 583.62 | 137.03 |
| Contribution to provident and other funds | 19.16 | 4.36 |
| Gratuity expense (refer note 31) | 5.28 | - |
| | 608.06 | 141.38 |
| 27 Other expenses | | |
| Legal and Professional | 95.95 | 7.41 |
| Membership Fees | - | 0.49 |
| Rent Expense | 1.60 | 6.06 |
| Rates and Taxes | 20.46 | 4.81 |
| Travelling Expenses | - | 0.54 |
| <u>Payment to Auditor</u> | | |
| Audit Fees | 1.50 | 0.25 |
| Others | 17.02 | 0.07 |
| | 136.53 | 19.63 |

Pargro Investments Private Limited**Statement of Profit and Loss for the Period Ended 31st March 2025****28 In accordance with Ind AS 33- Earnings per Share, the computation of earnings per share is set out below**

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--|--|
| Net Profit attributable to Equity holders of the Company (Rs. In Lakhs) | (704.81) | (34.82) |
| Weighted average Number of Shares | | |
| - Number of equity shares outstanding at the beginning of th | 21,00,000 | 21,00,000 |
| - Number of equity shares issued during the year | 10,06,027 | - |
| Total number of equity shares outstanding at the end of the y | 31,06,027 | 21,00,000 |
| Nominal value of equity shares | 10.00 | 10.00 |
| Basic and diluted earnings per share (in rupees) | (22.69) | (1.66) |

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at the year end.

29 Contingent Liability and Commitment:**(Rs. In Lakhs)**

| | As at 31st March 2025 | As at 31st March 2024 |
|----------------------|------------------------------|------------------------------|
| Contingent Liability | - | - |
| Commitment: | - | - |

Pargro Investments Private Limited
Statement of Profit and Loss for the Period Ended 31st March 2025

30 First time adoption of Ind AS

Reconciliations between Ind AS and previous GAAP for equity and profit or loss are given below

| Particulars | Profit/ (Loss) | Equity Reconciliation | |
|---|--|---------------------------|--------------------------|
| | Reconciliation Year Ended 31st March, 2024 | As at 31st March, 2024 | As at 1st April, 2023 |
| Profit or (Loss) after tax/Equity as reported under previous GAAP | (51.41) | 853.24 | 904.66 |
| Adjustments:- | | | |
| a) Other Adjustments* | 16.59 | 26.29 | 10.82 |
| b) Deferred Tax on impact of Above adjustment | - | - | (1.13) |
| Profit after tax/Equity as per Ind AS | (34.82) | 879.52 | 914.35 |
| Other Comprehensive Income | - | - | - |
| Total Comprehensive income as per Ind AS | - | - | - |

* Other adjustments mainly include those arising from

- (1) recognizing financial assets and liabilities (carried at cost in Previous GAAP) at Fair Value through Profit or Loss (FVTPL) or amortised cost,
- (2) measuring certain current investments (carried at lower of cost or fair value in Previous GAAP) at FVTPL and investments in subsidiaries, associates and joint venture continue to be recognized at their cost less diminution other than temporary (deemed cost) and other equity instruments at Fair Value through Other Comprehensive Income

Pargro Investments Private Limited
Statement of Profit and Loss for the Period Ended 31st March 2025

31. Retirement and other employee benefits

(a) Defined benefit plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972. The gratuity benefit is an annual expense charged to the statement of profit and loss on the basis of actuarial valuation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation (DBO) for gratuity were carried out As at March 31, 2025. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

| | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Present value of defined benefit obligations (A) | 5.28 | - |
| Fair Value of plan assets (B) | - | - |
| Present value of defined benefit obligations (A-B) | 5.28 | - |
| Net deficit / (assets) are analysed as: | | |
| Liabilities | 5.28 | - |
| Assets | - | - |

Movement in net defined benefit (asset) liability:

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

| | Defined benefit obligation | | Fair value of plan assets | | Net defined benefit (asset) liability | |
|--|----------------------------|----------------|---------------------------|----------------|---------------------------------------|----------------|
| | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 |
| (i) Present value of defined benefit obligations (opening) | | | | | | |
| Current service cost | 5.28 | - | - | - | - | - |
| Past service cost | - | - | - | - | - | - |
| Interest cost | - | - | - | - | - | - |
| | 5.28 | - | - | - | - | - |
| (ii) Other comprehensive Income | | | | | | |
| Remeasurement Actuarial loss (gain) arising from : | | | | | | |
| Experience | - | - | - | - | - | - |
| Financial assumptions | - | - | - | - | - | - |
| Expected return from plan assets | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| (iii) Others | | | | | | |
| Transfer In/ (Out) | - | - | - | - | - | - |
| Contributions by Employer | - | - | - | - | - | - |
| Benefits paid | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| (iv) Closing Balance (i) + (ii) + (iii) | 5.28 | - | - | - | - | - |
| Represented by | | | | | | |
| Net defined benefit asset | - | - | - | - | - | - |
| Net defined benefit liability | 5.28 | - | - | - | - | - |

Components of defined benefit plan cost:

| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| (i) Recognised in Statement of profit or loss | | |
| Current service cost | 5.28 | - |
| Interest cost | - | - |
| Expected return on plan assets | - | - |
| Past service cost | - | - |
| | 5.28 | - |
| (ii) Recognised in other comprehensive income | | |
| Remeasurement of net defined benefit liability/(asset) | - | - |
| Return on plan assets excluding net interest | - | - |
| | - | - |
| Total (i) + (ii) | 5.28 | - |

Actuarial assumptions:

The following were the principal actuarial assumptions at the reporting date:

| | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Discount Rate | 6.59% | - |
| Salary Growth Rate | 10.00% | - |
| Withdrawal/Attrition Rate (based on categories) | 20.00% | - |
| Expected return on plan Assets (p.a) | 0.00% | - |

Sensitivity analysis:

| | As at March 31, 2025 | | As at March 31, 2024 | |
|-----------------------------|----------------------|----------|----------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Salary Growth Rate (+/- 1%) | 5.69 | 4.89 | - | - |
| Discount Rate (+/- 1%) | 4.91 | 5.68 | - | - |

Note on Sensitivity Analysis

- Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is called out in the table above.
- 1
 - 2 The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.

Asset liability comparisons:

| | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------|-------------------------|-------------------------|
| Present value of DBO | 5.28 | - |
| Fair Value of Plan assets | - | - |
| Net (Assets)/Liability | 5.28 | - |

Pargro Investments Private Limited
Statement of Profit and Loss for the Period Ended 31st March 2025

32. Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the company uses the same basis of expected repayment behaviour as used for contractual maturity analysis.

| Particulars | As at March 31, 2025 | | | (Rs. In Lakhs) As at March 31, 2024 | | |
|---|----------------------|-----------------|-----------------|--|-----------------|---------------|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| | | | | | | |
| Financial Assets | | | | | | |
| Cash and cash equivalents | 151.75 | - | 151.75 | 19.58 | - | 19.58 |
| Loans | 633.72 | 434.71 | 1,068.43 | 8.76 | - | 8.76 |
| Investments | 692.32 | - | 692.32 | 824.98 | - | 824.98 |
| Other financial assets | - | 11.52 | 11.52 | - | - | - |
| Non-financial assets | | | | | | |
| Current tax Asset (Net) | 1.11 | - | 1.11 | 13.79 | - | 13.79 |
| Property, plant and equipment | - | 121.61 | 121.61 | - | - | - |
| Intangible assets under development | - | - | - | - | - | - |
| Other intangible assets | - | 44.20 | 44.20 | - | 44.38 | 44.38 |
| Other non-financial assets | 22.82 | - | 22.82 | 4.11 | - | 4.11 |
| Total Assets | 1,501.72 | 612.04 | 2,113.75 | 871.22 | 44.38 | 915.59 |
| Financial Liabilities | | | | | | |
| Trade Payables | 3.72 | - | 3.72 | 24.57 | - | 24.57 |
| Borrowings (other than debt securities) | 95.92 | 104.08 | 200.00 | - | - | - |
| Other financial liabilities | 132.53 | - | 132.53 | - | - | - |
| Non-financial liabilities | | | | | | |
| Provisions | - | 5.28 | 5.28 | - | - | - |
| Deferred tax liabilities (Net) | - | - | - | - | - | - |
| Other non-financial liabilities | 15.44 | - | 15.44 | 11.50 | - | 11.50 |
| | 247.61 | 109.36 | 356.96 | 36.07 | - | 36.07 |
| | 1,254.11 | 502.68 | 1,756.79 | 835.15 | 44.38 | 879.52 |

Pargro Investments Private Limited
Statement of Profit and Loss for the Period Ended 31st March 2025

33. Segment reporting

The Company operates mainly in the business of financing activity. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of Ind AS 108 on 'Operating Segments'.

34. Related Party Disclosures

(i) List of Key management personnel of the Company:

| Name of the KMP | Designation |
|-----------------|---------------------------|
| Apurva Parekh | Director |
| Amit Raje | Managing Director and CEO |
| Anil Sharma | Independent Director |

(ii) List of related parties and relationship:

| Name | Relation |
|---------------------------------------|---------------------------------------|
| Pidilite Industries Limited | Ultimate Holding Company |
| Bhimad Commercial Private Limited | Holding Company |
| Finemake Technologies Private Limited | Associate of Ultimate Holding Company |

(ii) Transactions with related parties :

| Nature of Transaction | Related Party Name | (Rs. In Lakhs) | |
|---|---------------------------------------|-----------------------------------|-----------------------------------|
| | | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
| Issue of Shares | Bhimad Commercial Private Limited | 16.20 | - |
| Sitting Fees to Directors | Anil Kumar Sharma | 10.50 | - |
| Remuneration to Directors | Amit Raje | 238.29 | - |
| Borrowings (other than debt securities) | Pidilite Industries Limited | 200.00 | - |
| Interest on Borrowings | Pidilite Industries Limited | 0.81 | - |
| Purchase of Fixed Assets | Pidilite Industries Limited | 4.38 | - |
| Subvention Loan Income | Finemake Technologies Private Limited | 1.49 | - |

(iii) Related Party Balances

| Particulars | (Rs. In Lakhs) | |
|---|-----------------------------------|-----------------------------------|
| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
| Borrowings (other than debt securities) | 200.00 | - |

Notes:

- Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity.
- The above list contain name of only those related parties with whom the Company has undertaken transactions for the year ended March 31, 2025 and March 31, 2024.

Pargro Investments Private Limited
Statement of Profit and Loss for the Period Ended 31st March 2025

35 Leases

1 The changes in the carrying value of right of use assets are as follows:

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Balance at the beginning of the year | - | - |
| Addition during the year | 117.53 | - |
| Deletion during the year | - | - |
| Depreciation charged during the year | (11.75) | - |
| Depreciation on deletion | - | - |
| Balance at the end of the year | 105.78 | - |

2 Impact of adoption of Ind AS 116 on the statement of profit and loss :

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Balance at the beginning of the year | - | - |
| Addition during the year | 117.53 | - |
| Deletion during the year | - | - |
| Finance cost accrued during the year | 4.85 | - |
| Payment made during the year | (12.10) | - |
| Balance at the end of the year | 110.28 | - |

3 Contractual maturities of lease liabilities on an undiscounted basis:

Maturity Profile of Lease liabilities:

| Lease Liability (undiscounted) | Less than 1 year | 1-5 years | More than 5 Years | Total |
|--------------------------------|------------------|-------------|-------------------|-------------|
| 31 March 2025 | 27,06,000 | 1,05,61,668 | - | 1,32,67,668 |
| 31 March 2024 | - | - | - | - |

Pargro Investments Private Limited
Statement of Profit and Loss for the Period Ended 31st March 2025

Following are the additional disclosures required as per Schedule III to the Companies Act, 2013 vide Notification dated March 24, 202

36 Corporate Social Responsibility

The company does not meets the eligibility criteria as per Section 135 of the Companies Act, 2013 in respect of Corporate Social Responsibility.

37 There are no cases of any undisclosed income in the financial statements.

38 The company has not obtained any borrowing from the bank or financial institution.

39 The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary.

- 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 to or on behalf of the Ultimate Beneficiaries.

40 The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

41 There are no registrations of any charges or satisfactions with Registrar of Companies.

42 The company has not traded or invested in crypto currency or virtual currency during the current year and previous year.

43 The company has not entered any transactions in companies that were struck off under the relevant sections of the Companies Act 2013.

44 The company has not given any loans and advance to Promoters, Directors, KMPs or Related parties.

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

46 The Company is not being declared wilful defaulter by any bank or financial institution or other lender.

47 The Company has not revalued its Property, Plant and equipment and Intangible assets.

48 The Company does not own any Immovable Property.

49 No Scheme of arrangement has been approved by the Competent Authority in terms of Section 230 to 237.

50 Previous year's figures have been regrouped wherever necessary.

51 During the year company has issued 18,00,000 shares to Bhimad Commercial Private Limited at issue price of Rs. 90.

52 NBFCs-BL having customer interface but not availing public funds are exempt from the applicability of Chapter IV and Chapter V of the RBI Scale Based Regulations.

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Following are the additional disclosures required as per Schedule III to the Companies Act, 2013 vide Notification dated March 24, 202

36 Corporate Social Responsibility

The company does not meets the eligibility criteria as per Section 135 of the Companies Act, 2013 in respect of Corporate Social Responsibility.

37 There are no cases of any undisclosed income in the financial statements.

38 The company has not obtained any borrowing from the bank or financial institution.

39 The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary.

- 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 to or on behalf of the Ultimate Beneficiaries.

40 The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

41 There are no registrations of any charges or satisfactions with Registrar of Companies.

42 The company has not traded or invested in crypto currency or virtual currency during the current year and previous year.

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44 The company has not given any loans and advance to Promoters, Directors, KMPs or Related parties.

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

46 The Company is not being declared wilful defaulter by any bank or financial institution or other lender.

47 The Company has not revalued its Property, Plant and equipment and Intangible assets.

48 The Company does not own any Immovable Property.

49 No Scheme of arrangement has been approved by the Competent Authority in terms of Section 230 to 237.

50 Previous year's figures have been regrouped wherever necessary.

51 During the year company has issued 18,00,000 shares to Bhimad Commercial Private Limited at issue price of Rs. 90.

52 NBFCs-BL having customer interface but not availing public funds are exempt from the applicability of Chapter IV and Chapter V of the RBI Scale Based Regulations.

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53. Risk Management

(a) Introduction and risk profile

The Company's overall objective is to manage its business, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company follows following for effective risk management:

- 1) Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Company;
- 2) Ownership of risk identification, assessment, data and management within each of the lines of business and Corporate; and
- 3) Firmwide structures for risk governance

The Company ensure improvement through efforts to enhance controls, ongoing employee training and development and other measures.

(b) Risk Management Structure

The Company has a risk management policy framework for risk identification, assessment and control to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. The Company has also established a Risk Committee that is responsible for managing the risk arising out of various business activities.

Company's risk management policy ensures that the margin requirements are able to withstand market volatility and scenarios of sharply declining prices. The Company centralises the risk monitoring systems to monitor its client's credit exposure which is in addition to the monitoring undertaken by the respective businesses.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c) Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Credit appraisal & credit control processes, centralised operations unit, independent audit unit for checking compliance with the prescribed policies and approving loans at transaction level as well as our risk management processes and policies allow layers of multiple checks and verifications. Company's key business processes are regularly monitored by the business and/or operation heads. Company's loan approval and administration procedures, collection and enforcement procedures are designed to minimise delinquencies and maximise recoveries.

At all levels of operations, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and upto date information.

It is the Company's policy that a monthly briefing is given to the Board of Directors and all other relevant stakeholder on the utilisation of market limits, proprietary investments and liquidity, plus any other risk developments.

It is the Company's policy to ensure that risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to, that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within its risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

(d) Types of Risks

The Company's risks are generally categorized in the following risk types:

| Risk | Exposure Arising from | Measurement | Management of risk |
|----------------|--|---|--|
| Credit Risk | Cash equivalents, trade receivables, financial assets measured at amortised cost. | Aging Analysis, Credit Ratings | Credit limits and regular monitoring. |
| Liquidity Risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of surplus cash, committed credit lines and borrowing facilities |
| Market Risk | Investments in Government Securities, Treasury Bills, Equity Shares, Futures & Options | Cash flow forecasting Sensitivity analysis | Regular monitoring to keep the exposure at an acceptable level, with option of taking Interest Rate Swaps/Futures if deemed necessary. |

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53.1 Credit Risk

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

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties/Groups (Single Borrowing

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company and market intelligence. Outstanding customer receivables

(a) Impairment Assessment:

The Company applies the expected credit loss model for recognising impairment loss. The expected credit loss allowance is computed based on a provision matrix which

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the

| Internal rating grade | Internal grading description | Stages |
|-----------------------|------------------------------|-----------|
| Performing | | |
| High grade | 0 dpd and 1 to 30 dpd* | Stage I |
| Medium grade | 31 to 90 dpd* | Stage II |
| Non-performing | | |
| Impaired | NPA* | Stage III |

*Excluding non performing asset (NPA)

**Represent loan assets classified as NPA as per the extant RBI guidelines

(b) Expected Credit Loss

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to

- An unbiased and probability weighted amount that evaluates a range of possible outcomes

- Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future

- Time value of money

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective

(c) Significant increase in credit risk (SICR)

Company considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due

(d) Probability of Default

Probability of default (PD) is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available

(e) Loss Given Default (LGD)

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time

(f) Exposure at Default (EAD)

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit

$$EAD = \text{Drawn Credit Line} + \text{Credit Conversion Factor} * \text{Undrawn Credit Line}$$

Where,

$$\text{Drawn Credit Line} = \text{Current outstanding amount}$$

$$\text{Credit Conversion Factor (CCF)} = \text{Expected future drawdown as a proportion of undrawn amount}$$

Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line While the drawn exposure and limits for the

(g) Forward looking adjustments

"A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable

To fulfil the above requirement Company has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. The Company formulates base case view of the

(h) Data sourcing

The Company is expected to obtain reasonable and supportable information that is available without undue cost or effort. Keeping in mind the above requirement

(i) Probability weighted scenario creations:

To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic

The Company has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data,

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical