



CONATUS FINSERVE PRIVATE LIMITED

**4TH ANNUAL REPORT
2021-2022**

CORPORATE INFORMATION

BOARD OF DIRECTORS

S. No.	Name of Directors	Designation
1	Mr. Ramachandra Kasargod Kamath (K.R. Kamath)	Chairman
2	Mr. Ganesh Ramanand Rao	Vice – Chairman
3	Mr. Banavar Anantharamaiah Prabhakar (B.A. Prabhakar)	Independent Director
4	Mr. M. Rajaram Kamath	Chief Executive Officer

MANAGEMENT TEAM

S.No.	Name	Designation
1	Mr. M. Rajaram Kamath	Chief Executive Officer
3	Ms. Varsha Solanki	Company Secretary
4	Mr. Vikash Khattry	Head – Credit & Collections

STATUTORY AUDITORS

DHC & CO., Chartered Accountants

42, Free Press House, 215, Nariman Point, Mumbai-400021, India.
E-mail id: atul.paliwal@dhc.co.in Tel:+91 22 6672 9999 Fax:+91 22 6672 9777

REGISTERED OFFICE

No.4, 2nd floor, 80 feet road, RMV II Stage,
Ashwathnagar, Bangalore – 560094, Karnataka
Tel: 080 - 43713714
Email Id: mailus@goconatus.com
Website: www.goconatus.com
CIN: U65990KA2018PTC111400



DIRECTORS' REPORT

To,
The Members
CONATUS FINSERVE PRIVATE LIMITED

Your Directors hereby present the 4th Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March 2022. (FY22)

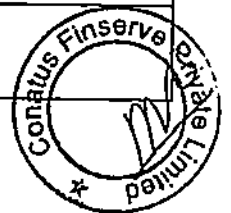
1. FINANCIAL RESULTS

The financial highlights for the year FY22 are as given below:

Particulars	(Amount in Lakhs)	
	For FY22	For the year ended 31 st March 2021 (FY21)
Total revenues	253.08	510.15
Total expenditure	486.22	678.14
Earnings before interest, depreciation and amortization	(154.38)	(58.27)
Less:		
Interest	55.18	86.94
Depreciation and Amortization	23.58	22.78
Earnings before tax	(233.14)	(167.99)
Less:		
Current Tax	-	-
Deferred tax(reversal)/charge	-	0.50
Loss for the Year	(233.14)	(167.49)

2. RESERVES

As the Company has not earned any profits, your Directors do not propose to transfer any amount to reserves for the FY22.



3. DIVIDENDS

As the Company has not earned profits, your Directors do not propose any dividend for the FY22.

4. STATE OF COMPANY'S AFFAIRS

Your Company provides secured micro business loans for small and micro business entrepreneurs with high growth potential who are the economic lifeline of our country.

Our Performance

The year 2021-22 was a mixed year with first half of the year affected by the second wave of Covid-19 and the second half of the year showing the signs of recovery and economic stability. Your company was able to successfully navigate its operations during the challenging times. There were several proactive measures taken from 2nd quarter of the year which started yielding results from Q4.

Considering the challenges posed by two consecutive years affected by Covid, we completely moved out of BC partnerships and started focusing in building our own portfolio. Right sizing of the organization, optimization of branches, strengthening of collection at the field level, revised product and credit assessment led to improved efficiencies and we started becoming EBITDA positive from last month of 3rd quarter. Though the portfolio was marginally lower than last year, we have closed most of the stressed portfolio and now have interest earning and stable portfolio in our books.

Portfolio Size

Portfolio outstanding as on FY22 stood at Rs. 1018.38 Lakh as against Rs. 1174.13 Lakh (own Book) as on FY21. With the lessons learnt from Covid-19 impact, we have made major changes to our product in the last 4 quarters which has brought in significant improvements in the quality of the portfolio. Our monthly collection efficiency has improved to 99% and has shown stable performance for the portfolio acquired after January 2021. We now have 100% fully secured (self-occupied residential property taken as security and registered mortgaged done) portfolio



~~Your Company has a well-defined Credit policy prescribing a well laid credit appraisal process~~

before sanctioning any loan, appropriate checks and balances for ensuring adequate security for the loans sanctioned and continuous monitoring of the business activities of the borrowers. During the FY22, your Company rationalized and optimized the number of branches and accordingly your Company has 8 branches in three states as at the end of FY 22.

Boards Outlook on Company's affairs

Your Directors expect the economy to grow reasonably well and the segment we service will see steady and growing demand for loans. Your Company will continue to focus and expand the segment that largely has been servicing the household needs which even during the covid had seen faster recovery when compared to non-essential segment.

5. CHANGE IN THE NATURE OF BUSINESS

There is no change in the business of the Company during the FY22. However, BC agreement with RBL Bank Limited dt. 1st February 2019 for providing business correspondent services has been mutually terminated by both the parties on 31st July 2021. Accordingly, your Company is not rendering any loan origination or other services to RBL Bank Limited after the said date.

6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company does not have any Subsidiary, Joint venture, and Associate company as on the date of this Report.

7. CHANGES IN SHARE CAPITAL

At present the Authorized Share Capital of your Company is 18,00,00,000 (Rupees Eighteen Crore only) divided into

1. 1,60,00,000(One Crore Sixty Lakh) Equity shares of Rs.10/- (Rupees Ten) each and
2. 20,00,000(Twenty Lakh) Equity Shares of Rs. 5/- (Rupees Five) each and
3. 10,00,000(Ten Lakh) Preference Shares of Rs. 10/- Ten each.

The paid-up capital of the Company is Rs. 14,06,91,690 consisting of

- i. 1,34,89,659 Equity shares of Rs. 10 fully paid up.



- ii. 19,31,700 Equity shares of Rs. 5 each out of which Rs. 3 called and paid up.

On 23rd October 2021, your Company issued 4,00,000(Four Lakh) equity shares with a face value of Rs. 10/- each per share at a premium of Rs. 15 each per share, aggregating to Rs. 1,00,00,000(Rupees One Crore Only) to the existing equity shareholders on rights basis of which 3,60,000 (Three Lakh Sixty Thousand) equity shares got subscribed, aggregating to Rs. 90,00,000(Rupees Ninety Lakh Only).

8. DEPOSITS

During the Financial year under review, the Company has not accepted any fixed deposits from the public within the meaning of Section 73 to 76 of the Companies Act, 2013, and Companies (Acceptance of Deposits) Rules, 2014.

9. CREDIT RATING OF SECURITIES

The Company has not obtained any Credit Ratings during the year ended FY22.

10. ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as at March 31, 2022 on its website at <http://www.goconatus.com/investors.html>. By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report.

11. NUMBER OF MEETINGS OF THE BOARD

During the period under review, your Board of Directors met 4 (Four) times. All the Directors were presented in all the Board Meetings.

12. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from the sole Independent Director as required under Section 149(7) of the Companies Act, 2013 confirming that he meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013.

13. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) In the preparation of the Annual Financial Statements for the year ended FY22, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any.



b) For the Financial year ended FY22, such accounting policies as mentioned in the Notes to the Financial Statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Loss of the Company for the year ended FY22.

c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.

d) The Annual Financial Statements have been prepared on a going concern basis.

e) That proper Internal Financial Controls were followed by the Company and that such Internal Financial Controls are adequate and were operating effectively.

f) That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively

14. ANNUAL EVALUATION OF THE BOARD

The Company being a Private Company, Annual evaluation of Board is not applicable.

15. LOAN FROM DIRECTORS

During the Financial year under review, the Company has not obtained any loan from Directors.

16. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND CONTRACTS UNDER SECTION 186

There were no transactions falling under section 186 of the Companies Act, 2013 entered during the FY22.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The details of the contracts contemplated u/s 188 of the Companies Act, 2013 have been provided in the Annexure-A -AOC-2 forming part of this Report.

18. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Company is presently managed by the following Directors & Key Managerial Personnel:

- a) Mr. K.R. Kamath was appointed as an Additional Director on the Board with effect from 21st September 2019. The Company appointed him as a Non-Executive Director in the 1st Annual General Meeting held on 23rd November 2019. He was



- appointed as the Chairman of the Company with effect from 30th September 2020.
- b) Mr. M. Rajaram Kamath is the Promoter Director who was appointed on 20th March 2018.
 - c) Mr. M. Rajaram Kamath was appointed as Chief Executive Officer of the Company to manage day to day affairs of the Company with effect from 10th March 2019 and re-appointed subject to the approval of the Members on 7th March 2022, for a further period of three years with effect from 10th March 2022 as the Chief Executive Officer.
 - d) Mr. Ganesh Ramanand Rao is the Promoter Director who was appointed on 20th March 2018. He was appointed as the Vice-Chairman of the Company with effect from 30th September 2020.
 - e) Mr. B.A. Prabhakar was appointed as an Independent Director on 21st August 2021 for a period of five years with effect from 30th September 2020 .
 - f) Ms. Varsha Solanki appointed as the Company Secretary with effect from 23rd May 2020.
 - g) Mr. Chander Chellani, Chief Financial Officer who was appointed with effect from 1st February 2021 resigned with effect from 21st August 2021.

19. PARTICULARS OF EMPLOYEES

The Company being a Private Company, disclosure under section 197(12) regarding ratio of remuneration of Directors to median employees' remuneration is not applicable.

However, as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees were drawing remuneration in excess of Rs. 8.5 Lakh per month or Rs. 100 Lakh per annum. during the year under review.

20. AUDITORS

M/s. Haribhakti Co. & LLP, Chartered Accountants, former Statutory Auditors vide letter dated 15th September 2021 have resigned from the Statutory Auditors of the Company. This was because of their ineligibility due to the RBI Guidelines RBI/2021-22/25 Ref. No. DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 read with related FAQs issued by RBI dated June 11, 2021 (RBI Guidelines) to continue as Statutory Auditors of the Company. And that a casual vacancy in the office of Statutory Auditors has arisen due to their resignation. M/s. DHC & Co., Chartered Accountants were appointed as Statutory Auditors of the Company for FY 2021-22 to carry out audit.

M/s. DHC & Co., Chartered Accountant, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment till the conclusion of Annual General Meeting to be held in the year 2027. Further, they have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.



BOARD'S REPLY ON THE AUDITORS' REMARKS IN THE AUDITORS REPORT

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self - explanatory and do not call for any further comment.

21. SECRETARIAL AUDIT

As on FY22, the Company does not have outstanding loans or borrowings from banks or public financial institutions of one hundred crore rupees or more, so the provisions under section 204 of the Companies Act 2013 is not applicable to the Company.

22. MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which the Financial Statements relate and the date of this Report.

23. RISK MANAGEMENT POLICY

Your Company has a Risk Management Policy. The Company through its Management oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting.

The CEO engages with all the business functions for risk assessment, ensures that the risk mitigation plans are in place and validates the risk mitigation status regularly.

24. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Given the nature of business and size of operations, Your Company's Internal Financial Control Systems have been designed to provide for:

- Accurate recording of transactions with internal checks and prompt reporting.
- Adherence to applicable Accounting Standards and Policies.
- Compliance with applicable statutes, regulatory prescriptions and management policies and procedures.
- Effective use of resources and safeguarding of assets.

This ensures that all transactions are authorized, recorded, and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of Internal Financial Controls. An extensive program of internal audits and management reviews supplements the process of Internal Financial Control framework. Properly documented policies, guidelines and procedures are laid down for this purpose.



The Internal Financial Control Framework has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets. The Internal Control Systems provide for well documented policies/guidelines, authorizations, and approval procedures.

25. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

As the Company has not declared any dividend till now, there is no amount of unclaimed/ unpaid dividend and accordingly there are no corresponding shares that are required to be transferred to IEPF.

26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and/or material orders have been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

Conservation of Energy

Steps taken or impact on conservation of energy	The operations of your Company are not energy intensive and as such involve low energy consumption. However, adequate measures have been taken to conserve the consumption of energy.
The steps taken by the Company for utilizing alternate source of energy	Not applicable
The capital investment on energy conservation equipment	NIL

Technology Absorption



The efforts made towards technology absorption		Not applicable in view of the nature of activities carried out by the Company. However, your Company is committed to use the latest technology available for its operations
The benefits derived like product improvement, cost reduction, product development or import substitution		
In case of imported technology (imported during the last three years reckoned from the beginning of financial year)		
(a)	The details of technology imported	
(b)	The year of the import	
(c)	Whether the technology been fully absorbed	
(d)	If not fully absorbed area where absorption has not taken place, and the reason there of	
(e)	The expenditure on research and development	

Foreign Exchange earnings and Outgo:

Earnings in Foreign exchange	01.04.2021-31.03.2022	01.04.2020-31.03.2021
	Rs.	Rs.
Export of services	NIL	NIL

Expenditure in foreign currency	01.04.2021-31.03.2022	01.04.2020-31.03.2021
	Rs.	Rs.
Travelling expenditure	NIL	NIL

29. WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower policy for Directors and Employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct.



30. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In accordance with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaint has been received during the financial year under review.

31. FRAUD REPORTING

No frauds have been reported by auditors under sub-section (12) of section 143 during the FY22.

32. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company being a Private Company is not covered, under Section 178(1) which prescribes constitution of Nomination and Remuneration Committee and hence formulation of policies under Section 178(3) is not applicable to the Company.

33. CORPORATE SOCIAL RESPONSIBILITY

The Company does not come under the statutory purview of CSR activities; hence no policies have been framed in this regard.

34. MAINTENANCE OF COST RECORDS

Maintenance of Cost Records under Section 148 (1) of the Companies Act, 2013 is not applicable to your Company.

35. EMPLOYEE STOCK OPTION PLAN

Disclosures as required under sub rule 9 of Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 are as under:



A	Options granted	175000
B	Options vested	50,000
C	Options exercised	NIL
D	the total number of shares arising as a result of exercise of option	NIL
E	Options lapsed	95000
F	the exercise price	Rs. 10/-
G	variation of terms of Options	NIL
H	money realized by exercise of Options	NIL
I	total number of Options in force	175000
J	employee wise details of Options granted to; - (i) key managerial personnel;	NIL
	(ii) any other employee who receives a grant of Options in any one year of option amounting to five percent or more of Options granted during that year.	Mr. Vikash Khattry: 75,000 Options;
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	NIL
	(iv) Independent Directors & Non-Executive Directors	Mr. K. R. Kamath: 1,00,000 Options;

The Shareholders in their meeting held on 10th March 2019 have through a special resolution, authorized the Board to issue Employee Stock Options not exceeding 5% (five percent) of the total outstanding paid-up share capital of the Company at any time, subject to adjustments as may be required due to any corporate action to the Employees under CFPL ESOP 2019.




36. COMPLIANCE OF SECRETARIAL STANDARDS

The Company complies with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.


37. ACKNOWLEDGEMENTS

Your Directors thankfully acknowledge the guidance received from Reserve Bank of India and wholehearted co-operation received from the shareholders, bankers, principals under Business Correspondent arrangements, suppliers and various Government Departments and appreciate the dedicated services rendered by the Company's employees at all levels.

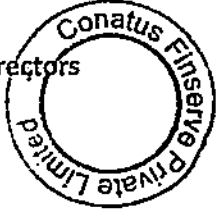
By the order of Board of Directors



M. Rajaram Kamath
Director & CEO
DIN: 06542196



Ganesh Ramanand Rao
Vice Chairman
DIN: 02302989



Date: 20/05/2022
Place: Bangalore

Annexure A to the Directors Report

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars		Details
a)	Name (s) of the related party & nature of relationship	NIL	NIL
b)	Nature of contracts/arrangements/transaction	NIL	NIL
c)	Duration of the contracts/arrangements/transaction	NIL	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL	NIL
f)	Date of approval by the Board	NIL	NIL
g)	Amount paid as advances, if any	NIL	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL	NIL



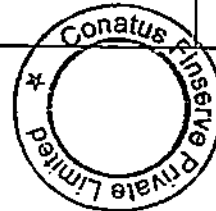
2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Name (s) of the related party & nature of relationship		Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board/shareholders	Amount paid as advances, if any
1	Conatus Management Services Private Limited	Mr. M. Rajaram Kamath is the common Director & Shareholder in both the entities	Non Compete agreement entered into with Conatus Management Services Private Limited	2019-2023(4 years)	Conatus Management Services Private Limited shall not carry on the business which is being carried on by Conatus Finserve Private Limited viz Business Correspondent with banks and lending activity in the Republic of India. Consideration is Rs. 46 Lakh.	Approved at the Board Meeting held on 06-03-2019	NIL
2	Mr. M. Rajaram Kamath	Director of the Company	Appointed for Office or Place of Profit -Chief Executive Officer(CEO)	FY ending 2023, 2024, 2025(3 years)	(a) Monthly remuneration of Rs. 4,00,000 /- (Rupees Four Lakh) (b)Retention bonus of 25% of estimated profit for every financial year subject to a total sum of Rs 1,00,00,000 (Rupees One Crore Only). (c) Termination by Notice of 90 days (d) Non Compete & Non Solicitation obligation	Approved by the shareholders at the General Meeting held on 07-03-2022	NIL
3	Mrs. Sumana Kamath	Spouse of Mr. M. Rajaram Kamath, Director of the Company	Appointed for Office or Place of Profit	from FY 2020-2021 to 2022-2023	Yearly gross remuneration paid for FY 2021-22 is Rs. 656523/-	Approved at the Board Meeting held on 09-11-2020	NIL

For and on behalf of the Board of Directors


M. Rajaram Kamath
Director & CEO
DIN: 06542196


Ganesh Ramanand Rao
Director & Vice - Chairman
DIN: 02302989



Date: 20 05 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Conatus Finserve Private Limited.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Conatus Finserve Private Limited, which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report but does not include the financial statements and our auditor's report thereon.

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

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to



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Chartered Accountants

events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Other Matter

The audit of financial statements for the year ended March 31, 2021, was carried out and reported by Haribhakti & Co. LLP, vide their unmodified audit report dated May 15, 2021, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the financial statements.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we report in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this report are in agreement with the books of account
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder;



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Chartered Accountants

e. On the basis of the written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act;

f. We do not report on the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls in terms of section 143(3)(i) of the Act, since in our opinion and according to the information and explanations given to us, the said reporting is not applicable to the Company.

g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

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

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

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

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

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

(iv) (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 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;



DHC & Co.
Chartered Accountants

(iv) (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.

For DHC & Co.

Chartered Accountants

ICAI Firm Registration No.103525W



Atul Paliwal

Partner

Membership No. 401969

UDIN: 22401969AKGAKZ6313

Place: Bengaluru

Date: May 20, 2022



DHC & Co.
Chartered Accountants

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Conatus Finserve Private Limited on the financial statements for the year ended March 31, 2022]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information, explanations and written representation given to us by the management and the books of account and other records examined by us in the normal course of audit, we report that:

- (i)
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment
 - (B) The Company has maintained proper records showing full particulars of Intangible Assets.
 - (b) During the year, the Property, Plant and Equipment of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets
 - (c) The Company does not have any immovable property and accordingly, reporting under clause (i)(c) of paragraph 3 of the Order is not applicable.
 - (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and/or Intangible Assets during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.
 - (e) No proceedings have been initiated or are pending against the Company as at March 31, 2022 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)
- (a) The company is in the business of service and consequently, do not hold inventory. Therefore, reporting under clause (ii)(a) of paragraph 3 of the Order is not applicable.
 - (b) The company has not obtained any sanctioned working capital limit during the year, from Banks and/or financial institutions, on the basis of security of current assets. Therefore, Reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.
- (iii)
- (a) The Company's principal business is to give loans and therefore, reporting under clause (iii)(a) and (e) of paragraph 3 of the Order are not applicable.
 - (b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided by the Company during the year are not prejudicial to the interest of the Company.
 - (c) The schedule of repayment of principal and payment of interest in respect of the loans and advances in the nature of loans has been stipulated. However, considering the nature of business of the Company and as informed to us by the management, it is not possible to compile all the cases of repayments of principal or payments of interest during the year which are not regular as per stipulation as the systems are not tuned for such information, hence we are not in a position to report on this clause except that as at March 31, 2022, there are 24 accounts aggregating to Rs.36.56 lakhs which are overdue for more than ninety days.



DHC & Co.
Chartered Accountants

(d) In respect of the aforesaid loans and advances in the nature of loans, the details of amount which is overdue for more than ninety days is as below:

No. of accounts	Principal overdue	Interest overdue	Total Overdue	Remarks
24	14.76 lakhs	21.80 lakhs	Rs.36.56 lakhs	Reasonable steps have been taken by the Company for recovery of the principal and interest as per the board approved "collection policy" framed by the management.

- (e) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) The Company has not granted any loan or made any investment or provided any guarantees and securities covered under section 185 and section 186 (1) of the Act. The remaining provisions relating to section 186 of the Act do not apply to the Company as it is a NBFC.
- (v) The Company is a Non-Banking Finance Company registered with the Reserve Bank of India to which the provisions of sections 73 to 76 of the Act and the relevant rules made there under are not applicable. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is regular in depositing with the appropriate authorities, undisputed statutory dues including Goods and Services tax (GST), provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it, in all cases during the year. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.
- (b) There are no dues with respect to provident fund, employees' state insurance, income tax, GST, sales tax, service tax, value added tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute.
- (viii) We have not come across any transaction(s) which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the Payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has prima facie utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (x) (a) The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x) (a) of paragraph 3 of the Order is not applicable.



DHC & Co.
Chartered Accountants

- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x) (b) of paragraph 3 of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.
- (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or up to the date of this report.
- (c) There are no whistle blower complaints received by the Company during the year and up to the date of this report.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with section 188 of the Act, where applicable, and the details have been disclosed in the financial statements as required by the applicable accounting standards. Since the Company is a private limited company, the provisions of section 177 of the Act are not applicable.
- (xiv) (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 of the Company issued till date, for the period under audit.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained by the Company.
- (xvii) The Company has incurred cash losses for the current and the immediately preceding financial year amounting to Rs.157.95 lakhs and Rs.26.77 lakhs respectively.
- (xviii) There has been resignation of the statutory auditors during the year, however, no issues, objections or concerns were raised by the outgoing auditor.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of this audit report and 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 date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due



DHC & Co.
Chartered Accountants

within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The provisions of section 135 of the Act are not applicable to the Company. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.

For DHC & Co.

Chartered Accountants

ICAI Firm Registration No. 103525W



Atul Paliwal

Partner

Membership No.: 401969

UDIN: 22401969AKGAKZ6313

Place: Bengaluru

Date: May 20, 2022



DHC & Co.
Chartered Accountants

Auditor's Additional Report

To
The Board of Directors of
Conatus Finserve Private Limited

1. We, DHC & Co. have audited the attached financial statements of Conatus Finserve Private Limited, which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements") and issued our Independent Auditor's Report thereon with unmodified audit opinion dated May 20, 2022. These financial statements are the responsibility of the Company's Management. Our responsibility was to express an opinion on these financial statements based on our audit. Our audit was conducted in the manner specified in "Auditor's Responsibilities for the Audit of the Financial Statements" section of the Independent Auditor's Report.
2. The compliance with the requirements of Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016, issued by the Reserve Bank of India ('RBI') and amended from time to time ('the Directions') is the responsibility of the Company's management and this responsibility also includes the design, implementation and maintenance of internal control relevant to the compliance with the Directions. Our responsibility is to report to the Board of Directors on the matters specified in paragraphs 3 and 4 of the Directions to the extent applicable.
3. Based on our audit referred to in paragraph 1 above and based on the information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report hereunder on the matters specified in paragraphs 3(A) and 3(C) of the Directions, to the extent applicable:
 - a. The Company is engaged in the business of a Non-Banking Financial Institution ('NBFI') as defined in section 45-I(a) of the Reserve Bank of India Act, 1934 and has obtained the Certificate of Registration (CoR) from the RBI (CoR no. N-02.00306 dated October 30, 2018);
 - b. As at balance sheet date, the Company has been able to meet the Principal Business Criteria (Financial asset/income pattern) laid down by the RBI guidelines DNBS.PPD.03/66.15.001/2016-17 dated September 29, 2016. The financial assets constitute more than 50 percent of the total assets and income from financial assets constitute more than 50 percent of the gross income;
 - c. The Company is meeting the required net owned fund requirement as laid down in paragraph 5 of the Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 ('the Master Directions');
 - d. The Board of Directors of the Company in their meeting held on June 9, 2018 had passed a resolution for non-acceptance of any public deposits;
 - e. The Company has not accepted any public deposits during the year ended March 31, 2022;
 - f. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of the Master Directions for the year ended March 31, 2022; and



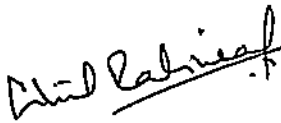
DHC & Co.
Chartered Accountants

- g. The Company is not a Non-Banking Financial Company - Micro Finance Institution as defined in clause (xx) of paragraph 3 of the Master Directions.
4. This report is issued solely for reporting on the matters specified in paragraphs 3 and 4 of the Directions, to the extent applicable, to the Board of Directors of the Company and is not to be used or distributed for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. DHC & Co. Shall not be liable to the Company, the RBI or to any other concerned for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For DHC & Co.

Chartered Accountants

ICAI Firm Registration No.103525W



Atul Paliwal

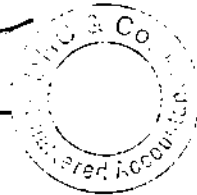
Partner

Membership No. 401969

UDIN: 22401969AKGAKZ6313

Place: Bengaluru

Date: May 20, 2022



CONATUS FINSERVE PRIVATE LIMITED

(CIN: U65990KA2018PTC111400)

No.4,2nd Floor,80 Feet Road, RMV 2nd Stage, Ashwath Nagar, Bengaluru. 560 094

Cash Flow Statement for the year ended March 31, 2022

(Presented in INR lakhs unless otherwise stated)

Particulars	As at March 31,2022	As at March 31,2021
Cash Flow from operating activities		
Profit before tax	(233.15)	(167.96)
Non cash adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization	23.60	22.77
Loss default provision for managed portfolio	-	84.93
Stock compensation expenses for the year	2.91	1.66
Provisioning for owned portfolio	51.60	33.49
Liabilities no longer required written back	-	(3.99)
Operating profit before working capital changes	(155.04)	(29.10)
Movements in working capital:		
Increase in Short term provision	(55.16)	97.29
Increase in Short term Loan	(195.44)	(146.12)
Increase in Long term Provision	0.31	1.57
Decrease in trade receivables	17.15	3.82
Decrease / (Increase) in current assets	27.69	(3.84)
(Decrease)/Increase in trade payables	3.30	3.85
(Decrease) in current liabilities	(6.10)	(6.28)
(Increase)/Decrease in long term loans and advances	179.23	7.81
(Increase)/Decrease in short term loans and advances	(76.83)	(71.35)
Cash used in operations	(106.84)	(118.74)
Direct taxes paid (net of refunds)		
Net Cash used in operating activities	(261.88)	(147.34)
Cash Flows from investing activities		
Purchase of Property, Plant & Equipment and Intangible assets	(0.90)	(18.72)
Changes in Bank balances other than Cash and cash equivalent	55.46	71.11
Net Cash used In Investing Activities	54.56	52.39
Cash Flows from financing activities		
Proceeds from issue of share capital including premium	90.00	
Proceeds from financial institutions	200.00	300.00
Repayments to financial institutions	(172.28)	(270.84)
Net Cash Flow from Financing Activities	117.72	29.16
Net Increase / (decrease) in cash and cash equivalents	(89.60)	(65.80)
Cash and cash equivalents at the beginning of the year	270.63	336.47
Cash and cash equivalents at the end of the year (Refer Note - 13)	181.03	270.63
Net cash provided by (used in) operating activities Includes		
Interest received	251.03	460.84
Interest paid	55.24	81.68
Dividend received	-	-
Components of Cash and Cash Equivalents	As at March 31,2022	As at March 31,2021
Cash and Cash equivalents at the end of the year		
Cash on hand	2.75	0.18
Balances with Banks		
- In current accounts	37.28	61.80
- In Bank Deposits (Original maturity within 3 months) (including interest receivable)	141.00	208.65
Total	181.03	270.63

Notes:
The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard (AS) 3, Cash Flow Statements, notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014. Pursuant to Section 2(40) read Section 2(85) of the Companies Act 2013, the Company has adopted Accounting Standard (AS) 3 - Cash flow statements. The accompanying notes are an integral part of the financial statements.

As per our report of even date

For DHC & Co.

Chartered Accountants

Firm Registration Number : 10352SW

Atul Palliwal

Atul Palliwal

Partner

Membership No: 401969

Place : Bengaluru

Date : 20-05-2022



For and on behalf of the Board of Directors of Conatus Finserve Private Limited

M. Rajaram Kamath

M. Rajaram Kamath

Director & CEO

DIN: 06542196

Place : Bengaluru

Date : 20-05-2022

Ganesh Ramanand Rao

Ganesh Ramanand Rao

Director & Vice-Chairman

DIN: 02302989

Place : Bengaluru

Date : 20-05-2022

Vijaya Solanki

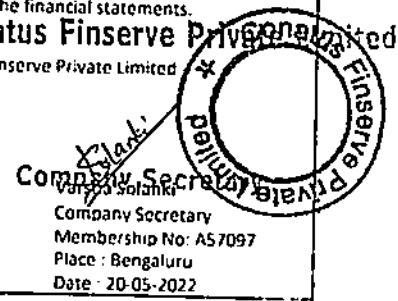
Vijaya Solanki

Company Secretary

Membership No: AS7097

Place : Bengaluru

Date : 20-05-2022



CONATUS FINSERVE PRIVATE LIMITED
(CIN: U65990KA2018PTC111400)
No.4,2nd Floor,80 Feet Road, RMV 2nd Stage, Ashwath Nagar, Bengaluru. 560 094
Balance Sheet as at March 31, 2022
(Presented in INR lakhs unless otherwise stated)

Particulars	Notes	As at March 31,2022	As at March 31,2021
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1,406.92	1,370.92
(b) Reserves & Surplus	3	(498.18)	(321.94)
		<u>908.74</u>	<u>1,048.98</u>
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	180.02	152.29
(b) Long-Term Provision	5	4.70	4.39
(c) Deferred tax liabilities (Net)	6		
		<u>184.71</u>	<u>156.69</u>
(3) Current Liabilities			
(a) Short Term Borrowings	4a	164.21	360.64
(b) Trade Payables			
Dues to micro and small enterprises	7		
Total outstanding dues of creditors other than micro enterprises and small enterprises	7	17.75	14.45
(c) Short Term Provisions	5	2.98	58.14
(d) Other Current liabilities	8	13.24	19.35
		<u>198.18</u>	<u>452.58</u>
Total		<u>1,291.63</u>	<u>1,658.25</u>
II. ASSETS			
(1) Non-Current Assets			
(a) Property, plant and equipment & Intangible assets	9		
(i) Property, plant and equipment		5.38	9.79
(ii) Intangible Assets		38.89	57.18
(b) Long-Term Loans and Advances	10	647.77	878.51
(c) Other Non-Current Assets	11	1.30	4.17
		<u>693.33</u>	<u>949.74</u>
(2) Current Assets			
(a) Trade Receivables	12		17.15
(b) Cash and Bank balances	13	181.03	23.22
(c) Short Term Loans and Advances	10	380.71	303.89
(d) Other Current Assets	15	36.55	64.25
		<u>598.30</u>	<u>708.51</u>
Total		<u>1,291.63</u>	<u>1,658.25</u>

Summary of significant accounting policies

1(iii)

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For DHC & Co.

Chartered Accountants

Firm Registration Number : 103525W

Atul Pallwal

Partner

Membership No 401969

Place : Bengaluru

Date : 20-05-2022



For and on behalf of the Board of Directors of Conatus Finserve Private Limited

M. Rajaram Kamath

Director & CEO

DIN: 06542196

Place : Bengaluru

Date : 20-05-2022

Ganesh Ramanand Rao

Director & Vice - Chairman

DIN: 02302989

Place : Bengaluru

Date : 20-05-2022



For Conatus Finserve Private Limited

Vaisha Solanki

Company Secretary

Member of Institute of Company Secretaries of India

Place : Bengaluru

Date : 20-05-2022

CONATUS FINSERVE PRIVATE LIMITED

(CIN: U65990KA2018PTC111400)

No.4,2nd Floor,80 Feet Road, RMV 2nd Stage, Ashwath Nagar, Bengaluru. 560 094

Statement of Profit and Loss for year ended March 31, 2022

(Presented in INR lakhs unless otherwise stated)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31,2021
I Total Revenue from Operations	16	247.63	488.19
II Other Income	17	5.45	21.96
III Total Income (I+II)		253.08	510.15
IV Expenses:			
Employee Benefits Expenses	18	231.96	291.54
Finance cost	20	55.18	86.94
Depreciation and Amortization Expense	9	23.58	22.78
Other Expenses	19	175.50	276.88
Total Expenses		486.22	678.14
V Loss before tax (III-IV)		(233.14)	(167.99)
VI Tax Expense:			
- Current Tax		-	-
- Deferred Tax (reversal)/charge		-	0.50
VII Loss for the year		(233.14)	(167.49)
VIII Earnings per Equity share (Rs.)			
Basic EPS (Nominal value of Rs.10 per share)	21	(1.69)	(1.22)

Summary of significant accounting policies

1(III)

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

As per our report of even date

For DHC & Co.

Chartered Accountants

Firm Registration Number : 103525W

Atul Paliwal
Atul Paliwal
Partner

Membership No: 401969

Place : Bengaluru

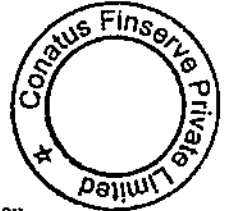
Date : 20-05-2022



For and on behalf of the Board of Directors of Conatus Finserve Private Limited

M. Rajaram Kamath
M. Rajaram Kamath
Director & CEO
DIN: 06542196
Place : Bengaluru
Date : 20-05-2022

Ganesh Ramanand Rao
Ganesh Ramanand Rao
Director & Vice - Chairman
DIN: 02302989
Place : Bengaluru
Date : 20-05-2022



For Conatus Finserve Private Limited

Varsha Solanki
Varsha Solanki
Company Secretary
Membership No: A57097
Place : Bengaluru
Date : 20-05-2022

CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

1(i) Company background and operational outlook

a) Conatus Finserve Private Limited (CIN: U65990KA2018PTC111400), company was incorporated under Companies Act, 2013 on 20th March 2018. The company is having its registered office in Bangalore, Karnataka. The company is engaged in business of financing activity and business correspondents. The Company is registered as a Non-Deposit Taking Non-Banking Financial Company (NBFC) as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934 vide registration no N-02.00306 issued on 30th day of October 2018.

1(ii) Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read with relevant rules issued thereunder, pronouncements of The Institute of Chartered Accountants of India and other accounting principles generally accepted in India to the extent applicable. The financial statements have been prepared on an accrual basis and under the historical cost convention and on a going concern basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The Company has opted to round off its financial information to the nearest rupee except otherwise stated.

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Act. Accordingly, the Company has complied with the Accounting Standards as applicable to a SMC. Pursuant to exemptions/ relaxations applicable to a SMC, Accounting Standard (AS) 17, Segment Reporting is not applicable to the Company for the current period. Further, certain disclosure requirements in terms of Accounting Standard (AS) 15, Employee Benefits, Accounting Standard (AS) 19, Leases, Accounting Standard (AS) 20, Earnings Per Share and Accounting Standard (AS) 29, Provisions, Contingent Liabilities and Contingent Assets are also not applicable to the Company for the current year.

1(iii) Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Property, Plant & Equipment

Property, Plant & Equipment are stated at cost of acquisition, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Property, Plant & Equipment purchased in foreign currency are recorded at cost, based on the exchange rate on the date of purchase.

Advances paid towards the acquisition of property, plant & equipment outstanding at each Balance Sheet date are disclosed under Long term loans and advances and the cost of property, plant & equipment not ready for their intended use before such date are disclosed as capital work-in-progress.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Gains or losses arising from de-recognition of Property, Plant & Equipment and intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

(c) Depreciation and amortisation

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

In this regard, the depreciation is calculated on a straight line basis as per the useful lives prescribed in Schedule II of the Act.

Particulars	Estimated Useful Life
Other Equipment	5 years
Furniture and fixtures	10 years
Computers and data processing units	3 years

Depreciation method, useful life and residual value are reviewed periodically.

Assets individually costing less than or equal to Rs. 0.05 Lakh are fully depreciated in the year of purchase.

Computer software is amortized on a straight line basis over 3 years or over the length of the subscription of the software license.

Useful life of Intangible asset - Non-compete fee as shown in the balance sheet is estimated to be four years and has been amortized accordingly.

(d) Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(e) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Interest Sharing under Business Correspondent Agreements:

Revenue from interest sharing from managed portfolio, collection and support services is recognised as per the terms of the respective contract with banks and financial institutions on accrual basis.

Interest Income from own portfolio:

Interest / finance income from loans (on own portfolio) included in revenue from operations represents interest income arrived at based on interest rate implicit in the contract with the borrowers. Interest income is recognised as it accrues on a time proportion basis taking into account the amount of principle outstanding and the interest rate applicable, except in the case of non-performing assets (NPA) where it is recognised upon realisation as per RBI Guidelines.

Fee Income:

Processing fee collected on processing of documents for advancing loans are recognized on accrual basis.



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

Other Income:

Interest on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income is recognized when the company's right to receive the same has been established.

All other items of income are accounted for on accrual basis.

(f) Provision for non-performing assets (NPA) and doubtful debts:

Non-performing assets ('NPA') including loans and advances, receivables are identified as sub-standard / doubtful based on the tenor of default. The tenor is set at appropriate levels for each product. NPA provisions are made based on the management's assessment of the degree of impairment and the level of provisioning and meets the Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated 01 September 2016. These provisioning norms are considered the minimum and additional provision is made based on perceived credit risk where necessary.

All contracts which as per the management are not likely to be recovered are considered as loss assets and written off as bad debts or fully provided for. Recoveries made from previously written off contracts are included in "Other Income".

(g) Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(h) Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the period, are recognised as income or as expense in the period or year in which they arise.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(i) Leases

Where the Company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. Initial direct costs on operating leases are charged to the Statement of Profit and Loss.



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

(j) Retirement and other employee benefits

Retirement benefit in the form of provident fund, employee state insurance and labour welfare fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund and pension fund. The company recognizes contribution payable to the provident fund and pension fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method, made at the end of each financial year. Actuarial gains and losses are recognized in full in the year in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method as at the year end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

(k) Employee stock compensation cost

Employees of the company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settlement transactions)

In accordance with the Guidance Note on Accounting for Employee share-based payments, the cost of equity-settled transaction is measured using the fair value method and recognized, together with a corresponding increase in "Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest.

The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

(l) Income taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.



CONATUS FINERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(m) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

(n) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(o) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(p) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022
(Presented in INR lakhs unless otherwise stated)

2 Share capital
2.1 Details of authorised, issued, Subscribed and paid up capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount in INR lakhs	Number	Amount in INR lakhs
Authorised Share Capital				
Equity shares of Rs.10 each	16,000,000	1,600.00	16,000,000	1,600.00
Equity shares of Rs.5 each	2,000,000	100.00	2,000,000	100.00
Preference shares of Rs. 10 each	1,000,000	100.00	1,000,000	100.00
	19,000,000	1,800.00	19,000,000	1,800.00
Issued				
Equity shares of Rs.10 each	13,529,659	1,352.97	13,129,659	1,312.97
Equity shares of Rs.5 each	1,931,700	96.59	1,931,700	96.59
	15,461,359	1,449.56	15,061,359	1,409.56
Subscribed and fully paid up				
Equity shares of Rs.10 each	13,489,659	1,348.97	13,129,659	1,312.97
	13,489,659	1,348.97	13,129,659	1,312.97
Subscribed but not fully called up				
Equity Shares of Rs 5.00 each, Rs. 3.00 Called up and paid up	1,931,700	57.95	1,931,700	57.95
	1,931,700	57.95	1,931,700	57.95
Total	15,421,359	1,406.92	15,061,359	1,370.92

2.2 Reconciliation of share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount in INR lakhs	Number	Amount in INR lakhs
Equity Shares (Face Value Rs.10)				
Shares outstanding at the beginning of the year	13,129,659	1,312.97	13,129,659	1,312.97
Shares Issued during the year (Refer note 2.4.1)	360,000	36.00	-	-
Shares brought back	-	-	-	-
Share outstanding at the reporting period	13,489,659	1,348.97	13,129,659	1,312.97

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount in INR lakhs	Number	Amount in INR lakhs
Equity Shares (Face Value Rs.5)				
Shares outstanding at the beginning of the year	1,931,700	57.95	1,931,700	57.95
Shares Issued during the year	-	-	-	-
Shares brought back	-	-	-	-
Share outstanding at the reporting period	1,931,700	57.95	1,931,700	57.95

Note : During the year, No equity shares was called and paid up during the Financial year. During the previous year, Rs. 2 per share on 1,931,700 equity shares of face value of Rs. 5 each was called and paid up.

2.3 Details of shares held by each shareholder holding more than 5% shares:

Face Value: Rs. 10 each Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares				
Rajaram Kamath	2,715,830	18.79%	2,715,840	19.27%
Gitanjali Narayanan*	4,870,000	33.69%	4,870,000	34.55%
Ganesh Ramanand Rao	3,950,000	27.33%	3,950,000	28.02%
Amit Choudhary	1,072,159	7.42%	1,072,159	7.61%

Note: *Out of 48,70,000 equity shares, 41,20,000 Demat equity shares having face value of Rs. 10/- each, transmitted to Mrs. Gitanjali Narayanan, wife of Late Mr. Govindarajan Parthasarathy - Co-Promoter & Shareholder of the Company on account of Demise on 18th January 2021. Balance 7,50,000 equity shares are in physical mode and would be transmitted upon completion of requisite legal formalities.



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

(Presented in INR lakhs unless otherwise stated)

Promoters shareholding and changes during the year :

Face Value: Rs. 10 each*	As at March 31, 2022		% of Changes during the year	As at March 31, 2021		% of Changes during the year
	No. of Shares	% of holding		No. of Shares	% of holding	
Name of Shareholder						
Equity Shares						
Rajaram Kamath	2,715,830	18.79%	-0.5%	2,715,840	19.27%	0.0%
Ganesh Ramanand Rao	3,950,000	27.33%	-0.9%	3,950,000	28.02%	0.0%

Note: Promoters Shri M. Rajaram Kamath, Shri Govindarajan Parthasarathy (Late) & Shri Ganesh Ramanand Rao have entered into a founders agreement defining their rights/obligations/privileges on 10th March 2019 and which has also been approved by the shareholders by means of a resolution.

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Shares which are in physical form at the end of the year are partly paid shares with a face value of Rs. 5 each out of which Rs. 3 is called and paid up. These shares amounts to 19.32 lakhs which are converted into equivalent no of shares with a face value of Rs. 10 each amounting to 965850 shares.

2.4.1 Equity Shares:

The Company has two classes of equity shares having face value of Rs.10/- each and Rs.5/- Each. The Company is having 1,34,89,659 nos of equity Shares of face value Rs.10/- each and 19,31,700 nos of equity shares of face value Rs.5/- each in which Rs.3/- is called up and paidup. The fresh allotment of 3,60,000 equity shares of Rs.10 each has been made during the financial year as rights issue with premium of Rs.15 per share.

Terms of equity shares having a face value of Rs. 10 each

- This class of share is fully paid up and voting rights of this class of equity shares is proportionate to their share in the paid up share capital of the Company.
- These class of shares are issued in demat form/physical form.
- In the event of liquidation of the company, the holders of these 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 in the paid up share capital of the Company. The Company declares and pays dividends in Indian Rupees & foreign currency. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The company has not declared any dividend during the year.

Terms of Equity shares having a face value of Rs. 5 each

- These shares are a different class of equity shares from the other equity shares in the outstanding share capital of the Company. Shares are in physical form and said equity shares shall have the right to dividend, voting rights etc proportionate to their ratio in the paid up share capital of the Company. However, these shares shall not be entitled to dividends or voting rights until they become fully paid up shares. The subscription amount shall be called in the following manner:

Share application & allotment money: Rs. 1/-per share

First Call money: Rs. 2/- per share

Final Call money: Rs. 2/- per share

- In the event of liquidation of the company, the holders of these 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 in the paid up share capital of the Company. The Company declares and pays dividends in Indian Rupees & foreign currency. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The company has not declared any dividend during the year. As at balance sheet date, only share application money of Rs.1 and first call money of Rs.2 i.e. total of Rs.3 has been called and paid up.

2.4.2 Preference Shares

The Company has 10,00,000 preference shares of Rs. 10 each in the authorized share capital of the Company. However, the Company has not issued any preference shares during the year.

2.4.3 Employee Stock Options(ESOP)

	As at March 31, 2022	As at March 31, 2021
(i) Outstanding employee stock options (refer note 30)	175,000	195,000
Total	175,000	195,000

(ii) For the details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, please refer note 30.

2.4.4 Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has not issued any bonus shares or any shares for consideration other than cash and has not bought back any shares during five years immediately preceding March 31, 2022 other than disclosed in this note.



CONATUS FINSERVE PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2022
(Presented in INR lakhs unless otherwise stated)
3 Reserves and Surplus

Particulars	As at March 31,2022	As at March 31,2021
Securities Premium Account		
Opening Balance	251.95	251.95
Add : Premium on issue of shares of Rs. 10 each (refer note 2.4.1)	54.00	-
Closing Balance	305.95	251.95
Share options outstanding account		
Opening Balance	1.66	-
Add: Stock compensation expense for the year	2.91	1.66
Closing balance	4.57	1.66
Surplus/(deficit) in the Statement of Profit & Loss		
Opening balance	(575.57)	(408.08)
Add : Net loss for the Current Year	(233.14)	(167.49)
Closing balance	(808.71)	(575.57)
Total	(498.19)	(321.96)

4 Long term Borrowings

Particulars	As at March 31,2022	As at March 31,2021
Secured Loans - from other parties	344.22	512.94
Less: Current maturities of long term borrowings	(164.21)	(360.64)
Total	180.01	152.30

Terms of Repayment of loans :

Name of Lender	Rate of Interest	Tenure	Security and others
1. Vivriti Capital Private Limited	16%	24 Months	Refer note below
2. Western Capital Advisors Private Limited	16%	24 Months	Refer note below
3. UC Inclusive Credit Private Limited	16.50%	30 Months	Refer note below
4. Concord Marketing and Financers Private Limited	16.25%	36 Months	Refer note below
5. Samunnati Financials	16.25%	36 Months	Refer note below

Notes:
Vivriti Capital Private Limited & Western Capital Advisors Private Limited

Secured loans from Vivriti Capital Private Limited and Western Capital Advisors Private Limited are secured by way of hypothecation of secured book debts to the extent of 115% of the facility amount and a demand promissory note with a letter of continuity. The loans are secured by way of personal guarantee by the promoters viz Mr. Ganesh Ramanand Rao and Mr. Rajaram Kamath.

UC Inclusive Credit Private Limited

Secured loan from UC Inclusive Credit Private Limited are secured by way of hypothecation of secured book debts to the extent of 110% of the facility amount. The loans are secured by way of personal guarantee by the promoters viz Mr.Ganesh Ramanand Rao and Mr.Rajaram Kamath.

Concord Marketing and Financers Private Limited

Secured loan from Concord Marketing and Financers Private Limited are secured by way of hypothecation of secured book debts to the extent of 115% of the facility amount. The loans are secured by way of personal guarantee by the promoters viz Mr.Ganesh Ramanand Rao and Mr.Rajaram Kamath.

Samunnati Financial Intermediation & Services Private Limited

Secured loan from Samunnati Financial Intermediation & Services Private Limited are secured by way of hypothecation of secured book debts to the extent of 100% of the facility amount. The loans are secured by way of personal guarantee by the promoters viz Mr.Ganesh Ramanand Rao and Mr.Rajaram Kamath.

4a Short Term Borrowings

Particulars	As at March 31,2022	As at March 31,2021
Current maturities of long term borrowings (refer note 4 for details)	164.21	360.64
(A)	164.21	360.64



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

(Presented in INR lakhs unless otherwise stated)

5 Provisions

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Provision for employee benefits				
Provision for Gratuity	3.58	0.62	3.11	0.03
Provision for Leave Encashment	1.12	0.34	1.28	0.49
(A)	4.70	0.96	4.39	0.52
Other provisions				
Contingent Provision against Standard asset	-	2.02	-	2.56
Provision for loss default for managed portfolio	-	-	-	55.07
(B)	-	2.02	-	57.63
Total Provisions (A+B)	4.70	2.98	4.39	58.15

6 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities		
Fixed assets : Impact of Difference between tax depreciation and Depreciation / Amortisation Charged in financials	-	-
Others		
Deferred tax assets		
Fixed assets : Impact of Difference between tax depreciation and Depreciation / Amortisation Charged in financials	0.12	1.71
Provision for employee benefits	0.20	0.39
Provision for owned portfolio	13.94	-
Others	-	0.33
Deferred tax asset / (liability) (Net) (a - b)	-	-

Note: As per AS 22, the Company has unabsorbed depreciation or carry forward of losses under tax laws, deferred tax should be recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. As there is no virtual certainty supported by convincing evidence, the Company has not recognised Deferred Tax Asset.



CONATUS FINSERVE PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2022
(Presented in INR lakhs unless otherwise stated)

7 Trade Payables		
Particulars	As at March 31,2022	As at March 31,2021
Dues to micro and small enterprises (refer note 24)	-	-
Dues to other than micro and small enterprises	17.75	14.43
Total	17.75	14.43

Ageing for Trade Payable

Particulars as on 31-03-2022	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	17.75	-	-	-	17.75
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

Particulars as on 31-03-2021	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	14.43	-	-	-	14.43
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

8 Other Liabilities

Particulars	As at March 31,2022	As at March 31,2021
Payables to Employees	4.88	4.32
Statutory Dues	3.89	8.18
Rent Equalisation	-	0.33
Interest payable on loans	2.68	5.19
Insurance Premium Payable	1.80	1.32
Total	13.25	19.34



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022
(Presented in INR lakhs unless otherwise stated)

9 Property, Plant & Equipment and Intangible Assets

Particulars	Property, Plant & Equipment				Intangible Assets			Total
	Furniture and Fixtures	Office Equipment	Computers and data processing units	Total of Property, Plant & Equipment	Software & Subscriptions	Non Compete Fee	Total of Intangible assets	
Cost								
As at April 01, 2020	2.58	4.13	11.92	18.63	22.22	46.00	68.22	86.85
Additions	0.10	0.08	0.33	0.51	18.20	-	18.20	18.71
Disposals / Discarded	-	-	-	-	-	-	-	-
As at March 31, 2021	2.68	4.21	12.25	19.14	40.42	46.00	86.42	105.56
Additions	-	0.32	0.58	0.90	-	-	-	0.90
Disposals / Discarded	-	-	-	-	-	-	-	-
As at March 31, 2022	2.68	4.53	12.83	20.04	40.42	46.00	86.42	106.46
Accumulated depreciation								
As at April 01, 2020	0.21	0.67	3.35	4.23	0.09	11.53	11.62	15.85
Charge for the year	0.27	0.79	4.10	5.16	6.12	11.50	17.62	22.78
Disposals / Discarded	-	-	-	-	-	-	-	-
As at March 31, 2021	0.48	1.46	7.45	9.39	6.21	23.03	29.24	38.63
Charge for the year	0.27	0.91	4.11	5.29	6.79	11.50	18.29	23.58
Disposals / Discarded	-	-	-	-	-	-	-	-
As at March 31, 2022	0.75	2.37	11.56	14.68	13.00	34.53	47.53	62.21
Net block								
As at March 31, 2021	2.20	2.75	4.80	9.75	34.21	22.97	57.18	66.93
As at March 31, 2022	1.93	2.16	1.27	5.36	27.42	11.47	38.89	44.25



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

(Presented in INR lakhs unless otherwise stated)

10 Loans and Advances

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Loans				
Secured, considered good	712.54	391.62	900.44	302.87
Less:				
-Provision against restructured asset	(17.91)	(4.28)	(13.22)	(4.45)
-Provision against non performing asset	(4.47)	(5.46)	(1.13)	(0.38)
-Additional provision for Stressed assets	(42.39)	(11.70)	(13.22)	(4.45)
Unsecured, considered good	-	3.69	6.11	2.05
Less:				
-Provision against non performing asset	-	(3.26)	(0.37)	(0.12)
(A)	647.77	370.61	878.61	295.52
Other loans and advances				
Advance Income Tax (net of provisions)	-	7.81	-	6.65
Prepaid Expenses	-	1.55	-	1.71
Other advances	-	0.74	-	-
(B)	-	10.10	-	8.36
Total	647.77	380.71	878.61	303.88

Note: Refer note 5 for provisioning against doubtful debts and advances.

11 Other Non-Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Bank deposits with maturity of more than 12 months* (including interest receivable)	1.30	4.17
Total	1.30	4.17

Note: *Of the above, margin deposits amounting to Rs. 1.29 Lakh (Previous year Rs.2.87 Lakh) have been marked as lien.

12 Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding for a period exceeding six months from the date they are due for payment.		
- Unsecured, considered good	-	-
Other trade receivables		
- Unsecured, considered good	-	17.15
Total	-	17.15

Ageing for Trade Receivable

Particulars as on 31-03-2022	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables — considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Particulars as on 31-03-2021	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	17.15	-	-	-	-	17.15
(ii) Undisputed Trade Receivables — considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

(Presented in INR lakhs unless otherwise stated)

13 Cash and Bank balances

Particulars	As at March 31,2022	As at March 31,2021
Cash and cash equivalents		
Cash on hand	2.75	0.18
Balances with Banks		
- In current accounts	37.28	61.80
- In Bank Deposits (Original maturity within 3 months)**	141.00	208.65
(Including interest receivable)	181.03	270.63
Other Bank balances		
Bank Deposits (Due to realization within 12 months but more than 3 months of the reporting date)*	-	52.59
(Including interest receivable)		
Total	181.03	323.22

* Of the above, margin deposits amounting to Rs. NIL (Previous year Rs.52.58 Lakh) have been marked as lien.

** Of the above, margin deposits amounting to Rs.NIL (Previous year Rs.2.60 Lakh) have been marked as lien.

15 Other current assets

Particulars	As at March 31,2022	As at March 31,2021
Accrued Interest/financial charges	19.14	22.53
Ex-Gratia amount receivable from Government of India	-	7.92
Unbilled Revenue	-	13.59
Security Deposits	17.42	20.21
Total	36.56	64.25



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022
(Presented in INR lakhs unless otherwise stated)

Note 14

Related Party Disclosures

Related parties with whom transactions have taken place during the year or in the previous year

Names of related parties and description of relationship:

M. Rajaram Kamath	Shareholder and Director & CEO
Ganesh Ramanand Rao	Shareholder & Director & Vice Chairman
Late Govindarajan Parthasarathy	Shareholder & Director
Sumana Rajaram Kamath	Wife of Director

a. Remuneration to Key managerial personnel	
	As at March 31, 2022
M. Rajaram Kamath	47.06
	38.49
	47.06
	38.49

b. Reimbursement of expenses	Year ended	At the Start of Year	Transactions during the Year	Paid During the Year	Balance Payable/(Receivable)
M. Rajaram Kamath	March 31, 2022	0.23	2.33	2.56	-
M. Rajaram Kamath	March 31, 2021	-	2.44	2.22	0.23

c. Related party Transactions

Particulars	Year ended	Name of the Related person	Relationship	Amount
Remuneration paid	March 31, 2022	Sumana Rajaram Kamath	Wife of Director	6.90
Remuneration paid	March 31, 2021	Sumana Rajaram Kamath	Wife of Director	5.07

The remuneration to Key Managerial Personnel (CEO) does not include provisions made for gratuity, compensated absences which are determined on an actuarial basis.



CONATUS FINSERVE PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2022

(Presented in INR Lakhs unless otherwise stated)

16 Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31,2021
Finance Income		
- Managed portfolio	(33.07)	172.15
- Own portfolio	280.48	316.04
- Other fees and Charges	0.22	-
Total	247.63	488.19

17 Other Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on fixed deposit with banks	4.37	17.97
Liabilities no longer required written back	-	3.99
Interest on Income Tax refund	1.08	-
Total	5.45	21.96

18 Employee Benefit Expenses

Particulars	Year ended March 31, 2022	Year ended March 31,2021
Salaries, wages and bonus	209.78	260.82
Employee Compensation Expense on account of grant of ESOP	2.91	1.66
Contribution towards provident & other funds	11.08	20.22
Staff welfare expenses	7.12	7.29
Gratuity Expense	1.07	1.55
Total	231.96	291.54

19 Other Expenses

Particulars	Year ended March 31, 2022	Year ended March 31,2021
Director Sitting Fee	2.40	2.10
Travelling and Conveyance	10.10	10.11
Communication costs	1.06	1.43
Legal and professional fees	15.29	21.18
Payment to auditors (Refer details below)	3.49	3.00
Rent	20.05	27.50
Electricity charges	1.20	1.50
Repair & Maintenance - Others	3.75	4.11
Rates & taxes	5.90	8.91
Printing and stationery	2.16	1.47
Subscription & software	25.97	20.61
Loss default written off for managed portfolio	23.03	84.93
Loss default provision for managed portfolio	-	55.07
Provisioning for owned portfolio		
- Standard asset	(0.54)	(3.85)
- Restructured asset	4.52	17.67
- Non performing asset	11.20	2.00
- Additional provision for Stressed assets	36.42	17.67
Bank charges	0.55	0.80
Bad Debts write off	7.92	0.67
Miscellaneous Expenses	1.03	-
Total	175.50	276.88



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

(Presented in INR lakhs unless otherwise stated)

Payment to Auditors	Year ended March 31, 2022	Year ended March 31,2021
As Auditor:		
Statutory Audit Fee	3.00	3.00
Tax Audit Fee	0.40	-
Out of Pocket expenses	0.09	-
Total	3.49	3.00

20 Finance cost

Particulars	Year ended March 31, 2022	Year ended March 31,2021
Processing and legal fee on loans	2.15	3.72
Interest on loans	53.03	83.22
Total	55.18	86.94

21 EARNINGS PER SHARE (EPS)

The following reflects the profit/(loss) and share data used in the basic EPS computation:	Year ended March 31, 2022	Year ended March 31,2021
Profit after tax attributable to equity shares (Rs.)	(233.15)	(167.46)
Weighted average number of equity shares in calculating basic EPS	13,818,648	13,709,169
Basic EPS	(1.69)	(1.22)



CONATUS FISERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

(Presented in INR lakhs unless otherwise stated)

Note 22**Capital and other commitments**

There were no capital and other commitments as on Balance Sheet date.

Note 23**Contingent Liability**

Particulars	As at March 31, 2022	As at March 31, 2021
First loss default guarantee (Refer Note 11 & 13)	(to the extent of Margin deposits)	

Note 24

In terms of the clause 22 of chapter V micro, small and Medium enterprises development Act 2006 (MSMED act 2006), the disclosure of payments due to any supplier are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any MSME supplier as at the end of each accounting year	-	-
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
Total	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

Note : The above disclosure is made to the extent of information available with the management.



CONATUS FINSERVE PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2022
(Presented in INR lakhs unless otherwise stated)

Note 25

Employee Benefits

Defined Contribution Plan:

During the year, the Company has recognised the following amounts in the statement of profit and loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Provident Fund and Contributions	10.01	17.42
Employee state insurance	1.05	2.76
Labour Welfare Fund	0.02	0.04
Total	11.08	20.22

Defined Benefit Plans:

The following tables summarise the components of the net employee benefit expenses recognised in the Statement of Profit and Loss, the fund status and amount recognised in the balance sheet for the gratuity benefit plan as required under AS 15, in respect of Gratuity. This is an unfunded plan :

Particulars	As at March 31, 2022	As at March 31, 2021
I. Change in Defined Benefit Obligation (D80)		
Present Value of defined Benefit Obligation at the beginning of year	3.13	1.58
Current Service Cost	1.71	0.88
Interest Cost	0.19	0.13
Past Service Cost -(vested benefits)	-	-
Actuarial Losses/(Gains)	(0.84)	0.55
Benefits Paid	-	-
Present Value of defined Benefit Obligation at the end of the year	4.20	3.13

Present Value of Current Obligation	0.62	0.03
Present Value of Non Current Obligation	3.58	3.11

II. Components of Employer Expense		
Current Service Cost	1.71	0.88
Interest Cost	0.19	0.13
Past Service Cost -(vested benefits)	-	-
Actuarial Losses/(Gains)	(0.84)	0.55
Total Expense recognised in the statement of profit and loss	1.07	1.55

III. Net Asset/(Liability) recognised in Balance Sheet		
Present Value of defined Benefit Obligation	4.20	3.13
Fair Value of Plan Assets	-	-
Status(surplus/(deficit))	(4.20)	(3.13)
Unrecognised Past service cost	-	-
Net Asset/(Liability) recognised in Balance Sheet	(4.20)	(3.13)

IV. Actuarial Assumptions		
Discount Rate (%)	4.90%	3.95%
Salary escalation rate	4.00%	4.00%
Expected Return on Plan Assets (%)	0%	0%
Retirement Age	60	60
Maximum Limit (Rs)	20.00	20.00

V. Amounts for the current and previous years are as follows*:

Description	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Gratuity				
Defined Benefit Obligation	4.20	3.13	1.58	0.97
Planned asset	-	-	-	-
Surplus / (deficit)	(4.20)	(3.13)	(1.58)	(0.97)
Experience adjustments on Plan liabilities (gain)/loss	(0.71)	0.40	0.09	-
Experience adjustments on plan assets gain/(loss)	-	-	-	-

*Since the company was incorporated in 2018, Information relevant to the years have been furnished above.

VI. Other long-term benefits- Unfunded

The defined benefit obligations which are provided for but not funded are as under:

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Leave Encashment				
Current	0.34	0.49	0.56	0.34
Non-Current	1.12	1.28	1.26	1.44
Total	1.46	1.77	1.82	1.78

The discount rate for defined benefit plan and other long-term benefits is based on the prevailing market yields of Indian Government securities as at the
The estimate of future salary increases considered for defined benefit plan and other long term benefits takes into account the inflation, seniority,
The above disclosures are made to the extent of information available with the company.



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

(Presented in INR lakhs unless otherwise stated)

Note 26

Disclosures in respect of cancellable operating leases:

The Company has taken office spaces at various locations under cancellable operating lease agreements. The Company intends to renew such leases in the normal course of its business. Total rental expense under cancellable operating leases was ₹20.05 Lakh (March 31, 2021: ₹ 27.49 Lakh).

Note 27

Policy on Moratorium Period:

In terms of the RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020, following has been disclosed:

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Respective amounts in SMA*/overdue categories, where the moratorium/deferment was extended	-	793.49
(ii) Respective amounts where asset classification benefits is extended	-	-
(iii) Provisions made during the Q4 FY 2020 and Q1 FY 2021 in terms of paragraph 5 provisions in terms of paragraph 6.	-	7.57
- Provision adjusted during the respective accounting periods	-	7.57
- Residual provision	-	-

Note 28

Loan Restructuring Policy:

In terms of RBI circular, the following disclosures are made in respect of restructured advances

RBI Circular No	No. of accounts restructured	Loan amount outstanding as on March 31, 2022
DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020	23	159.83

RBI/2021-22/46 DOR.STR.REC.20/21.04.048/2021-22 dated Jun 4 2021: Disclosures to be made as on 31st March 2022

Sl. No	Description	Individual Borrowers		Small businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	-	26.00	-
(B)	Number of accounts where resolution plan has been implemented under this window	-	26.00	-
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	-	111.54	-
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan*	-	10.25	-

* excluding additional provisions



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

(Presented in INR lakhs unless otherwise stated)

Note 29

Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016).

Liabilities Side:

1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
a. Debentures (other than falling within the meaning of public deposits*)		
- Secured	-	-
- Unsecured	-	-
b. Deferred Credits	-	-
c. Term Loans	344.22	-
d. Inter-corporate loans and borrowings (inclusive of interest accrued but not	-	-
e. Commercial Paper	-	-
f. Public Deposits*	-	-
g. Other Loans - Demand loans	-	-

* Please see note (i) below

2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest	Amount Outstanding	Amount Overdue
a. In the form of Unsecured debentures	-	-
b. In the form of partly secured debentures i.e. debentures where there is a	-	-
c. Other public deposits *	-	-

* Please see note (i) below

Asset Side:

3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	Amount Outstanding
a. Secured	1,104.17
b. Unsecured	3.69

4. Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities	Amount Outstanding
i. Lease Assets including lease rentals under sundry debtors:	
a. Finance Lease	-
b. Operating Lease	-
ii. Stocks on hire including hire charges under sundry debtors:	
a. Assets on hire	-
b. Repossessed Assets	-
iii. Other Loans counting towards AFC activities:	
a. Loans where assets have been repossessed	-
b. Loans other than (a) above	-



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

(Presented in INR lakhs unless otherwise stated)

5. Break up of Investments:

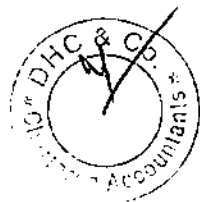
Current Investments	Amount Outstanding
1. Quoted	
i. Shares: a. Equity	-
b. Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual funds	-
iv. Government Securities	-
v. Others	-
2. Unquoted	
i. Shares: a. Equity	-
b. Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual funds	-
iv. Government Securities	-
v. Others (Fixed deposits with banks)	-

Long-Term Investments	Amount Outstanding
1. Quoted	
i. Shares: a. Equity	-
b. Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual funds	-
iv. Government Securities	-
v. Others	-
2. Unquoted	
i. Shares: a. Equity	-
b. Preference	-
ii. Debentures and Bonds	-
iii. Units of mutual funds	-
iv. Government Securities	-
v. Others (Fixed deposits with banks)	-

6. Borrower group-wise classification of assets financed as in (3) and (4) above :

Please see note (ii) below.

Category	Amount net of provision		Total
	Secured	Unsecured	
1. Related Parties**			
a. Subsidiaries	-	-	-
b. Companies in the same group	-	-	-
c. Other related parties	-	-	-
2. Other than related parties	1,017.95	0.43	1,018.38
Total	1,017.95	0.43	1,018.38



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

(Presented in INR lakhs unless otherwise stated)

7. Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted):

Please see note (iii) below

Category	Market value / Break up of fair value or NAV	Book Value (Net of Provisions)
1. Related Parties**		
a. Subsidiaries	-	-
b. Companies in the same group	-	-
c. Other related parties	-	-
2. Other than related parties	-	-
Total	-	-

** As per Accounting Standard of The Institute of Chartered Accountants of India ('ICAI') (Please see note (iii))

8. Other information

Particulars	Amount
i. Gross NPAs	
a. Related Parties	-
b. Other than related parties	92.42
ii. Net NPAs	
a. Related Parties	-
b. Other than related parties	47.73
iii. Assets acquired in satisfaction of debt	-

Notes:

(i) As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

(ii) Provisioning norms shall be applicable as prescribed in 'Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016' through notification no. Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016.

(iii) All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

(Presented in INR lakhs unless otherwise stated)

Note 30**Employee stock based compensation**

In pursuance of the resolution passed by the Board of Directors of the Company, the CFPL Employee Stock Option Plan 2019 was approved by the members at the shareholders meeting held on March 10th 2019. According to the scheme, the eligible employees selected by the Board of Directors or Compensation Committee, from time to time, will be entitled to stock options subject to satisfaction of vesting conditions. The other relevant terms of the grant are as below:

Vesting period : The total number of options Issued will vest to the employee as per the vesting schedule (between 1 to 4 years) provided in the ESOP agreement and the grants would vest provided they are continuing in the employment with the Company as on date of vesting.

Exercise period : After 48 months as per letter

Expected life : 4 year

The movements in the options are set out below:

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Shares arising out of options	Weighted average exercise price	Shares arising out of options	Weighted average exercise price
Options outstanding at the beginning of the year	195,000	10.00	-	-
Exercised during the year	-	-	-	-
Granted during the year	75,000	10.00	195,000	10.00
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired/ Lapsed during the year	(95,000)	10.0	-	-
Options outstanding at the end of the year	175,000	10.00	195,000	10.00
Options exercisable at the year end	-	-	-	-

The exercise price of the options outstanding at 31 March 2022 is as below.

Exercise price	No. of options
₹ 10	175,000
	175,000

The weighted average remaining contractual life is 80 months as per revised scheme.

The fair value of the options granted is determined on the date of the grant using the Black-Scholes option pricing model with the following assumptions on the date of the grant.

Dividend yield	Nil
Expected life	4 years
Risk free interest rate	4.95%
Volatility	33.70%
Fair Value for option	6.90 - 7.89



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

(Presented in INR lakhs unless otherwise stated)

Note 31**Capital and other commitments**

There were no capital and other commitments as on Balance Sheet date.

Note 32: Additional regulatory Information

Ratio	Numerator	Denominator	Current Year	Previous year
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	3.0	1.6
Debt Equity Ratio (in times)	Debts consists of long term and short term	Total Equity	0.4	0.5
Return on equity ratio (in %)	Profit for the year	Average total equity	-24%	0%
Trade Receivable turnover ratio (in times)	Revenue from operation	Average trade receivable	28.9	0.0
Net profit ratio (in %)	Profit for the year	Revenue from operation	-94%	-34%
Return on capital employed (in %)	Profit before tax*	Capital employed = Net worth	-26%	-16%

* Due to nature of business finance cost is not added to profit

Note : Due to nature of business, Trade payable turnover ratio, Net capital turnover ratio and return on investment ratio are not disclosed

Change in ratios more than 25% over previous year :

Current Ratio : Change in current ratio (3.0 vs 1.6) is mainly from reduction of current maturity of borrowings over previous year

Return on equity ratio : Change in ratio is due to higher net loss as compared to previous year mainly from higher operating loss from managed portfolio operations and additional provision for stressed accounts for current year

Trade receivable turnover ratio : Change in ratio (28.9 vs 46.6) is due to discontinuation of managed portfolio operations in current year

Net profit ratio : Change in ratio (94% vs 34%) is due to higher net loss as compared to previous year mainly from higher operating loss from managed portfolio operations and additional provision for stressed accounts for current year

Return on capital employed : Change in ratio (26% vs 16%) is due to higher net loss as compared to previous year mainly from higher operating loss from managed portfolio operations and additional provision for stressed accounts for current year

Note 33:

1. No funds have been advanced or loaned or invested funds (either borrowed funds or share premium or any other source or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

2. No funds have been received from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



CONATUS FINSERVE PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2022

(Presented in INR lakhs unless otherwise stated)

34 Covid-19 Impact

COVID-19 pandemic has resulted into widespread social and economic disruptions across the country leading to unprecedented situations. As per internal management assessment, the possible/probable impact of this pandemic on the business is not significant and we do not expect any material impact on the financial statements as a result of this. Since substantial part of our portfolio is secured and is concentrated on the FMCG sector, where although there have been slight delays in payment and sufficient provision have made in books to cover the probable loss and hence in our opinion the standard provision and additional provision on loans and advances made in the books of accounts is sufficient and appropriate to take care of any default that may arise in the future.

35 Comparatives

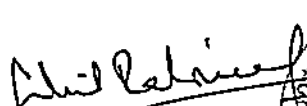
Figures for the previous year have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

For DHC & Co.

Chartered Accountants

Firm Registration Number : 103525W


Atul Pallwal
Partner
Membership No: 401969
Place : Bengaluru
Date : 20-05-2022

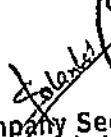


For and on behalf of the Board of Directors of Conatus Finserve Private Limited

For Conatus Finserve Private Limited


M. Rajaram Kamath
Director & CEO
DIN: 06542196
Place : Bengaluru
Date : 20-05-2022


Ganesh Ramanand Rao
Director & Vice Chairman
DIN: 02302989
Place : Bengaluru
Date : 20-05-2022


Varsha Solanki
Company Secretary
Membership No: A57097
Place : Bengaluru
Date : 20-05-2022

