INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PRAGATI FINSERV PRIVATE LIMITED

Report on Audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Pragati Finserv Private Limited** (the "Company"), which comprise the Balance Sheet as at **31st March 2025**, and the Statement of Profit and Loss (including other comprehensive income), Statement of changes in equity and Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025 and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs 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.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report, but does not include the Standalone Financial Statements and our auditor's report(s) thereon.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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 Statement 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 accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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.

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In preparing the Standalone Financial statements, the management and Board of Directors 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 Company's Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility 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 the 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 judgement and maintain professional scepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to 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 and the board of directors.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Standalone financial statements 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 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 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.

KEY AUDIT MATTERS

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

Mandatory Reporting of Key Audit Matters as per SA 701 are not applicable to the Company as it is an unlisted company.

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Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit 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, the statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

   (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 with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report In "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information ana according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company does not have pending litigations to disclose in its standalone financial statements.

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

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

iv.

a. The management has represented that, to the best of its knowledge and belief, other than 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 by the company to or in any other person(s) or entity(ies) including foreign entity ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;

b. The management has represented, that to the best of its knowledge and belief, other than 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 or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. There is no dividend declared or paid during the year by the company.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated during the financial year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and audit trial has been preserved by the company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 issued by the Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

For Vaithisvaran & Co LLP
Chartered Accountants
Firm Regn No.04494S / S200037

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Chartered Accountants

A. Saisatwik
Partner
Membership No.268796
UDIN: 25268796BMNTXV7396

Place: Hyderabad
Date: May 05, 2025.

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Pragati Finserv Private Limited).

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We audited the internal financial controls with reference to Standalone Financial Statements of Pragati Finserv Private Limited ("the Company") as of March 31, 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 with reference to Standalone Financial Statements based on the internal control ever financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors the accuracy and completeness of the accounting records, and the timely preparation of reliable financial- information, as required under the Act.

Auditors Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) or the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statemcnts. 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 with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements. 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 or the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Control Over Financial Reporting

A company's internal financial control with reference to Standalone Financial Statements is a process designee to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial statements in accordance generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management are directors or 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 financial statements.

Inherent Limitations of Internal Financial Control Over Financial Reporting

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

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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 with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to Standalone financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Vaithisvaran & Co LLP
Chartered Accountants
Firm Regn No.04494S / S200037

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VAITHISVARAN & CO LLP AAF-8642 HYDERABAD Chartered Accountants

A. Saisatwik
Partner
Membership No.268796
UDIN: 25268796BMNTXV7396

Place: Hyderabad
Date: May 05, 2025.

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Pragati Finserv Private Limited).

As required by the Companies (Auditor's Report) Order, 2020 issued by the Government of India in terms of Section 143 (11) of the Companies Act, 2013, to the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant & Equipment, right-of-use assets and intangible assets:

   a.
      A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment and relevant details of right-of-use assets.
      B. The company has maintained proper records showing full particulars of Intangible assets.

   b. The Property, Plant & Equipment of the Company were physically verified during the year by the management. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   c. As per the standalone financial statements of the company, the company doesn't hold any immovable properties other than properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee. Hence reporting on whether the title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company is not applicable.

   d. During the year, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible assets or both hence reporting on (a) whether the revaluation was based on the valuation by a Registered Valuer; (b) amount of change and hence reporting under this clause is not applicable.

   e. No proceedings have been initiated or are pending against the company as at 31 Mar 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and hence reporting under this clause is not applicable.

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ii.

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

b. The Company has not been sanctioned any working capital limits in excess of Rupees five crore, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. **Investments, Guarantee, security, Loans or Advances by the Company**

The company has not, during the year made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and hence reporting under clauses 3(iii)(a) to 3(iii)(f) of CARO 2020 is not applicable to the company.

iv. **Loan to Directors and Investment by the Company**

The company has not given any loans, made any investments, provided guarantees, and issued security during the year requiring compliance of section 185 and section 186 of the companies Act, 2013 are applicable have been complied with by the company.

v. **Deposits**

The company has neither accepted any deposits from the public nor accepted within the meaning of section 73 to 76 of the companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the order is not applicable to the company.

vi. **Cost Records**

The central government has not prescribed the maintenance of cost records for the company. Accordingly, Clause 3(vi) of the order is not applicable.

vii. **Statutory Dues**

a. In our opinion, the company has generally been regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, Employees provident fund, employees state insurance, income-tax, duty of customs, cess and other material statutory dues applicable to it.

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b. According to the information and explanation given to us and records of the company examined by us, the particulars in respect of Employees provident fund, employees state insurance, income tax, goods & service tax, custom duty, cess and any other statutory dues with appropriate authorities that have not deposited with the appropriate authorities on account of pending disputes are Nil as at March 31, 2025.

viii. **Transactions not recorded in books and have been surrendered or disclosed as income during the year in income-tax assessments.**

The company has not entered any transaction which is not recorded in books and have been surrendered or disclosed as income during the year in tax assessments under the income tax Act, 1961(41 of 1961). Hence, reporting under clause 3(viii) of the order is not applicable to the company.

ix. **Repayment of Loans**

a. According to the information and explanations given to us and on the basis of our explanation of the records of the company, the company has not defaulted in repayment of loans or borrowing or in the payment of interest thereon to any lender. Hence reporting under clauses 3(ix)(a) of CARO 2020 is not applicable.

b. According to the information and explanations given to us and on the basis of our explanation of the records of the company, the company is not declared as "willful defaulter" by any banks or financial institutions or other lenders and hence reporting under clauses 3(ix)(b) of CARO 2020 is not applicable.

c. According to the information and explanations given to us and based on the examination of books of accounts, the company has not availed any term loans and hence whether term loans were applied for the purpose of Clause 3(ix)(c) of the order is not applicable.

d. According to the information and explanations given to us and based on the examination of books of accounts, the company has not raised any funds on short term basis and hence reporting on whether such funds were utilized for long term basis under clause 3(ix)(d) of CARO 2020 is not applicable.

e. According to the information and explanations given to us and based on the examination of books of accounts, the Company does not have any subsidiaries, associates or joint venture and hence reporting under clause 3(ix)(e) and (f) of CARO 2020 is not applicable.

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x. **Utilization of Funds**

a. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of CARO 2020 is not applicable.

b. The company has not made any preferential allotment or private placement of shares (fully or partly or optionally convertible) during the year and hence reporting under clause 3(x)(b) of CARO 2020 is not applicable.

xi. **Reporting of Fraud**

a. No fraud by the Company or no material fraud on the Company has been noticed or reported during the course of the audit and hence reporting under clause 3(xi)(a) of CARO 2020 is not applicable.

b. No report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government and hence reporting under clause 3(xi)(b) of CARO 2020 is not applicable.;

c. We are informed that no whistle blower complaints has been received by the Company during the year and hence reporting under clause 3(xi)(c) of CARO 2020 is not applicable.;

xii. **Nidhi Company**

According to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3(xii)(a) to 3(xii)(c) of CARO 2020 is not applicable.

xiii. In our opinion, the company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

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xiv. **Internal Audit**

a. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

b. We have considered the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedure.

xv. **Non-cash Transactions with directors or persons connected with him**

In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. **Registration under Reserve Bank of India Act, 1934**

a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi)(a) of CARO 2020 is not applicable.

b. The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi)(b) of CARO 2020 is not applicable.

c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under clause 3(xvi)(c) of the Order is not applicable.

d. According to the information and explanation given to us, in our opinion the Group does not have more than one Core Investment Company (CIC) and hence reporting under clause 3(xvi)(d) of CARO 2020 is not applicable.

xvii. **Cash Losses**

The Company has incurred a cash loss of Rs.4,005.38 Lacs in the current financial year and there is no cash loss during the immediately preceding financial year.

xviii. **Resignation of Auditors**

There has been no resignation of the statutory auditors during the year and hence reporting under clause 3(xviii) of CARO 2020 is not applicable.

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xix. **Material Uncertainty**

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. **Schedule VII to the Companies Act, 2013**

There are no unspent amounts towards Corporate Social Responsibility ("CSR") requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

xxi. **Modified opinion (CARO) in other Group Companies**

Being standalone financials para 3(xxi) of the order is not applicable.

For Vaithisvaran & Co LLP
Chartered Accountants
Firm Regn No.04494S / S200037

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VAITHISVARAN & CO LLP AAF-8642 HYDERABAD Chartered Accountants

A. Saisatwik
Partner
Membership No. 268796
UDIN: 25268796BMNTXV7396

Place: Hyderabad
Date: May 05, 2025.

PRAGATI FINSERV PRIVATE LIMITED
CIN: U65990TG2021PTC148992
8-2-624/A/1, 4th Floor, Meena Bazaar Towers, Road No. 10,
Avenue 4, Banjara Hills, Hyderabad, Telangana 500034, India

Balance Sheet as at 31 March 2025

	Particulars	Note No.	As at 31 March 2025	As at 31 March 2024
			Amount Rs. in lakhs	Amount Rs. in lakhs
I	**ASSETS**			
1	**Non-Current Assets**			
	(a) Property, Plant and Equipment	4(a)	340.92	341.21
	(b) Intangible Assets	4(b)	59.73	88.86
	(c) Right of Use	4(c)	216.40	266.82
	(d) Financial assets			
	(i) Non-Current Investments		-	-
	(ii) Other Non-Current Financial Assets	5	104.68	128.81
	(e) Other Non Current assets	6	26.81	40.23
	(f) Deferred tax assets (net)		1,194.06	4.36
2	**Current Assets**			
	(a) Financial Assets			
	(i) Current Investments	7	1,682.90	2,057.73
	(ii) Trade Receivables	8	125.81	1,327.13
	(iii) Cash and cash equivalents	9	364.89	1,443.21
	(iv) Bank Balances other than cash and cash equivalents	10	-	408.56
	(b) Current tax assets (net)		384.26	530.14
	(c) Other current Asset	11	313.22	123.67
	Total Assets		**4,813.67**	**6,760.73**
II	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	12	2,501.00	2,501.00
	(b) Other equity	13	(1,473.07)	1,566.51
	LIABILITIES			
1	**Non- Current Liabilities**			
	(a) Financial liabilities			
	(i) Lease liabilities	14	272.55	304.71
	(b) Long Term Provisions	15	260.44	233.77
2	**Current Liabilities**			
	(a) Financial liabilities			
	(i) Other Financial liabilities	16	1,975.32	1,275.99
	(b) Provisions	17	1,186.36	184.26
	(c Current Tax Liabilities (Net)		-	461.50
	(d) Other Current liabilities	18	91.07	232.98
	Total Equity and Liabilities		**4,813.67**	**6,760.73**

Company Information, Basis of Preparation and Significant Accounting Policies
Notes to Accounts

As per our report of even date
For Vaithisvaran & Co LLP
Chartered Accountants
ATCHUTA SAI SATWIK
Digitally signed by ATCHUTA SAI SATWIK
Date: 2025.05.05 20:47:07 +05'30'
A Saisatwik
Partner
M.No: 268796
Firm Regn No: 004494S / S200037

For and on behalf of the board of directors of
Pragati Finserv Private Limited

JAGADISH BABU RAMADUGU
Digitally signed by JAGADISH BABU RAMADUGU
Date: 2025.05.05 20:04:58 +05'30'
Jagadish Babu Ramadugu
Managing Director and
Chief Executive officer
DIN : 01855121

ASHISH MEHROTRA
Digitally signed by ASHISH MEHROTRA
Date: 2025.05.05 20:16:17 +05'30'
Ashish Mehrotra
Chairman and
Non Executive Director
DIN: 07277318

Monika Gurung
Digitally signed by Monika Gurung
Date: 2025.05.05 20:26:00 +05'30'
Monika Gurung
Company Secretary

PERAIAH KAYASIRI
Digitally signed by PERAIAH KAYASIRI
Date: 2025.05.05 20:09:22 +05'30'
Peraiah Kayasiri
Chief Financial Officer

Place: Hyderabad
Date: May 05, 2025

Place: Mumbai
Date: May 05, 2025

PRAGATI FINSERV PRIVATE LIMITED
CIN: U65990TG2021PTC148992
8-2-624/A/1, 4th Floor, Meena Bazaar Towers, Road No. 10,
Avenue 4, Banjara Hills, Hyderabad, Telangana 500034, India

Statement of Profit and Loss for the period ended 31 March 2025

	Particulars	Note No.	For the Period ended 31 March 2025	For the year ended 31 March 2024
			Amount Rs. in lakhs	Amount Rs. in lakhs
	Revenue			
I	Revenue from Operations	19	4,729.70	9,632.25
II	Other Income	20	1,315.20	1,058.47
III	**Total Income (I + II)**		**6,044.90**	**10,690.72**
IV	**Expenses**			
	Employee benefit expenses	22	6,863.86	5,167.41
	Finance costs	21	46.58	52.16
	Other expenses	23	3,394.87	2,645.67
	Depreciation, amortization and impairment	24	256.85	227.27
	Total Expenses (IV)		**10,562.16**	**8,092.51**
V	**(Loss) / Profit before Exceptional Items and tax (III - IV)**		**(4,517.26)**	**2,598.21**
VI	**Exceptional item**		-	-
VII	**(Loss) / Profit before tax (V- VI)**		**(4,517.26)**	**2,598.21**
VIII	**Tax Expense:**			
	(1) Current tax		(76.03)	461.50
	(2) Deferred tax		(1,178.85)	(32.70)
	(3) Earlier years adjustments		-	-
	Total Tax Expenses (VIII)		**(1,254.88)**	**428.81**
IX	**(Loss) / Profit for the year (VII- VIII)**		**(3,262.38)**	**2,169.39**
X	**Other Comprehensive Income**			
A	(i) Items that will not be classified to profit or loss:			
	Remeasurement gains and (losses) on defined benefit obligations (net)		(43.09)	112.60
	(ii) Income tax relating to items that will not be reclassified to profit or loss		10.84	(28.34)
	Total Other Comprehensive Income / (Loss)		**(32.24)**	**84.26**
XI	**Total Comprehensive (Loss) / Income for the year (IX + X)**		**(3,294.63)**	**2,253.65**
XII	**Earnings per equity share (Note 25)**			
	- Basic (Rs.)		**(13.17)**	**9.01**
	- Diluted (Rs.)		**(10.16)**	**6.95**

See accompanying notes forming part of the financial statements

As per our report of even date
For Vaithisvaran & Co LLP
Chartered Accountants
ATCHUTA SAI SATWIK Digitally signed by ATCHUTA SAI SATWIK Date: 2025.05.05 20:47:46 +05'30'
A Saisatwik
Partner
M.No: 268796
Firm Regn No: 004494S / S200037

For and on behalf of the board of directors of
Pragati Finserv Private Limited

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DIN : 01855121

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Monika Gurung
Company Secretary

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Peraiah Kayasiri
Chief Financial Officer

Place: Hyderabad
Date: May 05, 2025

Place: Mumbai
Date: May 05, 2025

PRAGATI FINSERV PRIVATE LIMITED
CIN: U65990TG2021PTC148992
8-2-624/A/1, 4th Floor, Meena Bazaar Towers, Road No. 10,
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Cash Flow statement for the year ended 31 March 2025

Particulars	For the Period ended 31 March 2025	For the Period ended 31 March 2024
	Amount Rs. in lakhs	Amount Rs. in lakhs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**(4,517.26)**	**2,598.21**
Adjustments for:		
Depreciation, amortisation and impairment	256.85	227.27
Finance costs recognised in profit or loss	46.58	52.16
Provision for Gratuity	57.60	60.14
Interest income on deposits	(36.20)	(68.17)
Income on investments	(178.77)	(75.26)
Employee Stock Option Expense	255.03	221.88
Excess provision written back - Leave encashment	-	(11.31)
Operating Profit before Working Capital Changes	**(4,116.17)**	**3,004.92**
Movements in working capital		
Decrease / (Increase) in trade receivable	1,201.32	(642.50)
Decrease / (Increase) in Other Current assets	(189.55)	(72.21)
Decrease / (Increase) in Other Non-Current Financial Assets	37.55	(94.62)
(Decrease) / Increase in other financial liabilities	709.05	403.25
(Decrease) / Increase in provisions	928.08	4.27
(Decrease) / Increase in Other Current Liabilities	(141.88)	78.32
Cash generated from operations	**(1,565.46)**	**2,681.44**
Income tax paid (net of refunds)	(239.60)	(208.41)
Net cash generated by operating activities (A)	**(1,805.05)**	**2,473.03**
Cash flow from Investing Activities		
Purchase of property, plant and equipment	(179.67)	(300.11)
Purchase of intangible assets	(3.50)	-
Investment in Current Investment - debt funds - mutual funds	53.60	(1,749.95)
Proceeds from Redemption of Mutual Funds	500.00	300.00
Term deposit with scheduled banks	408.56	303.11
Interest income on deposits	36.20	68.17
Advance Payments for property, plant and equipment	-	40.23
Net cash (used in)/generated by investing activities (B)	**815.19**	**(1,338.55)**
Cash flow from Financing Activities		
Repayment of borrowings	-	-
Interest Paid	(46.58)	(52.16)
Repayment of lease liability	(41.88)	(23.84)
Net cash used in financing activities (C)	**(88.46)**	**(76.00)**
Net increase in cash and cash equivalents (A+B+C)	(1,078.32)	1,058.48
Cash and cash equivalents at the beginning of the year	1,443.21	339.34
Cash and Cash Equivalents at the end of the year	**364.89**	**1,397.82**
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per balance sheet	364.89	1,443.21
Less: Balances that does not meet the definition of Cash & Cash Equivalents as per Ind AS 7 Statement of Cash flows: Bank Overdraft	-	-
Cash and cash equivalents as per Ind AS 7 Statement of Cash flows	**364.89**	**1,443.21**

The above Cash Flow Statement has been prepared under the ‘Indirect method’ as set out in Ind AS 7 on ‘Statement of Cash Flows’.

As per our report of even date
For Vaithisvaran & Co LLP
Chartered Accountants
ATCHUTA SAI SATWIK Digitally signed by ATCHUTA SAI SATWIK Date: 2025.05.05 20:48:39 +05'30'
A Saisatwik
Partner
M.No: 268796
Firm Regn No: 004494S / S200037

Place: Hyderabad
Date: May 05, 2025

For and on behalf of the board of directors of
Pragati Finserv Private Limited

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Jagadish Babu Ramadugu
Managing Director and
Chief Executive officer
DIN : 01855121

ASHISH MEHROTRA Digitally signed by ASHISH MEHROTRA Date: 2025.05.05 20:16:56 +05'30'
Ashish Mehrotra
Chairman and
Non Executive Director
DIN: 07277318

Monika Gurung Digitally signed by Monika Gurung Date: 2025.05.05 20:26:41 +05'30'
Monika Gurung
Company Secretary

PERAIAH KAYASIRI Digitally signed by PERAIAH KAYASIRI Date: 2025.05.05 20:10:37 +05'30'
Peraiah Kayasiri
Chief Financial Officer

Place: Mumbai
Date: May 05, 2025

PRAGATI FINSERV PRIVATE LIMITED
CIN: U65990TG2021PTC148992
8-2-624/A/1, 4th Floor, Meena Bazaar Towers, Road No. 10,
Avenue 4, Banjara Hills, Hyderabad, Telangana 500034, India

Statement of Changes in Equity

1. Equity Share capital

Amount Rs. In lakhs

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	2,501.00	2,501.00
Changes in equity share capital during the year	-	-
Balance at the end of the year	**2,501.00**	**2,501.00**

2. Other Equity

Amount Rs. In lakhs

Particulars	Reserves and Surplus					Total
	Statutory Reserve	Securities Premium	Retained Earnings	Other Reserves	Other Comprehensive Income	
Balance as at 31 March 2023	**-**	**-**	**(884.02)**	**-**	**(24.99)**	**(909.01)**
Profit for the year	-	-	2,169.39	-	84.26	2,253.65
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-
Share Options Outstanding	-	-	-	221.88	-	221.88
Balance as at 31 March 2024	**-**	**-**	**1,285.37**	**221.88**	**59.27**	**1,566.52**
Profit for the year	-	-	(3,262.38)	-	-	(3,262.38)
Other comprehensive income for the year (net of tax)	-	-	-	-	(32.24)	(32.24)
Share Options Outstanding	-	-	-	255.03	-	255.03
Balance as at 31 March 2025	**-**	**-**	**(1,977.01)**	**476.91**	**27.03**	**(1,473.07)**

See accompanying notes forming part of the financial statements

As per our report of even date
For Vaithisvaran & Co LLP
Chartered Accountants

ATCHUTA SAI SATWIK Digitally signed by ATCHUTA SAI SATWIK Date: 2025.05.05 20:49:28 +05'30'

A Saisatwik
Partner
M.No: 268796
Firm Regn No: 004494S / S200037

Place: Hyderabad
Date: May 05, 2025

For and on behalf of the board of directors of
Pragati Finserv Private Limited

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Monika Gurung
Company Secretary

PERAIAH KAYASIRI Digitally signed by PERAIAH KAYASIRI Date: 2025.05.05 20:11:12 +05'30'

Peraiah Kayasiri
Chief Financial Officer

Place: Mumbai
Date: May 05, 2025

COMPANY INFORMATION (Note 1), Basis of Preparation (Note 2) and SIGNIFICANT ACCOUNTING POLICIES (Note 3)

1 Corporate Information:

Pragati Finserv Private Limited (the "Company") was incorporated on February 25, 2021 vide CIN U65990TG2021PTC148992. The Company is having its Registered office at 8-2-624/A/1, 4th Floor, Meena Bazaar Towers, Road No. 10, Avenue 4, Banjara Hills, Hyderabad – 500 034. The Company is acting as Business Correspondent for its holding company Northern Arc Capital and provides group based MFI loans and Individual loans to rural customers to fulfil their financial needs. The Company is a subsidiary of Northern Arc Capital Limited, a non-deposit Non-Banking Financial Company registered with the Reserve Bank of India and having a registered office at No. 1, Kanagam Village, 10th Floor IITM Research Park, Taramani Chennai – 600 113.

2 Basis for preparation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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

2.1 Current and Non–Current Classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

2.1.1 Current:

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

   i. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle,

   ii. it is held primarily for the purpose of being traded;

   iii. It is expected to be realized within 12 months after the reporting date; or

   iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

   i. It is expected to be settled in the Company's normal operating cycle;

   ii. It is held primarily for the purpose of being traded

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

2.1.2 Non-Current:

An asset or liability will be classified as non-current if it does not meet the criteria for a current asset / current liability.

2.1.3 Others:

a. Deferred tax assets and liabilities are classified as non-current only

b. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

c. 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.

2.2 Use of estimates and judgements

a. The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments, and assumptions. These estimates, judgments, and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

b. This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

c. The Areas involving a higher degree of judgment or complexity are:
   i. Useful life of Assets
   ii. Current Tax Expenses and Current Tax Payables
   iii. Deferred tax assets for carried-forward tax losses
   iv. Provisions and other contingent liabilities
   v. Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the company.

2.3 Comparative Figures of earlier period:

a. Comparative figures and corresponding figures of earlier periods are provided as per requirements.

3 Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements is given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1 Property, plant, and equipment

a. The cost of property, plant, and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditures incurred after the property, plant, and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred.

b. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Property, plant, and equipment except freehold land held for use in the supply of services or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

c. The Company has elected not to recognize items with a purchase value of less than five thousand rupees as property, plant, and equipment.

3.2 Subsequent expenditure and componentisation

a. Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant, and Equipment arising on account of capital improvement or other factors are accounted for as separate components only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

3.3 Depreciation and Useful Life

a. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the written-down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or as per management estimate whichever is lower as detailed here under:

Assets	Years
Furniture & Fixtures	10 years
Office & Electrical Equipment – UPS, Batteries & AC's	10 years
Office & Electrical Equipment – Others	5 years
Computers and accessories, Mobiles, Hand Dryer	3 years
Intangible Assets	5 years

b. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

c. The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount and residual value for intangible assets has been brought down to nil from 5% of gross block value in FY 2024-25 and depreciation method from WDV to SLM because of which depreciation reduced from 0.39 lacs to 0.29 lacs increasing residual value from 0.47 lacs to 0.57 lacs.

3.3.1 Derecognition

a. An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

3.4 Intangible Assets

3.4.1 Intangible assets

Intangible assets including those acquired by the company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

3.4.2 Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

3.4.3 Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in the statement of profit and loss.

Asset category	**Estimated Useful life**
Assembled workforce	5 years

Amortisation method, useful lives, and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.5 Financial assets and liabilities

a. Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument.

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

3.5.1 Financial assets

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

b. **Financial assets at fair value through other comprehensive income**: A financial asset is valued at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. If the financial assets are held to sale and collect contractual cash flows, they are measured at FVOCI.

c. **Financial assets at fair value through profit or loss (FVTPL)**: A financial asset which is not classified in any of the above categories is measured at FVTPL. Subsequent changes in fair value are recognised in the statement of profit and loss.

d. The company records investments in mutual funds at FVTPL.

3.5.2 Financial liability

a. **Initial recognition and measurement:** All financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair valued through profit or loss, are adjusted to the fair value on initial recognition.

b. **Subsequent measurement:** Financial liabilities are carried at amortized cost using the Effective Interest rate method.

3.5.3 Reclassification of financial assets and liabilities

a. The company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the company acquires, disposes of, or terminates a business line.

b. Financial liabilities are never reclassified.

3.5.4 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification:

a. The company derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

B. Derecognition of financial assets other than due to substantial modification:

1. Financial assets:

a. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

b. On derecognition of a financial asset in its entirety, the difference between the carrying amount (Measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss as per IND AS 109.

2. Financial liability:

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

3.6 Determination of fair value

a. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company has taken into account the characteristics of the asset or liability as if market participants would take those characteristics into account when pricing the asset or liability at the measurement date

3.7 Revenue Recognition:

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

b. All items of other income are recognized on an accrual basis, where there is no uncertainty in the ultimate realisation/collection.

3.8 Expenditures:

a. Expenditure incurred during the period was recognised on accrual basis net of the goods and service tax, except where credit for the input is not statutorily permitted

3.9 Borrowing costs

a. Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

b. The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset. Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

3.10 Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, group medical insurance, life insurance and accident insurance.

3.10.1 Post-employment benefits

Defined contribution plan

The Company's contribution to provident fund is considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

Defined benefit plans

A. Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount, and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. 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 contributions to the plan (‘the asset ceiling’). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprises actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. 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 profit or loss.

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 profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.10.2 Other long-term employee benefits

A. Compensated absences

The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3.10.3 Short-term employee benefits

Wages and salaries, including non-monetary benefits that are expected to be settled within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

3.10.4 Stock-based compensation

The grant date fair value of equity-settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date, taking into consideration the exercise price.

3.11 Cash and cash equivalents

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

3.12 Provisions

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

3.13 Leases

a. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used.
b. Variable lease payments are included in the measurement of lease liability only if they depend on an index or rate and such variable lease payments are assumed to remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.
c. On initial recognition, the carrying value of the lease liability also includes:
    i. Amounts expected to be payable under any residual value guarantee;
    ii. Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.
    iii. Exercise price of any purchase option granted in favour of the company if it is reasonably certain to assess that option.
d. Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
    i. Lease payments made at or before the commencement of the lease
    ii. Initial direct costs incurred and;
    iii. The amount of any provision recognized where the company is contractually required to dismantle, remove, or restore the leased asset.
e. Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, it is ascertained to be shorter than the lease term.

f. When the company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discounting rate. The carrying value of the lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases, an equivalent adjustment is made to the carrying value of the right of use asset, with the revised carrying amount being amortized over the remaining lease term. If the carrying amount of the right of use asset is adjusted to zero, any further reduction is recognized in statement of profit and loss.

g. For contracts that both convey a right to the company to use an identified asset and require services to be provided to the company by the lessor, the company has elected to account for the entire contract as a lease, i.e., it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

h. As per Para 26 of Ind AS 116, the lease payment shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

3.14 Earnings per share

Basic earnings per share

a. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share

a. Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

3.15 Cash flow statements

a. Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past and or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

3.16 Income tax

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

3.16.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax 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.

3.16.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arise on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively to be realized. Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

PRAGATI FINSERV PRIVATE LIMITED
Notes to financial statements for the period ended 31 March 2025

4 Property, Plant and equipment, Intangible assets and Right of Use assets

A. Current Period (1 April 2024 to 31 March 2025)

(Amount Rs. in Lakhs)

S.No.	Description	Gross Block					Accumulated Depreciation and Amortisation							Net Block	
		Balance as at 1 April 2024	Additions	Disposals	Other Adjustments	Balance as at 31 March 2025	Balance as at 1 April 2024	For the year	Eliminated on Disposal of Assets	Impairment	Depreciation Adjustments	Other Adjustments	Balance as at 31 March 2025	Balance as at 31 March 2025	Balance as at 01 April 2024
4(a)	**Property, plant and equipment**														
	Computer	198.55	67.60	0.39	-	265.76	107.77	89.55	0.24	-	-	-	197.08	68.68	90.78
	Electrical Equipment	4.11	0.91	-	-	5.02	2.51	0.83	-	-	-	-	3.34	1.68	1.60
	Furniture & Fixtures	289.44	109.25	-	-	398.69	47.85	85.40	-	-	-	-	133.25	265.44	241.59
	Office Equipments	14.38	2.05	-	-	16.43	7.14	4.17	-	-	-	-	11.31	5.12	7.24
	Total 4(a)	**506.48**	**179.81**	**0.39**	**-**	**685.90**	**165.27**	**179.95**	**0.24**	**-**	**-**		**344.98**	**340.92**	**341.21**
4(b)	**Intangible Assets**														
	Computer Software	3.00	3.50	-	-	6.50	2.14	0.68	-	-	-	-	2.82	3.68	0.86
	Assembled Workforces	236.64	-	-	-	236.64	148.64	27.13	-	4.82	-	-	180.59	56.05	88.00
			-							-					
4(c)	**Right of Use- Lease hold Building**	389.49	-	-	(6.15)	383.34	122.67	44.27	-	-	-	-	166.94	216.40	266.82
	Total 4(b) and 4 (c)	**629.13**	**3.50**	**-**	**(6.15)**	**626.48**	**273.45**	**72.08**	**-**	**4.82**	**-**		**350.35**	**276.13**	**355.68**
	Grand Total	**1,135.61**	**183.31**	**0.39**	**(6.15)**	**1,312.38**	**438.72**	**252.03**	**0.24**	**4.82**	**-**		**695.33**	**617.05**	**696.89**

B. Previous year (1 April 2023 to 31 March 2024)

(Amount Rs. in Lakhs)

S.No.	Description	Gross Block					Accumulated Depreciation and Amortisation							Net Block	
		Balance as at 1 April 2023	Additions	Disposals	Other Adjustments	Balance as at 31 March 2024	Balance as at 1 April 2023	For the year	Eliminated on Disposal of Assets	Impairment	Depreciation Adjustments	Other Adjustments	Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 01 April 2023
4(a)	**Property, plant and equipment**														
	Computer	83.66	114.89	-	-	198.55	27.78	79.99	-	-	-	-	107.77	90.78	55.88
	Electrical Equipment	2.32	1.79	-	-	4.11	1.70	0.81	-	-	-	-	2.51	1.60	0.62
	Furniture & Fixtures	110.96	178.48	-	-	289.44	12.34	35.51	-	-	-	-	47.85	241.59	98.62
	Office Equipments	9.42	4.96	-	-	14.38	3.18	3.96	-	-	-	-	7.14	7.24	6.24
	Total 4(a)	**206.36**	**300.12**	**-**	**-**	**506.48**	**45.00**	**120.27**	**-**	**-**	**-**	**-**	**165.27**	**341.21**	**161.37**
4(b)	**Intangible Assets**														
	Computer Software	3.00	-	-	-	3.00	1.43	0.71	-	-	-	-	2.14	0.86	1.57
	Assembled Workforces	236.64	-	-	-	236.64	89.38	31.35	-	27.91	-	-	148.64	88.00	147.26
			-							-					
4(c)	**Right of Use- Lease hold Building**	389.49	-	-	-	389.49	75.64	47.03	-	-	-	-	122.67	266.82	313.85
	Total 4(b) and 4 (c)	**629.13**	**-**	**-**	**-**	**629.13**	**166.45**	**79.09**	**-**	**27.91**	**-**	**-**	**273.45**	**355.68**	**462.68**
	Grand Total	**835.49**	**300.12**	**-**	**-**	**1,135.61**	**211.45**	**199.36**	**-**	**27.91**	**-**	**-**	**438.72**	**696.89**	**624.05**

PRAGATI FINSERV PRIVATE LIMITED

Notes to financial statements for the period ended 31 March 2025

5 Other financial assets (At amortised cost)

Particulars	As at 31 March 2025 Amount Rs. in lakhs	As at 31 March 2024 Amount Rs. in lakhs
(a) Security deposits (Rental Deposits)	104.68	128.81
Total	**104.68**	**128.81**

6 Other non current asset

Particulars	As at 31 March 2025 Amount Rs. in lakhs	As at 31 March 2024 Amount Rs. in lakhs
Capital Advance	26.81	40.23
Others	-	-
Total	**26.81**	**40.23**

7 Investment

Particulars	As at 31 March 2025 Amount Rs. in lakhs	As at 31 March 2024 Amount Rs. in lakhs
Investments in Debt Mutual funds- quoted [Refer Note no. 32(b)]	1,682.90	2,057.73
Total	**1,682.90**	**2,057.73**

8 Trade Receivables

Particulars	As at 31 March 2025 Amount Rs. in lakhs	As at 31 March 2024 Amount Rs. in lakhs
Unsecured considered good	125.81	1,327.13
Secured considered good	-	-
Doubtful	-	-
Total	**125.81**	**1,327.13**

Refer **Note No.35** for ageing analysis of Trade receivables

9 Cash and cash equivalents

Particulars	As at 31 March 2025 Amount Rs. in lakhs	As at 31 March 2024 Amount Rs. in lakhs
(a) Cash on hand	8.56	1.86
(b) Balances with Banks		
- In Current Accounts	356.33	541.35
- In Deposit Accounts (with original maturity of three months or less)	-	900.00
Total	**364.89**	**1,443.21**

10 Bank Balances other than Cash and cash equivalents

Particulars	As at 31 March 2025 Amount Rs. in lakhs	As at 31 March 2024 Amount Rs. in lakhs
Balances with Banks		
- In Deposit Accounts - Free of Lien (original maturity more than 3 months)	-	408.56
Total	**-**	**408.56**

11 Other Current Assets

Particulars	As at 31 March 2025 Amount Rs. in lakhs	As at 31 March 2024 Amount Rs. in lakhs
GST Input	75.78	4.09
Advance to Vendors	2.83	3.34
Prepaid Expenses	58.91	45.62
Prepaid Expenses_ ROU	15.52	16.14
Cash defalcations	32.37	17.86
Less: Provision made	(32.37)	(17.86)
Net Cash defalcations	-	-
Staff Advances	4.76	40.54
Receivables from Revenue authorities	100.12	-
Others CA	55.30	13.94
Total	**313.22**	**123.67**

12 Equity Share Capital

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount Rs. In lakhs	Number of shares	Amount Rs. In lakhs
(a) Authorised Equity shares of Rs.10/- each	2,51,00,000	2,510.00	2,51,00,000	2,510.00
TOTAL	**2,51,00,000**	**2,510.00**	**2,51,00,000**	**2,510.00**
(b) Issued , Subscribed and Fully Paid Up Equity shares of Rs.10/- each	2,50,10,000	2,501.00	2,50,10,000	2,501.00
TOTAL	**2,50,10,000**	**2,501.00**	**2,50,10,000**	**2,501.00**

(i) Rights, preferences and restrictions attached to Equity Shares

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

Notes:

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Equity Shares	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount Rs. In lakhs	Number of shares	Amount Rs. In lakhs
At the beginning of the year	2,50,10,000	2,501.00	2,50,10,000	2,501.00
Shares issued during the period	-	-	-	-
Shares bought back during the period	-	-	-	-
Outstanding at the end of the period	**2,50,10,000**	**2,501.00**	**2,50,10,000**	**2,501.00**

(iii) Details of shares held by the holding company:

Class of shares / Name of shareholder	As at 31 March 2025		As at 31 March 2024	
	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares
Equity Shares of Rs. 10 each				
Northern Arc Capital Limited	2,25,34,010	90.10%	2,25,34,010	90.10%

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2025		As at 31 March 2024	
	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares
Equity Shares of Rs. 10 each				
Northern Arc Capital Limited	2,25,34,010	90.10%	2,25,34,010	90.10%
Mr.Jagadish Babu Ramadugu	24,75,990	9.90%	24,75,990	9.90%

(v) Details of shares held by Promoters

Name of Promoter	As at 31 March 2025			As at 31 March 2024		
	No of shares held	% holding in the class of shares	% of change in Holding	No of shares held	% holding in the class of shares	% of change in Holding
Equity Shares of Rs. 10 each						
Northern Arc Capital Limited	2,25,34,010	90.10%	-	2,25,34,010	90.10%	-
Mr.Jagadish Babu Ramadugu	24,75,990	9.90%	-	24,75,990	9.90%	-

PRAGATI FINSERV PRIVATE LIMITED

Notes to financial statements for the period ended 31 March 2025

13 Other Equity

Particulars	As at 31 March 2025	As at 31 March 2024
	Amount Rs. in lakhs	Amount Rs. in lakhs
(a) Surplus in Statement of Profit and Loss	(1,977.01)	1,285.37
(b) Other Comprehensive Income (OCI)	27.03	59.27
(c) Securities Premium	-	-
(d) ESOP Reserve	476.91	221.88
Total	**(1,473.07)**	**1,566.51**

Particulars	As at 31 March 2025	As at 31 March 2024
	Amount Rs. in lakhs	Amount Rs. in lakhs
(a) Surplus in Statement of Profit and Loss		
Opening Balance	1,285.37	(884.02)
Add:(Loss)/ Profit for the year	(3,262.38)	2,169.39
Less:Transfer to Statutory Reserve	-	-
Closing Balance	**(1,977.01)**	**1,285.37**
(b) Other Comprehensive Income (OCI)		
Opening Balance	59.27	(24.99)
Add: Profit / (Loss) for the Year	(32.24)	84.26
Less:Transfer to Statutory Reserve	-	-
Closing Balance	**27.03**	**59.27**
(c) Securities Premium		
Opening Balance	-	-
Add: Profit / (Loss) for the Year	-	-
Less:Transfer to Statutory Reserve	-	-
Closing Balance	**-**	**-**
(d) ESOP Reserve [Refer Note no. 13.1]		
Opening Balance	221.88	-
Add: Employee compensation expense during the Period	255.03	221.88
Less: Transfer to securities premium on exercise of ESOPs	-	-
Closing Balance	**476.91**	**221.88**
Total (a+b+c+d)	**(1,473.07)**	**1,566.51**

13.1 The Company offers equity based option plans to its selected employees through the Company's stock option plan introduced in 2021.

A Description of share based payments

Pragati Employee Stock Option Scheme 2021 - Scheme I [ESOP 2021 - Scheme 1]

The Company introduced an Employee Stock Option Scheme 2021 - Scheme I, which was approved by the Pragati Finserv Private Limited shareholders with an intention to provide equity settled incentive to high performing employees of the Company.

The options granted on 7th May 2021 will be exercised at Rs.10 per option and will vest over 5 years in the proportion of 15.75 : 15.75 : 21 : 21 : 26.5 (allocated portion) on the basis of performance, subject to 30% of the allocated portion being definitive vesting.It shall be exercised within the period mentioned in the grant letter.It shall be settled by way of equity shares of the company.

The options granted on 2nd August 2022 will be exercised at Rs.10 per option and will vest over 4 years in the proportion of 31.5 : 21 : 21 : 26.5 (allocated portion) on the basis of performance, subject to 30% of the allocated portion being definitive vesting.It shall be exercised within the period mentioned in the grant letter.It shall be settled by way of equity shares of the company.

No modification has been made to the plan during the reporting period.

B Summary of share based payments

Particulars	ESOP 2021 - Scheme 1		
	2024-25	2023-24	2022-23
	(In Nos.)	(In Nos.)	(In Nos.)
Outstanding balance at the beginning of the period	**1,36,61,080**	**1,73,92,756**	**1,61,93,182**
Options granted	-	-	42,50,000
Options vested	-	(37,31,676)	(25,50,426)
Options exercised	-	-	-
Options forfeited	-	-	-
Options expired	-	-	-
Options lapsed	-	-	(5,00,000)
Options outstanding at the end of the period	**1,36,61,080**	**1,36,61,080**	**1,73,92,756**
Options exercisable at the end of the period	62,82,102	62,82,102	25,50,426

For share options exercised:		
Weighted average exercise price at date of exercise	N.A.	N.A.
Money realized by exercise of options (in actual rupees)	N.A.	N.A.

For share options outstanding:	As at 31 March 2025		As at 31 March 2024	
	ESOP 2021 - Scheme 1 Grant date - 7th May 2021 16,19,13,182 shares	ESOP 2021 - Scheme 1 Grant date - 2nd August 2022 42,50,000 shares	ESOP 2021 - Scheme 1 Grant date - 7th May 2021 16,19,13,182 shares	ESOP 2021 - Scheme 1 Grant date - 2nd August 2022 42,50,000 shares
Range of exercise prices	10.00	10.00	10.00	10.00
Average remaining contractual life of options (years)	2.31	3.06	3.31	4.06
Modification of plans	N.A.	N.A.	N.A.	N.A.
Incremental fair value on modification	N.A.	N.A.	N.A.	N.A.

C Valuation of stock options

Particulars	ESOP 2021 - Scheme 1 Grant date - 7th May 2021 16,19,13,182 shares	ESOP 2021 - Scheme 1 Grant date - 2nd August 2022 42,50,000 shares
Share price	10	10
Exercise Price	10	10
Fair value of option	5.93	5.98
Valuation date	31-Dec-21	02-Aug-22
Valuation model used	Blackscholes model	Blackscholes model
Expected Volatility	0.54	0.56
Basis of determination of expected volatility	Median historical volatility of comparable companies	Median historical volatility of comparable companies
Contractual Option Life (years)	6.1	5.72
Expected dividends *	0	0
Risk free interest rate	6.27%	7.08%
Vesting Dates	15.75% in FY 2022-23; 15.75% in FY 2023-24; 21.00% in FY 2024-25; 21.00% in FY 2025-26; 26.50% in FY 2026-27	31.50% in FY 2023-24; 21.00% in FY 2024-25; 21.00% in FY 2025-26; 26.50% in FY 2026-27
Valuation of incremental fair value on modification	N.A	N.A

* Expected Dividends is considered zero, as no dividend payout is expected in the foreseeable future.

D Options granted and inputs used for measurement of fair value of options, for the key managerial employees and other senior employees

Name of the Employee	ESOP 2021 - Scheme 1			
	As at 31 March 2025		As at 31 March 2024	
	KMP	Others	KMP	Others
	(In Nos.)	(In Nos.)	(In Nos.)	(In Nos.)
Options Granted	1,61,93,182	42,50,000	1,61,93,182	42,50,000
Options Vested	51,00,852	11,81,250	51,00,852	11,81,250
Options Lapsed	-	5,00,000	-	5,00,000
Options yet to vest	1,10,92,330	25,68,750	1,10,92,330	25,68,750
Options Exercised	-	-	-	-

E Impact on Statement of profit and loss and balance sheet for such share-based payments

Expense recognized for employee services received during the year are as below:

Particulars	As at 31 March 2025	March 31, 2024
Expense arising from equity-settled share-based payment transactions (Refer Note-23)	255.03	221.88

PRAGATI FINSERV PRIVATE LIMITED
Notes to financial statements for the period ended 31 March 2025

14 Other Non Current Liability

Particulars	As at 31 March 2025 Amount Rs. in lakhs	As at 31 March 2024 Amount Rs. in lakhs
Lease Liability	272.55	304.71
Total	**272.55**	**304.71**

15 Long term Provisions

Particulars	As at 31 March 2025 Amount Rs. in lakhs	As at 31 March 2024 Amount Rs. in lakhs
For Employee Benefits		
For gratuity	205.32	191.15
For leave encashment and availment	55.12	42.62
Other	-	-
Total	**260.44**	**233.77**

16 Other Financial Liability

Particulars	As at 31 March 2025 Amount Rs. in lakhs	As at 31 March 2024 Amount Rs. in lakhs
Lease Liability CL	38.42	48.14
Sundry Creditors-		
MSME Creditors (Refer Note 28)	10.68	11.22
Others	14.47	49.02
Salaries Payable	64.03	50.82
Rent Payable	32.87	33.22
Employee Reimbursement Payables	4.50	39.83
Payables to Northern Arc capital Limited	1,660.14	781.97
Others	150.21	261.77
Total	**1,975.32**	**1,275.99**

17 Short-Term Provisions

Particulars	As at 31 March 2025 Amount Rs. in lakhs	As at 31 March 2024 Amount Rs. in lakhs
For Employee Benefits		
For gratuity CL	25.20	8.20
For leave encashment and availment CL	2.18	9.35
For Employee Benefits	317.59	162.40
For liability under BC agreement	841.39	4.31
For CSR Provision	-	-
Total	**1,186.36**	**184.26**

18 Other Current Liability

Particulars	As at 31 March 2025 Amount Rs. in lakhs	As at 31 March 2024 Amount Rs. in lakhs
Statutory Dues Payable	91.07	232.98
Total	**91.07**	**232.98**

PRAGATI FINSERV PRIVATE LIMITED
Notes to financial statements for the period ended 31 March 2025

19 Revenue from operation

Particulars	For the Period ended 31 March 2025	For the year ended 31 March 2024
	Amount Rs. In lakhs	Amount Rs. In lakhs
(a) Business Correspondent Service Fees	4,729.70	9,632.25
Total	**4,729.70**	**9,632.25**

20 Other Income

Particulars	For the Period ended 31 March 2025	For the year ended 31 March 2024
	Amount Rs. In lakhs	Amount Rs. In lakhs
(a) Interest on FD	36.20	68.17
(b) Branding facilitation Services	734.12	468.70
(c) Short Term Gains on Investments (Income)	95.57	62.35
(d)Profit on Sale of Investments	83.20	12.91
(e) Excess provision written back - Leave encashment	-	11.31
(f) Lease assets income	8.22	4.51
(g) Other Intermediary Services	347.00	415.06
(h) Others	10.89	15.46
Total	**1,315.20**	**1,058.47**

21 Finance Cost

Particulars	For the Period ended 31 March 2025	For the year ended 31 March 2024
	Amount Rs. In lakhs	Amount Rs. In lakhs
Finance Charges on Lease	46.58	52.16
Total	**46.58**	**52.16**

PRAGATI FINSERV PRIVATE LIMITED
Notes to financial statements for the period ended 31 March 2025

22 Employee Benefit Expenses

Particulars	For the Period ended 31 March 2025	For the year ended 31 March 2024
	Amount Rs. In lakhs	Amount Rs. In lakhs
Salaries, Bonus	5,914.31	4,380.89
Contribution to Provident Fund and other funds	480.38	367.61
Employee Stock Option Expense	255.03	221.88
Staff Welfare Expenses	132.18	136.89
Gratuity Expenses	57.60	60.14
Leave encashment and availment	24.36	-
Total	**6,863.86**	**5,167.41**

23 Other expenses

Particulars	For the Period ended 31 March 2025	For the year ended 31 March 2024
	Amount Rs. In lakhs	Amount Rs. In lakhs
Professional Fee	56.29	22.65
Audit Fee (Refer note 26)	13.25	5.95
Conveyance	3.84	2.10
Courier Charges	8.20	5.99
Electricity Charges	39.01	41.18
Telephone and Internet Charges	25.27	21.62
Office Maintenance Charges	152.58	132.17
Travel and Accomodation	1,072.11	814.46
Technical Services Charges	233.54	106.38
Rates and Taxes	29.12	4.40
Miscellaneous expenses	20.07	19.94
Printing & Stationary	84.97	105.22
Rent	398.31	295.80
FLDG Expense	1,012.95	841.73
Bank Charges	160.45	140.22
Training & Meeting Expenses	20.32	33.84
Insurance Expenses	48.58	50.02
Membership Fee	4.55	2.00
CSR Expenditure	11.46	-
Total	**3,394.87**	**2,645.67**

24 Depreciation, amortization and impairment

Particulars	For the Period ended 31 March 2025	For the year ended 31 March 2024
	Amount Rs. In lakhs	Amount Rs. In lakhs
Depreciation on property, plant and equipment	179.95	120.27
Depreciation on right of use asset	44.27	47.03
Depreciation of intangible assets	0.68	0.71
Amortisation of intangible assets	27.13	31.35
Impairment of intangible assets	4.82	27.91
Total	**256.85**	**227.27**

PRAGATI FINSERV PRIVATE LIMITED
Notes to financial statements for the period ended 31 March 2025

25 Earnings per share

Particulars	For the Period ended 31 March 2025	For the year ended 31 March 2024
	Amount Rs. In lakhs	Amount Rs. In lakhs
Profit for the year	(3,294.63)	2,253.65
Weighted average number of equity shares used in calculating basic earnings per share	2,50,10,000	2,50,10,000
Effect of potential dilutive Equity Shares on account of unexercised employee stock options	74,31,287	74,31,287
Weighted average number of equity shares and potential equity shares used in calculating diluted earnings per share	3,24,41,287	3,24,41,287
Basic earnings per share	**(13.17)**	**9.01**
Diluted earnings per share	**(10.16)**	**6.95**

25.1 Diluted EPS for current and previous year is restated in accordance with IND AS 33.

26 Payment to Auditors

Particulars	For the Period ended 31 March 2025	For the year ended 31 March 2024
	Amount Rs. In lakhs	Amount Rs. In lakhs
Payment to the auditor as:		
Statutory audit (excl GST)	6.70	1.45
Tax audit (excl GST)	1.00	1.00
Certification Fees (excl GST)	5.55	3.50
Total	**13.25**	**5.95**

27 First Loss Deposit Guarantee

The Company acts as a business facilitator to distribute micro / individual / MSME loans to groups of women entrepreneurs and other individuals in rural and semi-urban areas and recover the same on behalf of Non-Banking Finance Company ("NBFC"). In respect of the recoveries (along with interest and other charges) are routed through the accounts opened and operated by the Company, however as the loan assets are held and owned by NBFC, loan assets and related interest income are not recognised in the books of the Company.

As per the Business correspondent agreement with Northern Arc Capital Limited (Holding Company), in cases where the cumulative collection efficiency is below the specified limits, the Company has to pay a maximum of 6.95% (in case of loans sanctioned before 30th June 2024) and 5.94% in case of loans sanctioned after 30th June 2024 of every 250 Crores loans disbursed including interest up to 90 days to Northern Arc Capital Limited

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

Based on and to the extent of information received by the Company from the suppliers during the year regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars for the year ended 31 March 2025 and for the years ended 31 March 2024 are furnished below:

Particulars	For the Period ended 31 March 2025	For the year ended 31 March 2024
	Amount Rs. In lakhs	Amount Rs. In lakhs
Principal amount remaining unpaid to any supplier as at the end of the accounting year.	10.68	11.22
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the year.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-

Note:

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

29 Employee Benefits

a. Defined contribution plan - Provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised INR 480.38 lakhs (PY: INR 367.61 lakhs) for Quarter ended March 31, 2025, for provident fund and other contributions in the Statement of profit and loss.

b. Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan (unfunded). Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to limit of INR 20 lakhs as per The Payment of Gratuity Act. 1972.
The following tables summarizes the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the gratuity plan.The Calculation of company's obligation under the plan is performed annually by a qualified actuary using projected units credit method.

Details of actuarial valuation of gratuity pursuant to the Ind as 19	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
	Amount Rs. In lakhs	Amount Rs. In lakhs	Amount Rs. In lakhs
A.Changes in present value of obligations			
Present value of obligations at the beginning of the year	**199.35**	**389.80**	**409.31**
Current service cost	43.93	36.50	21.76
Interest cost	11.76	23.64	13.49
Benefit paid	(67.60)	(137.99)	(79.76)
Actuarial (gain) / loss recognised in the other comprehensive income			
- Changes in demographic Assumptions			
- Changes in financial assumptions			
- Experience adjustment	43.09	(112.60)	24.99
Present value of obligations at the end of the year	**230.52**	**199.35**	**389.80**
B.Changes in plan assets			
Fair value of plan assets in the beginning of the year	-	-	-
Acquisition Adjustments	-	-	-
Expected return on plan assets	-	-	-
Actuarial gains/(loss)	-	-	-
Employer contributions	-	-	-
Benefits paid	-	-	-
Fair value of plan assets in the end of the year	**-**	**-**	**-**
C.Actual return on plan assets			
Expected return on plan assets	-	-	-
Actuarial gain/(loss) on plan assets	-	-	-
Actual return on plan assets	-	-	-
D.Reconciliation of present obligation and the fair value of plan assets			
Change in projected benefit obligation			
Present value of obligations at the end of the year	230.52	199.35	389.80
Fair value of plan assets		-	-
Net liability recognised in balance sheet	**230.52**	**199.35**	**389.80**
The liability in gratuity plan comprises of the following non - current and current portions			
Current	25.20	8.20	31.75
Non - Current	205.32	191.15	358.05
E.Expenses recognised in statement of profit and loss and other comprehensive income			
Current service cost	43.93	36.50	21.76
Interest on obligation	11.76	23.64	13.50
Past service cost		-	-
Expected return on plan assets		-	-
Acturial Loss / (gain)	43.09	(112.60)	24.99
Total included in statement of profit and loss and other comprehensive income	**98.77**	**(52.46)**	**60.25**

Actuarial assumptions:

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

Particulars	As at 31 March 2025	As at 31 March 2024	As at 31 March 2023
Discount rate	6.82%	7.10%	7.37%
Salary escalation rate	3.00%	5.00%	5.00%
Withdrawal/attrition rate (based on categories)			
Age Valuation Rate			
18-30	3.00%	3.00%	2.00%
31-40	3.00%	3.00%	6.00%
41 and above	3.00%	3.00%	6.00%
Mortality rate (as % of IALM (2012-14) Ult. Mortality Table)	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%
Expected weighted average remaining working lives of employees	30 Years	29.00 Years	28.30 years

Notes:

a) The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.
b) The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.
c) Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at 31 March 2025		As at 31 March 2024	
	Decrease	Increase	Decrease	Increase
Discount Rate (1% movement)	255.14	209.54	221.61	180.37
Salary Growth Rate (1% movement)	198.37	269.27	170.43	234.26
Attrition Rate (50% movement)	224.81	237.69	194.35	205.00
Mortality Rate (10% movement)	229.57	231.75	198.30	200.49

The Sensitivity is performed on the defined benefit obligation at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous year to the methods and assumptions underlying the sensitivity analyses.

Expected future contributions

The Best Estimate Contribution for the Company during the next year would be INR N.A

Expected cash flow for following years:

Maturity Profile of Defined Benefit Obligations	
	Amount Rs. In lakhs
Year 1	10.88
Year 2 to 5	10.13
Year 6 to 10	62.20
More than 10 Year	538.70

30 Leases

The disclosures as required under IND AS 116 are as follows

The Company has taken head office premises under cancellable operating lease. The tenor of the lease is 3 years with a lock in period of 30 Months and Lease may be renewed at the sole option of the lessee for further term of 3 Years on the same terms and conditions.

(i) Movement in the carrying value of right of use asset

Particulars	As at 31 March 2025	As at 31 March 2024
	Amount Rs. In lakhs	Amount Rs. In lakhs
Opening balance	266.82	313.85
Additions during the year	-	-
Depreciation	44.27	47.03
Derecognition on termination of lease	6.67	-
Other Adjustments	0.52	-
Closing balance	**216.40**	**266.82**

(ii) Movement in lease liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
	Amount Rs. In lakhs	Amount Rs. In lakhs
Opening balance	352.85	376.69
Additions during the year	-	-
Interest on lease liabilities	46.58	52.16
Rent payment	80.82	76.01
Derecognition on termination of lease	8.15	-
Other Adjustments	0.52	-
Closing balance	**310.97**	**352.85**

(iii) Amounts recognised in the Balance sheet

Particulars	As at 31 March 2025	As at 31 March 2024
	Amount Rs. In lakhs	Amount Rs. In lakhs
(a) Right of use assets (net)	216.40	266.82
(b) Lease liabillities		
Current	38.42	48.14
Non current	272.55	304.71
Total	**310.97**	**352.85**

(iv) Amounts recognised in the Statement of Profit and Loss

Particulars	For the Period ended 31 March 2025	For the year ended 31 March 2024
	Amount Rs. In lakhs	Amount Rs. In lakhs
(a) Depreciation charge for Right of use assets	44.27	47.03
(b) Interest expenses (Included in Finance cost)	46.58	52.16
Total	**90.85**	**99.19**

(v) Cash flows

Particulars	As at 31 March 2025	As at 31 March 2024
	Amount Rs. In lakhs	Amount Rs. In lakhs
The total cash outflows of lease	80.82	76.01
Total	**80.82**	**76.01**

(vi) Maturity analysis of undiscounted lease liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
	Amount Rs. In lakhs	Amount Rs. In lakhs
Not later than one year	79.35	84.15
Later than one year and not later than 5 years	352.07	342.04
Later than 5 years	7.60	114.05
Lease liabilities are recognised at weighted average incremental borrowing rate of %	14.25%	14.25%

PRGATI FINSERV PRIVATE LIMITED
Notes to financial statements for the period ended 31 March 2025

31 Related Party Transactions

Related party disclosures, as required by notified Ind AS 24 - 'Related Party Disclosures'

A. Names of Related Parties

Nature of Relationship	Name of Related party
(i) Holding Company	Northern Arc Capital Limited
(ii) Key Managerial Personnel (KMP)	Jagadish Babu Ramadugu Monika Gurung
(iii) Director	Ashish Mehrotra Vijay Chakravarthi Nallan

B. Transactions during the year with related parties	For the Period ended 31 March 2025		For the year ended 31 March 2024	
	Amount Rs. In lakhs		Amount Rs. In lakhs	
Nature of transactions	Holding company	KMP	Holding company	KMP
Servicer Fee & Other income receivables	4,729.70	-	9,632.25	-
Unsecured Loan repaid	-	-	-	1.00
Reimbursement of expenses	-		-	-
Remuneration Paid	-	401.03	-	218.55
Reimbursement and other expenses	8.28	5.90	-	8.44
FLDG Expenses	1,012.95	-	841.73	-
Share based payment				
- Options Granted	-	-	-	-
- Options Vested	-	-	-	151.24
- Options Lapsed	-	-	-	-

C. Balances as at period end	For the Period ended 31 March 2025		For the year ended 31 March 2024	
	Amount Rs. In lakhs		Amount Rs. In lakhs	
Nature of transactions	Holding company	KMP	Holding company	KMP
Equity share capital	2,253.40	247.60	2,253.40	247.60
Servicer Fee & Other income receivables	379.32	-	1,103.89	-
Collections and other payables	1,659.57	-	781.97	
Reimbursement of expenses	-	-	-	0.24
Salary Payable	-	160.00		122.50
FLDG Expenses Payable	1,017.26	-	4.30	-
Loan from director	-	-	-	-
Share based payment				
- Options Granted	-	-	-	-
- Options Vested	-	151.24	-	151.24
- Options yet to vest	-	-		
- Options Lapsed	-	-	-	-

D. Expense recognised during the period in respect of bad or doubtful debts due from related parties - Nil.

32 Fair Value Measurement:

A. Valuation Principles

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

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

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

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

B. Fair value of financial instrument measured at fair value:

Particulars	Level	Carrying value		Fair value	
		For the Period ended 31 March 2025	For the year ended 31 March 2024	For the Period ended 31 March 2025	For the year ended 31 March 2024
		Amount Rs. In lakhs		Amount Rs. In lakhs	
Investments					
-Mutual funds	1	1,682.90	2,057.73	1,682.90	2,057.73
Security deposits (Rental Deposits)	3	104.68	128.81	104.68	128.81
		1,787.58	**2,186.54**	**1,787.58**	**2,186.54**

C. Fair value of financial instrument not measured at fair value:

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

Particulars	Level	Carrying value		Fair value	
		For the Period ended 31 March 2025	For the year ended 31 March 2024	For the Period ended 31 March 2025	For the year ended 31 March 2024
		Amount Rs. In lakhs		Amount Rs. In lakhs	
Financial Assets					
Cash and cash equivalents	3	364.89	1443.21	364.89	1,443.21
Bank Balance other than cash and cash equivalents	3	-	408.56	-	408.56
Trade receivables	3	125.81	1,327.13	125.81	1,327.13
Total Financial Assets		**490.70**	**3,178.90**	**490.70**	**3,178.90**
Financial Liabilities					
Borrowings (other than debt securities)	3	-	-	-	-
Other financial liabilities	3	2,247.87	1,580.70	2,247.87	1,580.70
Total Financial liabilities		**2,247.87**	**1,580.70**	**2,247.87**	**1,580.70**

The fair value of the financial assets and liabilities are at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, other financial assets, current borrowings and other current financial liabilities are a reasonable approximation of their fair values.

The estimated fair value amounts as at 31st March, 2025 have been measured as at that date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each year-end.

Investments carried at fair value are generally based on market price quotations.

There were no transfers between Level 1, Level 2 and Level 3 during the year.

33 Capital Risk Management:

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves . The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment. The Company is sufficiently capitalised and no changes were made in objectives, policies or processes for managing capital during the year ended March 31, 2025.

The Company funds its operations through internal accruals and aims at maintaining a strong capital base to support the future growth of its businesses.

34 Segment Information:

The Group is in the business of authorised Business Correspondent to Northern Arc Capital Limited which is the only reportable operating segment. Hence, separate disclosure requirements of Ind AS -108 " Segment Reporting" are not applicable.

35 Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment (Amount in Rs. In Lakhs)						As at 31 March 2025	As at 31 March 2024
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years		Total amount	Total amount
(i) Undisputed trade receivables - considered good								-
(ia) Current year	125.81	-	-	-	-		125.81	-
(ib) Previous year	1,327.13	-	-	-	-		-	1,327.13
(ii) Undisputed trade receivables – considered doubtful	-	-	-	-	-		-	-
(iii) Disputed trade receivables - considered good	-	-	-	-	-		-	-
(iv) Disputed trade receivables – considered doubtful	-	-	-	-	-		-	-

36 - Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, the CSR obligation of Pragati Finserv Private Limited for the financial year 2024–25 is ₹ 11,45,760 (which is less than ₹50 lakhs). Accordingly, the company is not required to constitute a CSR Committee, and the functions of such Committee are discharged by the Board of Directors.

The amount spent during the year was ₹ 11,45,760, towards the project 'Promoting health care' which aims to help people suffering from life-threatening illnesses such as cancer by extending free palliative care services to Sparsh Hospice.

Details of CSR Activity:

CSR Activity	Sector	Location	Amount Spent (₹)	Mode of Implementation
Promoting health care	Healthcare	Hyderabad	11,45,760	NGO (Northern Arc Foundation)

Unspent Amount (if any):

Particulars	Amount (₹)
Unspent amount relating to ongoing projects	-
Unspent amount for other than ongoing	-

Details of Unspent Amount transferred:

Particulars	Amount (₹)	Date of Transfer	Transferred To
Unspent amount for ongoing projects	-	N/A	N/A

All amounts are in Indian Rupees in Lakhs

PRGATI FINSERV PRIVATE LIMITED
CIN: U65990TG2021PTC148992
8-2-624/A/1, 4th Floor, Meena Bazaar Towers, Road No. 10,
Avenue 4, Banjara Hills, Hyderabad, Telangana 500034, India

Note 37 - Additional Regulatory Information

S.No	Name of the Ratio	Ratio Formula	For the Period ended 31 March 2025	For the year ended 31 March 2024	Explanation for change in the ratio by more than 25%
1	**Current ratio**	Current asset /Current Liabilities	0.88	2.75	The decrease in Current ratio is mainly due to increase in expenses for FY25 and reduction in Revenue
2	**Debt -Equity ratio**	DER = Total Debt /Shareholder's Equity	-	-	
3	**Debt Service coverage ratio**	DSCR = Earnings available for Debt Service / Debt Service	-90.46	55.17	The decrease in Debt Service Coverage ratio is mainly due to increase in expenses for FY25 and reduction in Revenue
4	**Return on Equity**	ROE = (NP after taxes - Preference dividend If any)/ Average Shareholder's Equity	-21.2%	79.6%	Compared to FY 24, ROE has decreased, Due to decrease in profits.
5	**Inventory Turnover Ratio**	ITR = Cost of goods sold OR sales/ Average Inventory	NA	NA	
6	**Trade receivables turnover ratio** Average trade debtors = (Opening + Closing balance / 2)	TRTR = Net Credit Sales / Avg. Accounts Receivable	37.59	9.58	The decrease in Trade receivable turnover ratio is due to decrease in receivables collection period for FY 25
7	**Trade payables turnover ratio**	TPTR = Net Credit Purchases / Average Trade Payables	NA	NA	
8	**Net capital turnover ratio**	NCTR = Net Sales / Working Capital Average Working capital	-12.39	2.55	Revenue during the period has been decreased and working capital requirement has been increased as the company is into losses.
9	**Net profit ratio**	NPR = Net Profit / Net Sales	-69.7%	23.4%	Company has booked losses during the current period against the revenue compared to Previous Year.
10	**Return on capital employed (ROCE)**	ROCE = Earning before interest and taxes / Capital Employe	-29.1%	91.8%	The decrease in ROCE is mainly due to less profits made by the company during the current period as compared to the last financial year which is transferred to retained earnings.
11	**Return on investment**	ROI = {MV(T1) – MV(T0) – Sum [C(t)]} / {MV(T0) + Sum [W	7.13%	7.05%	

As per our report of even date
For Vaithisvaran & Co LLP
Chartered Accountants
ATCHUTA SAI SATWIK Digitally signed by ATCHUTA SAI SATWIK Date: 2025.05.05 20:52:43 +05'30'
A Saisatwik
Partner
M.No: 268796
Firm Regn No: 004494S / S200037

Place: Hyderabad
Date: May 05, 2025

For and on behalf of the board of directors of
Pragati Finserv Private Limited

JAGADISH BABU RAMADUGU Digitally signed by JAGADISH BABU RAMADUGU Date: 2025.05.05 20:06:40 +05'30'
Jagadish Babu Ramadugu
Managing Director and
Chief Executive officer
DIN : 01855121

ASHISH MEHROTRA Digitally signed by ASHISH MEHROTRA Date: 2025.05.05 20:17:26 +05'30'
Ashish Mehrotra
Chairman and
Non Executive Director
DIN: 07277318

Monika Gurung Digitally signed by Monika Gurung Date: 2025.05.05 20:27:28 +05'30'
Monika Gurung
Company Secretary

PERAIAH KAYASIRI Digitally signed by PERAIAH KAYASIRI Date: 2025.05.05 20:12:53 +05'30'
Peraiah Kayasiri
Chief Financial Officer

Place: Mumbai
Date: May 05, 2025