



ANNUAL REPORT

2021-2022

SEEDS FINCAP PRIVATE LIMITED

Company Information

Corporate Identity Number
CIN No. : U65999DL2019PTC357518

DIRECTORS

Mr. Subhash Chandra Acharya
(Managing Director)

Ms. Monika Acharya
(Non-Executive Director)
(Upto 27th May 2022)

Mr. Avishek Sarkar
(Whole Time Director)

Mr. Sudhindra Kumar Sharma
(Additional Executive Director)
(Joined on 10th December 2022)

Mr. Krishnendu Sarkar
(Independent Director)
(With effect from 9th March 2022)

Dr. Smita Premchander
(Additional Independent Director)
(Joined on 27 May 2022)

KEY MANAGERIAL PERSONNEL

CHIEF EXECUTIVE OFFICER

Mr. Subhash Chandra Acharya

COMPANY SECRETARY

Ms. Mahak Chawla
(Joined on 30th December 2021)

STATUTORY AUDITOR

Agiwal & Associates
Chartered Accountant

INTERNAL AUDITOR

BDO India LLP

REGISTRAR & SHARE TRANSFER AGENTS

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Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032
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E-mail: kfinkart.support@kfintech.com
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REGISTERED OFFICE

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CORPORATE OFFICE

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Website: www.seedsfincap.com





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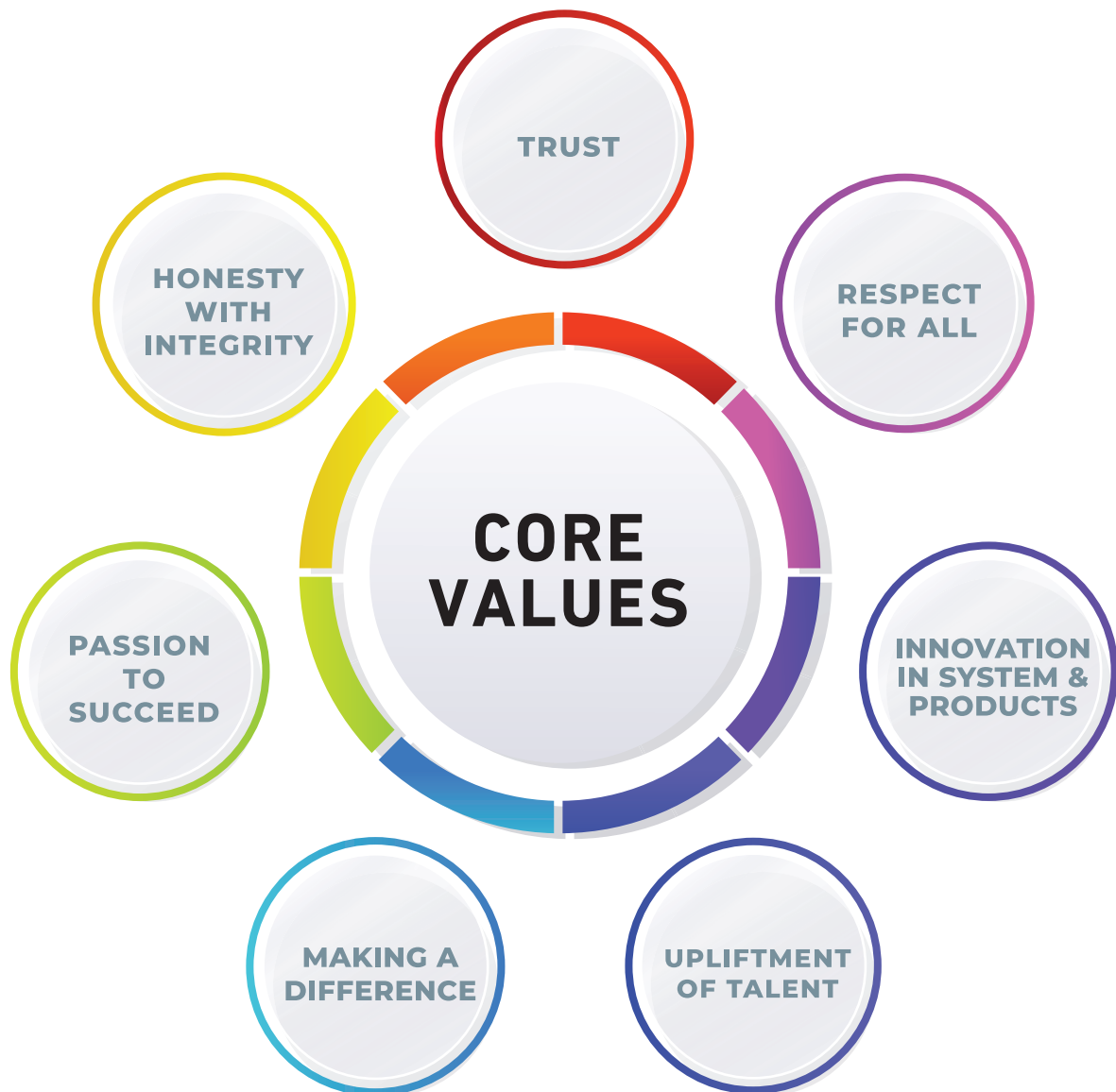


VISION

“To be the most preferred and trusted financial service partner for micro, small and medium enterprises”

MISSION

“To serve the evolving financial needs of individuals, institutions, businesses and communities in ever changing financial services marketplace through progressive and superior financial solutions”





MESSAGE FROM THE MD & CEO



MR. SUBHASH CHANDRA ACHARYA
Managing Director & Chief Executive Officer

Dear Stakeholders

The First act or the first step has always been the most difficult thing to do! Because it not only demands courage and conviction, but also originality of and openness to thoughts!

Let me start by sharing that the long-cherished dream by me and our cofounder Avishek Sarkar is indeed shaping into a reality now. From the first day itself SEEDS has strived to instill a technology driven, micro & small enterprise focused & long term relation building philosophy while aiming scalability & sustainability in the MSME lending & NBFC environment.

Our vision of strengthening borrowing enterprises has immensely helped us etch a mark in the market place. We bring unique proposition to our customers not only by lending them but also understanding their capital requirements on ongoing basis & by educating them to expand their business with prudence. We have developed great technology tools to collect wide range of customer data which will eventually help us in developing deeper insights about customers' business and thereby developing innovative, cost effective & highly customized products to suit both short-term & long-term capital needs of our customers going forward. SEEDS has successfully achieved 100% digital & cashless collections which was unheard within the MSME industry through our meticulous credit procedures and tireless commitment of the team at the ground.

Our target is to do continuous innovations on technology front in our system to enable our customers to have regular updates regarding our services round the clock.

I am extremely certain to mention that the story of SEEDS from the date of obtaining RBI License till date has been one of endurance, grit, determination and self-belief amid second wave of COVID scare, gloomy business environment, deteriorating lending landscape, bleak collections scenario & many of staff members getting infected/hospitalized by COVID. Our challenge was to recruit the best resources, open branches, engage with potential investors & lenders, roll out product policy, get operationally ready & launch the business. In addition to have trust from our valued shareholders we have been very fortunate to have won the support of our lenders as well which is evident from the fact that we have raised more than Rs.50 Cr. from 15 lenders in the very first year of operation. Buoyed by their confidence in SEEDS, our belief in the success of SEEDS became even stronger.

When I reflect, it is overwhelmingly satisfying moment for me to mention before all of you that we successfully overcame all those unthinkable hurdles & here we are standing confident and proud today. The role of our senior team members, managers & field staff has been stellar in helping us reach here. Our people are our greatest strength & I would like to commend & thank each member of SEEDS' family for the dedication, commitment & sacrifices they have made in the most difficult time of our lives & yet delivering incredible performance month on month to take us here today.

In the months to come, SEEDS will be aspiring to become the most preferred lender to the larger pool of MSME businesses falling in between SME & Microfinance categories. There is a huge funding gap as these businesses are deprived of easy access to capital on competitive rates. That is where SEEDS is aggressively positioning itself & aiming to become a lender who understands their immediate capital requirements and anticipated future needs too. Such MSME enterprises are the largest employment generators for the nation and SEEDS would like to play a significant role in supporting these enterprises. We are increasingly using technology & our team is working hard to blend artificial Intelligence, ML & big data with traditional ways of business to give unique & hassle-free experience to our borrowers. SEEDS will attract the best talent from the industry, campuses & also focus on nurturing internal talent pool through training & upskilling programs. We are working on developing innovative & need based customized products & putting in place robust & dynamic risk management, data security and business continuity management policies with the help of latest available technology.

We are now firming up role designs, employee reward programs & developing effective learning management system to all employees while aiming to become the employer of choice where people get empowered to perform, assured job security offering safety & open culture.

Our vision is to creates the best value for all the stakeholders & investors alike through building a technology driven, customer centric, cost effective, agile business model backed innovative product offerings, performance rewarding environment and robust risk management policy is integral to our business strategy and organizational goals.

SUBHASH CHANDRA ACHARYA
Managing Director & Chief Executive Officer

MESSAGE FROM BOARD MEMBERS



MR. AVISHEK SARKAR
(Director & Chief Risk Officer)

Let me start by sharing the universal truth that there is no business with zero risk. Our industry in particular has multiple risks, and we are working with our team to be mindful of identifying those potential risks by using technologies and risk management tools to safeguard SEEDS' capital, earnings, reputation, collaterals & customer data. Being a part of an extremely regulated industry, we are faced with many challenges to mitigate compliance, security, financial and operational risks.

From day one-Our risk management policies are well reflected in our strategic initiatives. Our credit underwriting policies & decision making is centralized & with the use of technologies, we have been able to reduce individual interventions for signing off exceptions. For instance-our collections is entirely cashless and digitally driven which helps us receive the portfolio performance report almost online and action the remedial steps without wasting precious time. We are in the advanced phase of developing AI, Big data,

& ML-driven decision-making policies. Our system raises early flags on the customers who might be getting stressed on repayment & thereby promptly takes action to ensure that our repayment becomes a priority for such customers, and it continues getting serviced well on due dates every month.

Our underwriters are well qualified, industry experienced & well aligned with business goals. Therefore, the entire effort is to develop a culture that all deserving borrowers must be written in our books and all undeserving applications must not be able to penetrate SEEDS' system.

While we aim to develop a robust risk management policy and supporting technologies, we are also making sure that the bureaucracy and unwanted policy hurdles do not make a business suffer. Instead, we want to use the technology to support our business process by becoming hassle-free, generating a good customer experience, and minimizing any potential risks of any kind. Our business continuity management policies are robust enough to overcome any sudden challenge while keeping our customer data safe.

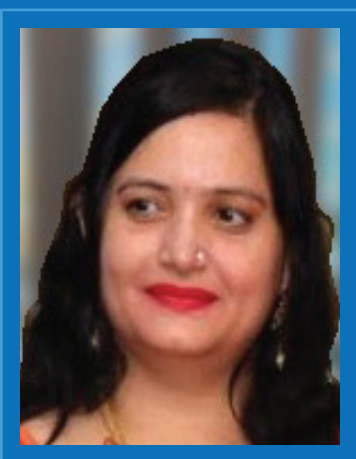
I am of the strong view that we must anticipate the risks and have risk containment policies & processes in place however the risk management and technologies should not become the bottleneck. We aim to develop risk, compliance, technologies, and underwriting policies that protect our capital, earnings & data but create more efficiencies in the processes & significantly contribute to building the best value proposition for all the stakeholders & customers alike.



MR. SUDHINDRA KUMAR SHARMA
(Executive Director)



MR. KRISHNENDU SARKAR
(Independent Director)



MS. MONIKA
(Director)

“Focus on the journey, not the destination. Joy is found not in finishing an activity but in doing it.” Words of Greg Anderson. The journey was challenging at the beginning, but it turned out to be eventful with few Milestones, and as of today, I feel rejoiced and motivated for what our journey holds up ahead. In those trying times, where the continuous impact of COVID-19 was battering every sphere of life, the assiduous efforts put in by every individual at SEEDS paid off well as we achieved an AUM of Rs. 65 Cr. with nearly 10,000 customers. We cannot thank enough our shareholders and lenders who have shown their faith in team SEEDS and provided their able support at an early stage. At SEEDS, we dedicate our efforts to set the highest standards for ourselves and continue to work to achieve the highest degree of governance & transparency, state-of-the-art technology, and customer service. SEEDS has its infrastructure in place, and with the closely aligned team with the mission, we aim to make the remarkable journey for FY’23.

It is a measure of how quickly and profoundly our world has changed, that when we look back at the year gone by, it feels like a different era altogether.

We had a very productive year, engaging with customers in their innovation, growth, and transformation initiatives, expanding and deepening our relationships, deploying very impactful solutions, and winning some of our largest deals to date. We believe that business success is derived not from one large heave of the giant flywheel, but from a number of small initiatives, constantly putting one's shoulder to the wheel, often shifting its direction as consumers and the business environment change. We may shift only inches each time, but a time comes when the flywheel begins to acquire an independent momentum.

FY 2021-22 was an unprecedented year that has been a litmus test for humanity. The impact of the pandemic has been such that it has changed the manner in which countries, businesses, and individuals function and interact with each other. It has been a period of extraordinary and rapid changes that have led to reimagining and recrafting the traditional ways of doing things. The pandemic has also demonstrated the importance of operating with a sense of purpose and service towards all stakeholders in order to create long-term and durable value for everyone.

I look forward to the year ahead and believe that our strategic plans, leadership team, culture, and people will help us achieve our goals.

MESSAGE FROM LEADERSHIP TEAM



MR. SUMEET DHALL
(Head Accounts & Finance)



MR. GAMBHIR SINGH
(Business Head)



MS. SWATI SINHA
(Head Credit)

To say the 2021-22 year was challenging is truly an understatement. The global COVID-19 pandemic has affected — and continues to affect — our community's personal and economic wellbeing. NBFC Sector has faced many challenges during the Year, however, despite the tough market conditions SEEDS had an Assets Under Management (AUM) base of 65.26 CR with a total of 24 Branches.

Building a work culture to inspire our team has been our endeavor. Enhancing its skill sets and giving them growth opportunities is something that we have built at each level of the organization. With a capable team backed by a strong capital base, we have created a solid foundation for the desired growth in the coming years.

We exhibited courage and determination during these challenging times and ensured business continuity. We have always taken care to ensure a healthy balance between growth and profitability on the one hand and investment and financing on the other. Furthermore, our low leverage, strong operating cash flows, efficient working capital management, and operational efficiencies have positioned us to successfully scale up the operations and continue our desired path of consistent value creation.

The Finance sector has posed a lot of challenges post-pandemic and has made credit assessment all the more challenging task. Joining SEEDS has given me a platform to channelize my energy into giving credit assessment a new benchmark. An altogether different approach towards credit assessment, wherein we are developing a Credit scoring Engine, different credit matrixes, and developing robustness into the model to overcome geographically spread over client base.

Key Statistics



During the current financial year, SEEDS has expanded its presence into **30 districts of Rajasthan, Uttar Pradesh & Haryana**. SEEDS currently has a dedicated team of more than **300 SEEDIANS** and **9,555 Clients**.

Assets Under Management

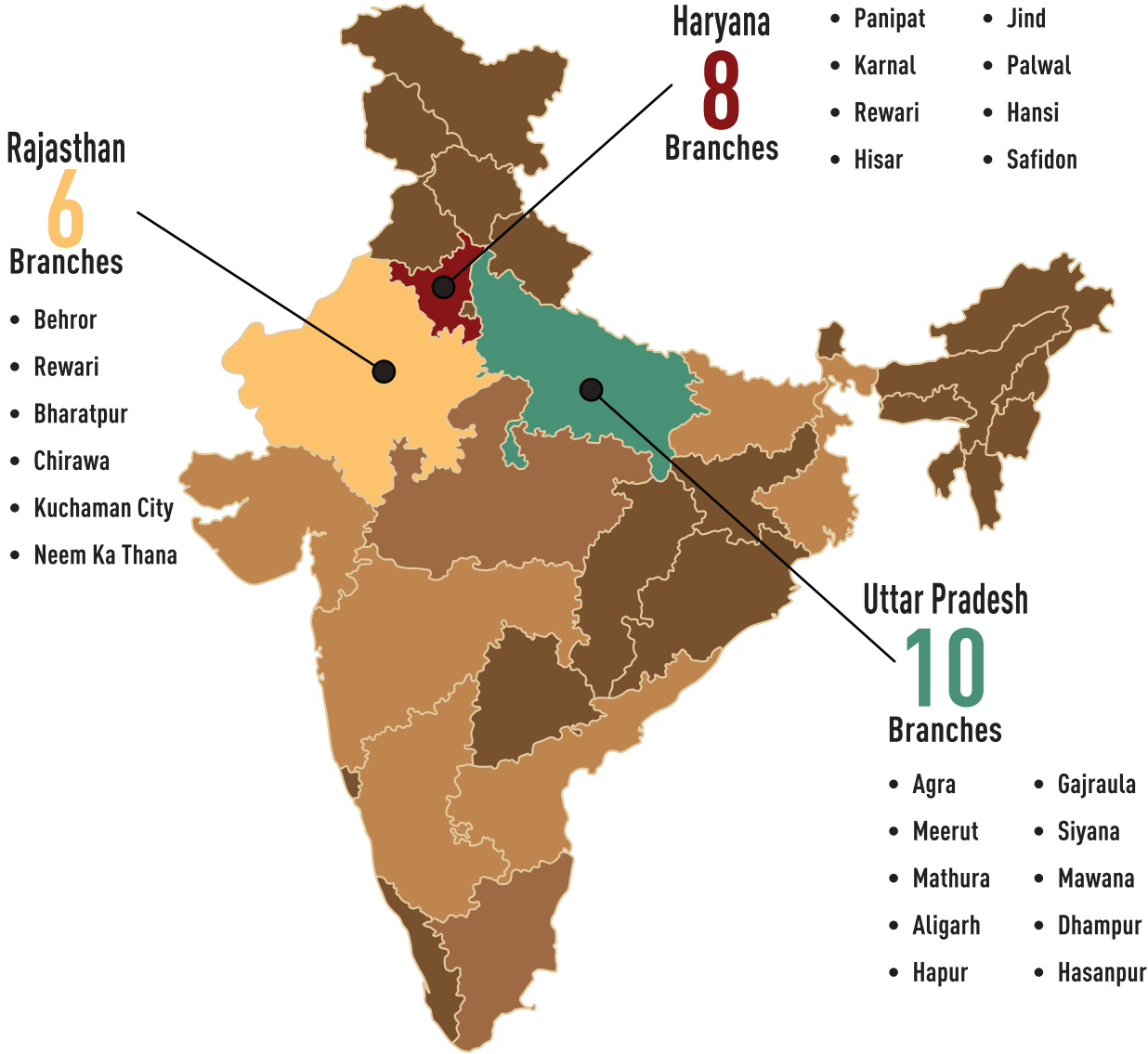


65 Crore

ZERO Delinquency



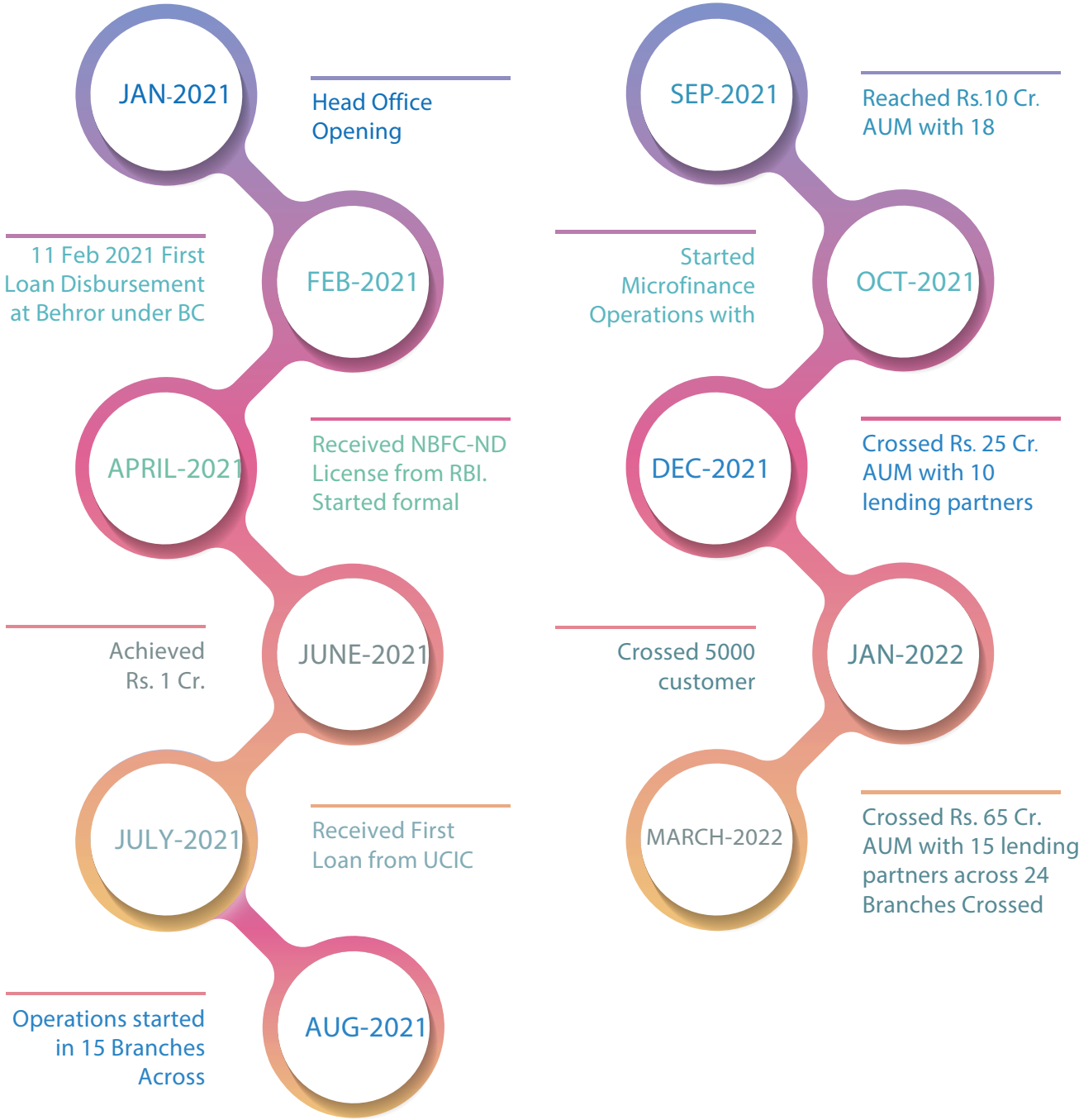
Outreach



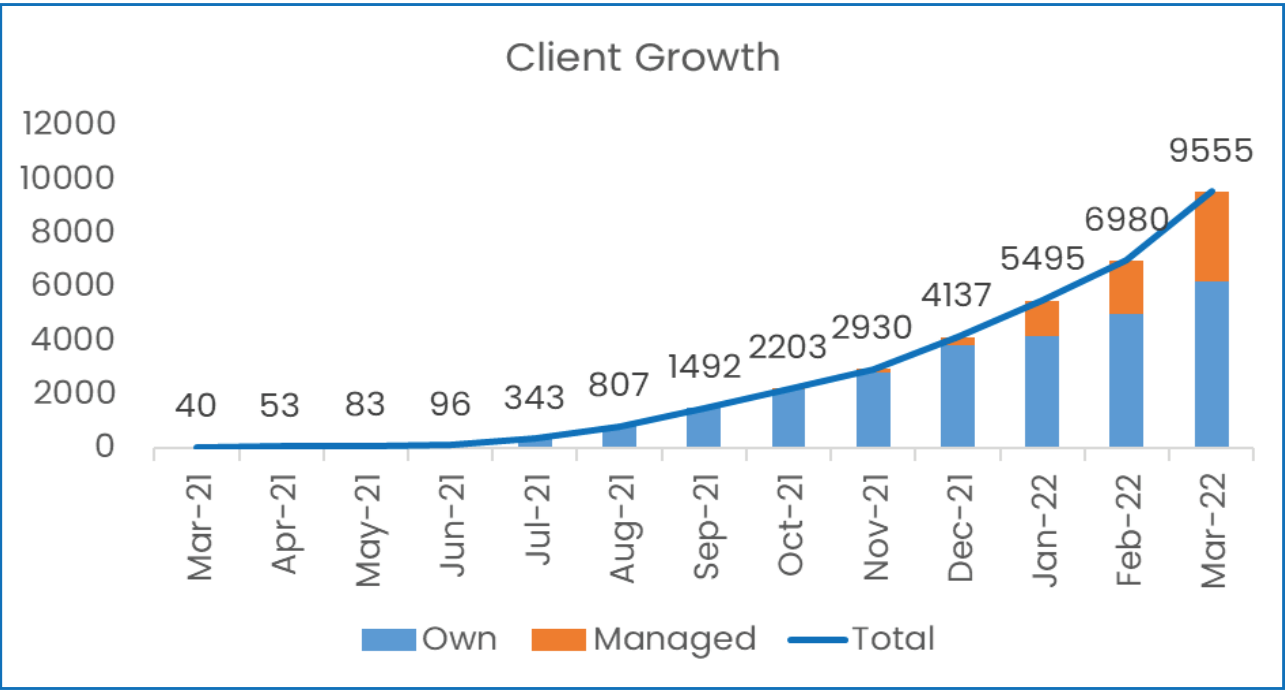
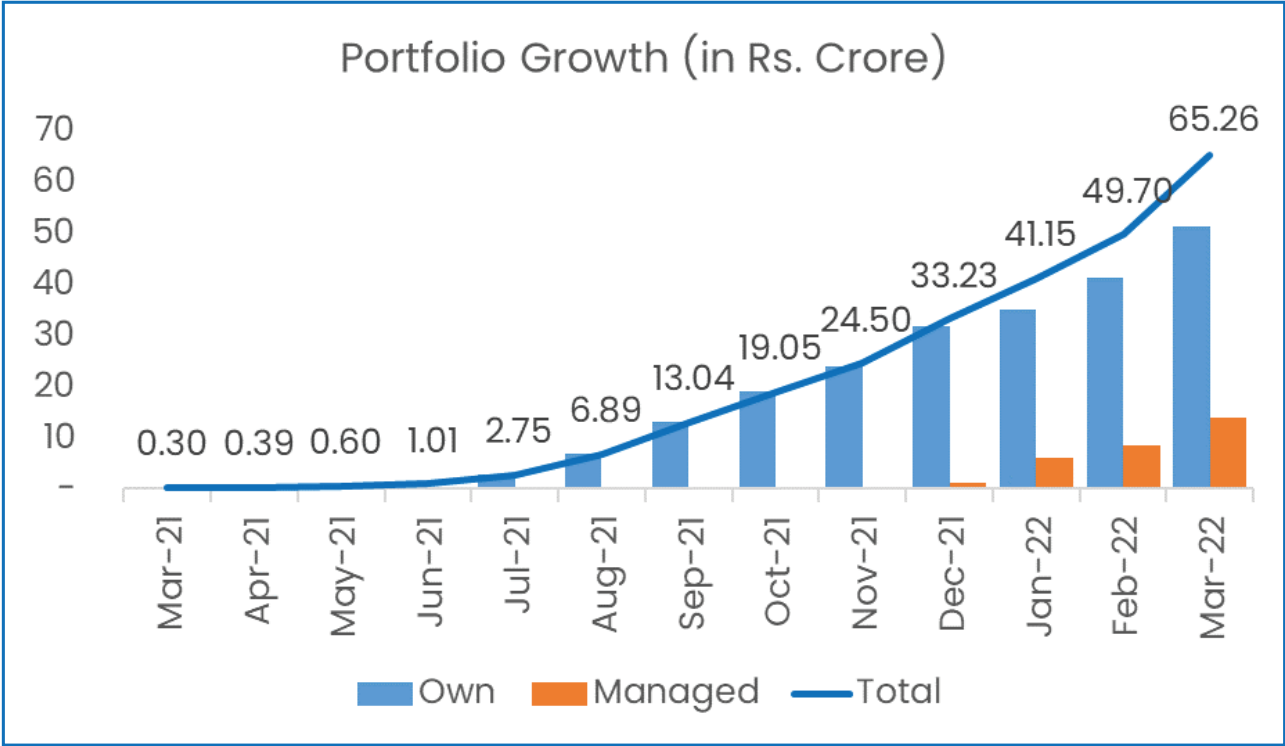
100% Ontime Digitised Collections

| | | | |
|-------------------------------|------------------------------|--|---|
| <p>PAY</p> <p>NACH</p> | <p>PAY</p> <p>UPI</p> | <p>PAY</p> <p>Aadhaar based E-Mandate</p> | <p>PAY</p> <p>Debit Card Based Mandate</p> |
|-------------------------------|------------------------------|--|---|

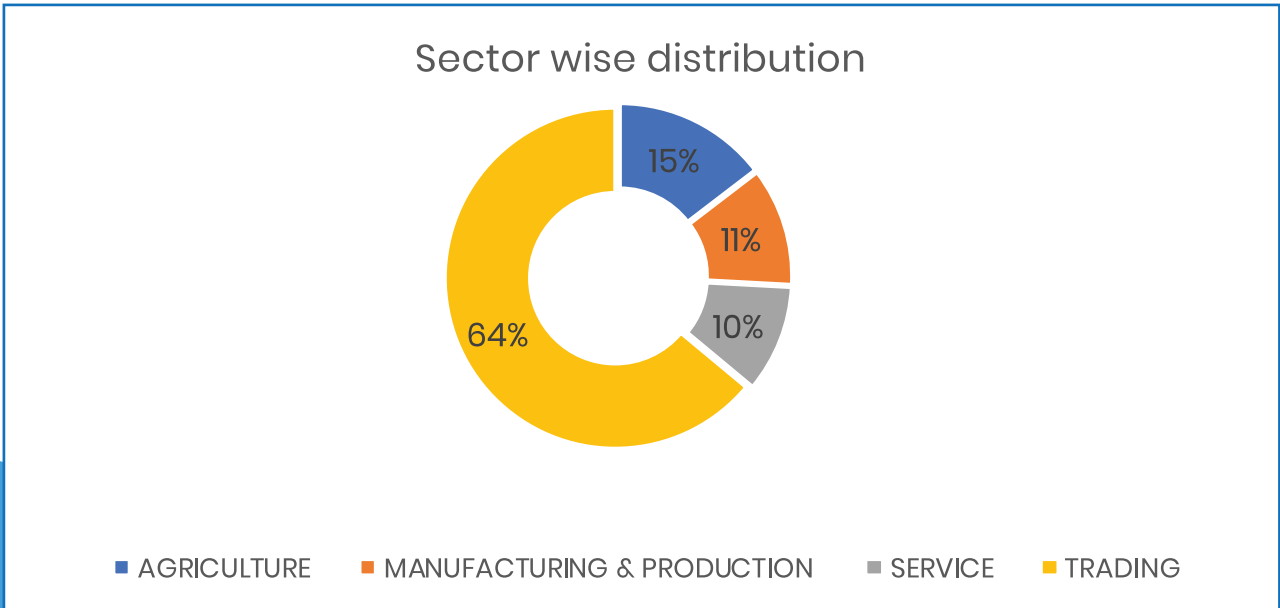
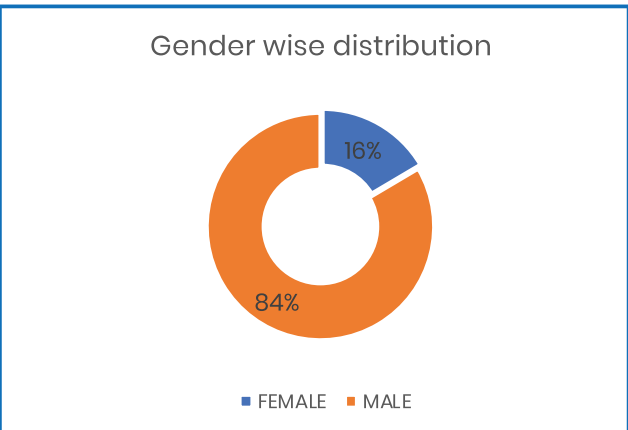
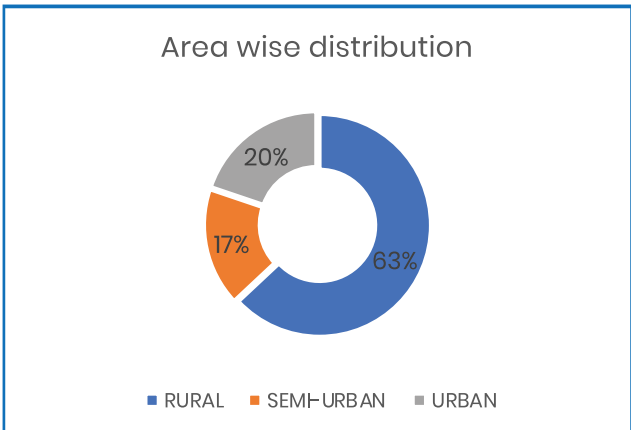
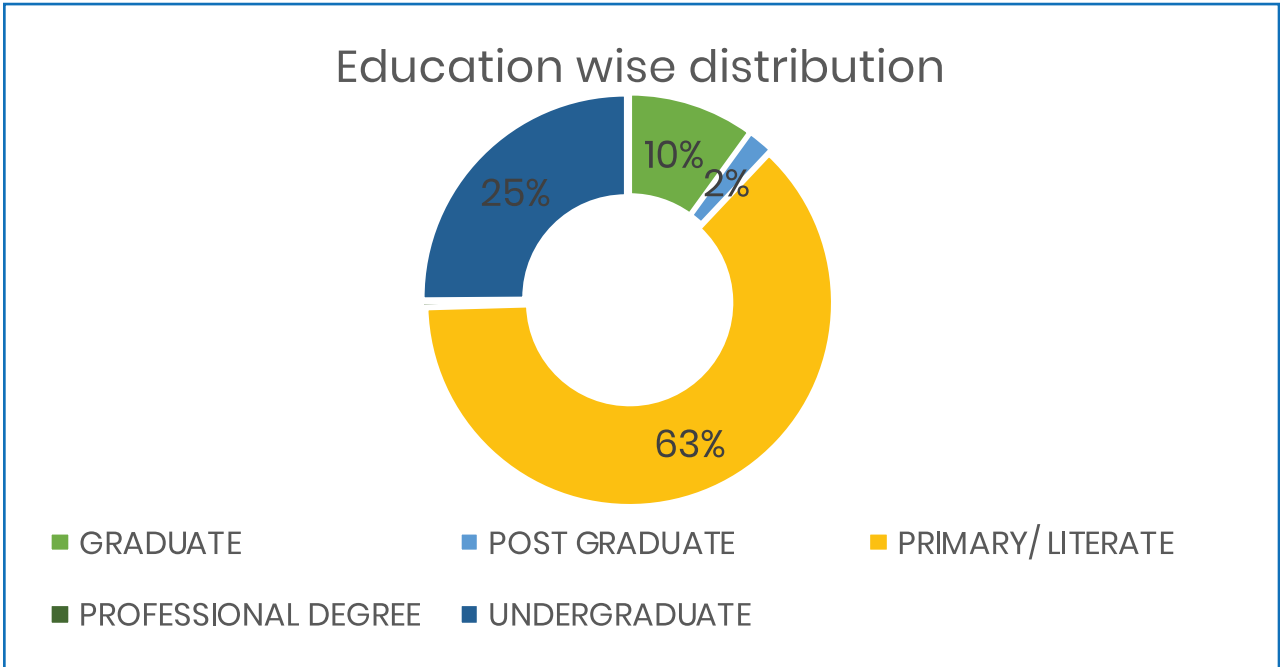
Key Milestones Achieved



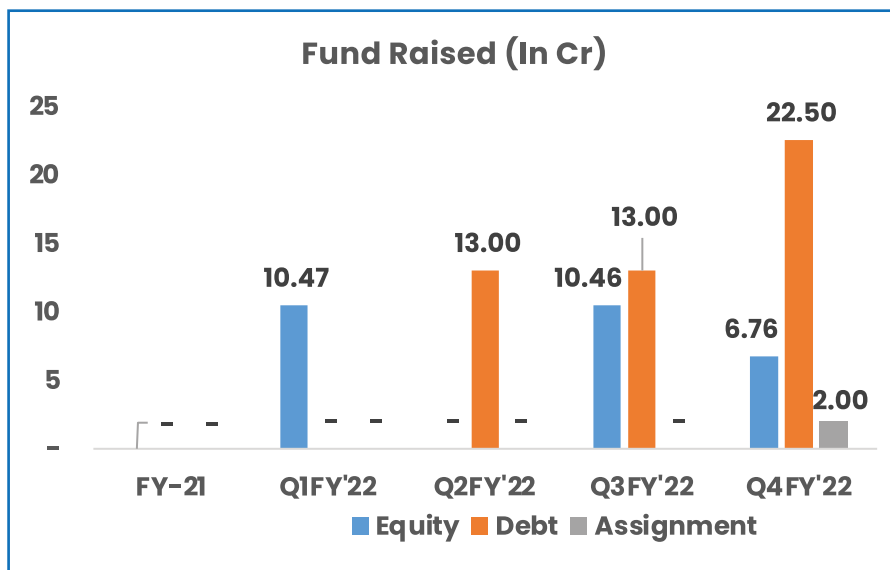
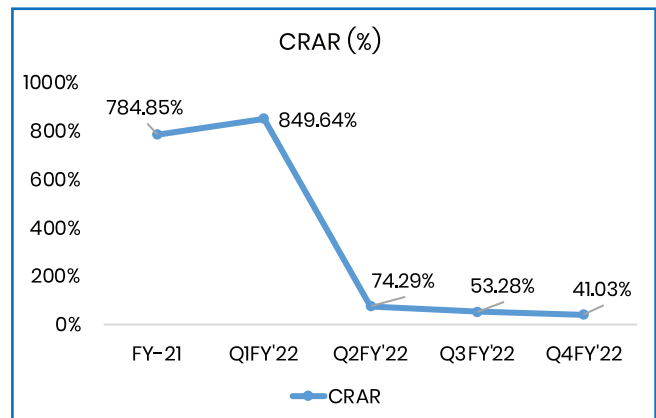
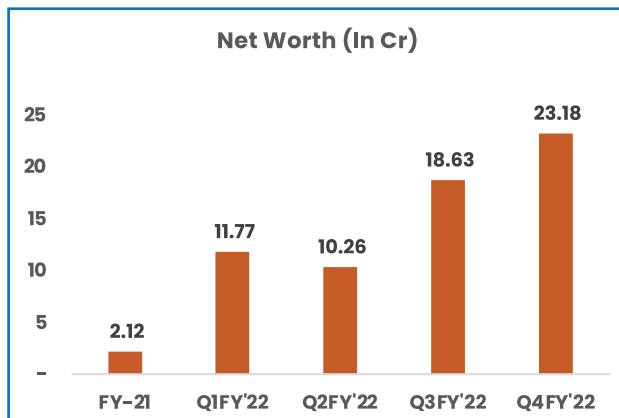
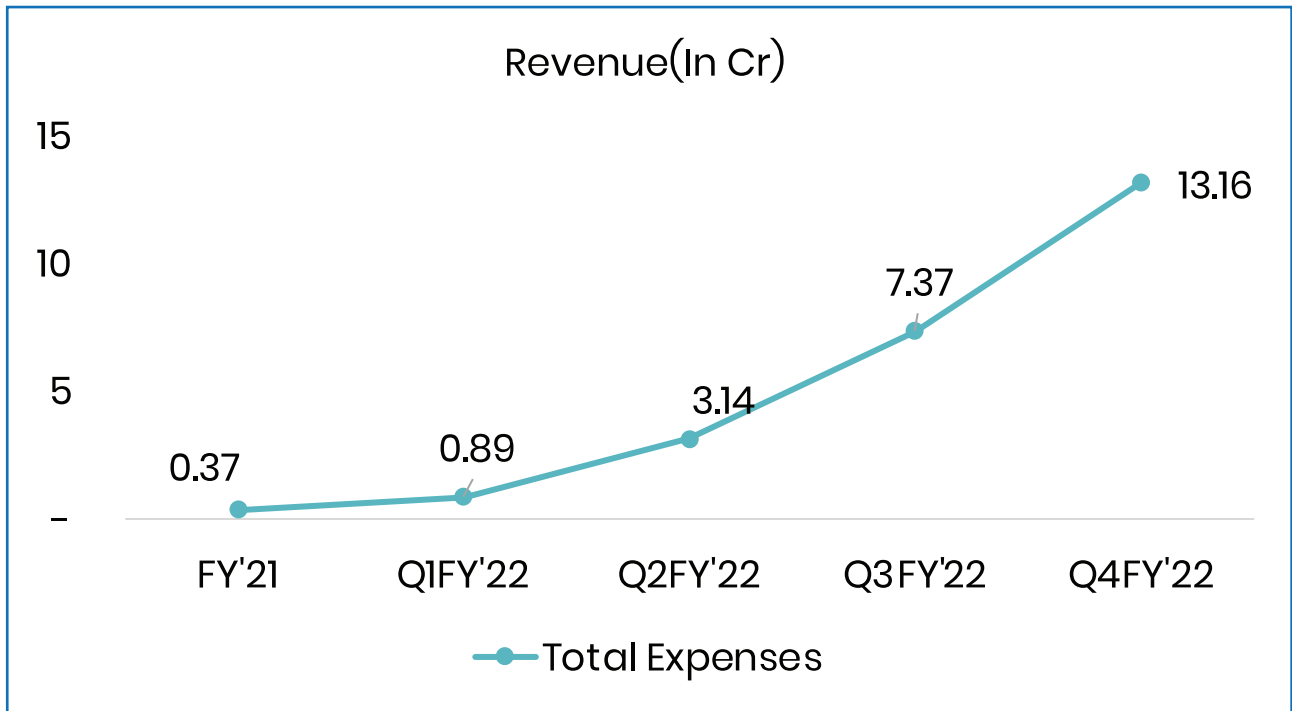
Portfolio Details



Demographic Distribution



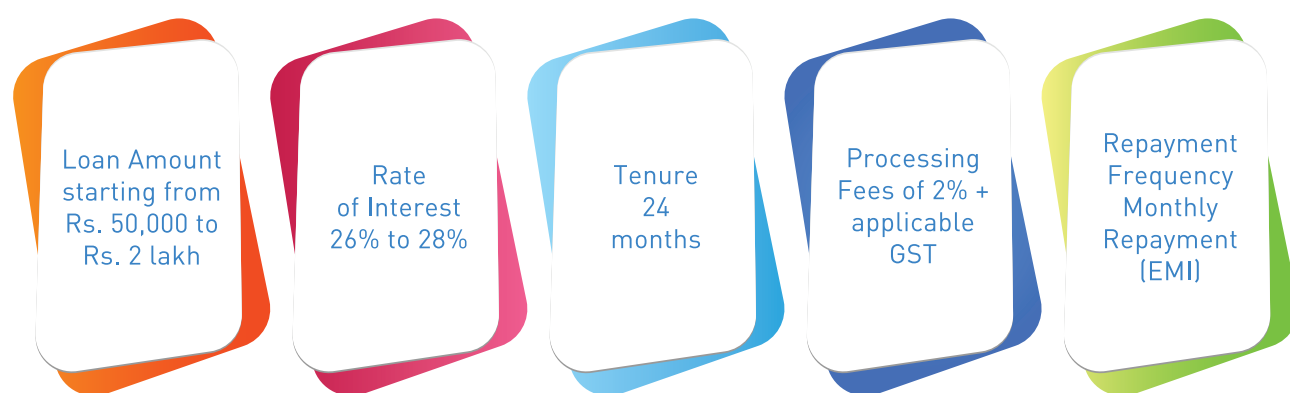
Financial Parameters



Products

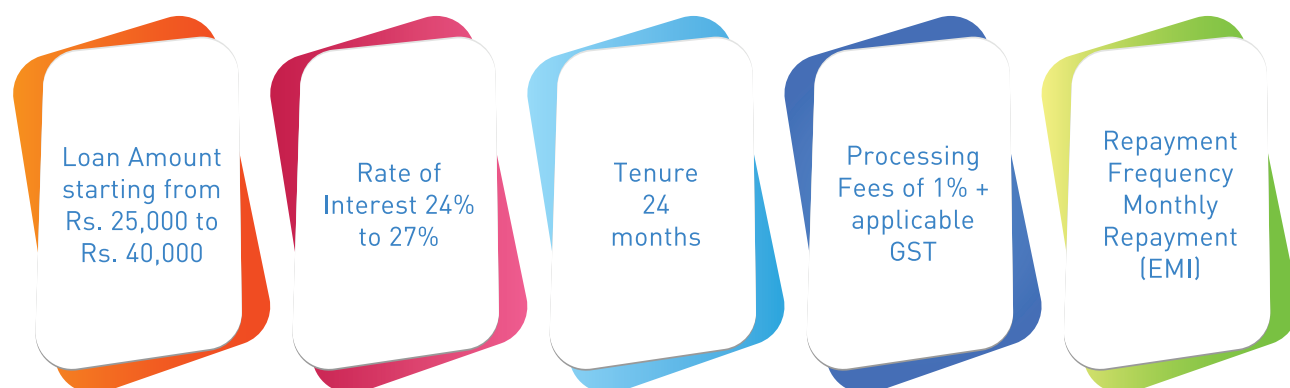
SAMVARDHAN LOAN (Unsecured Individual Loans): The Samvardhan Loan was launched by the organization on 10th of February 2021 with an objective to serve the individuals who are engaged in Trading, Manufacturing, Services and Dairy industry in micro

or Small scale and a minimum of three years in the same line of business and operating in the same location for more than three years. The loan is guaranteed against post-dated cheques. Brief features about the product are presented below:



GROUP LENDING: These loans are provided to women entrepreneurs, who require loans for either working capital and for capital investment.

The income generating loans is given to individual clients through the Group/Centre.



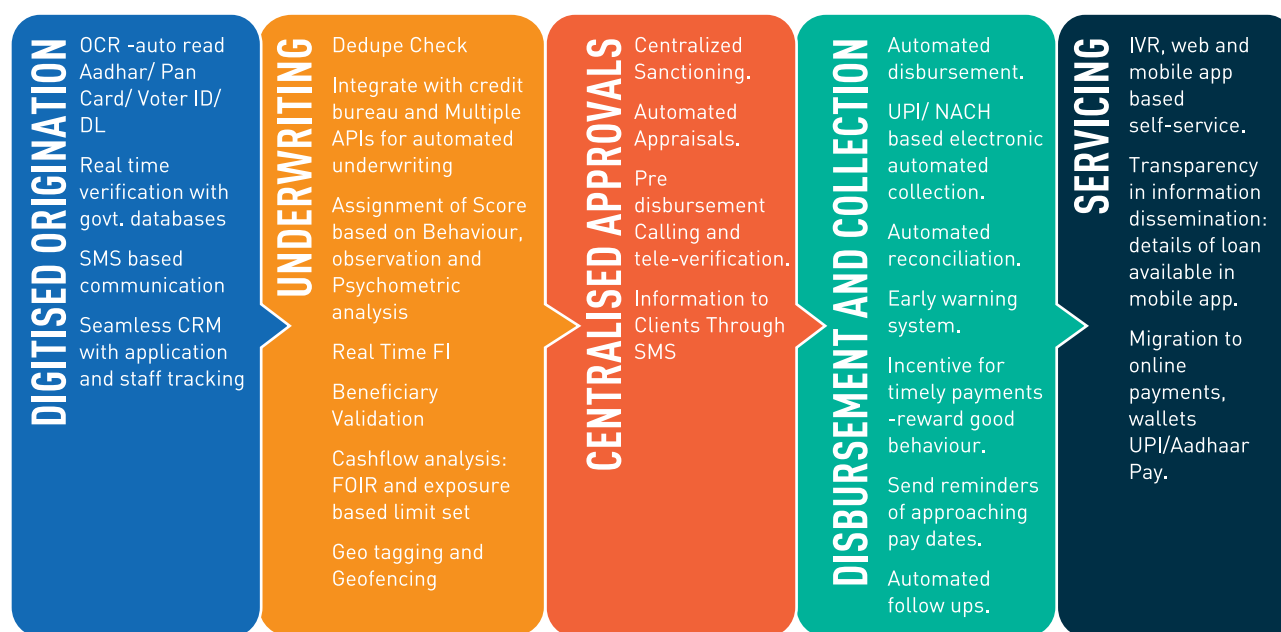
Technology Infrastructure

Technology is an imperative part of any organization in today's time. SEEDS has emphasized that all processes are technology driven and the IT platform is user-friendly to ensure seamless process flow, be it Loan processing, expense claims, monitoring the movement of staff, or geofencing of customers.

SEEDS has partnered with great talents in various fields to create an eco-system for the client, customers, and management, ensuring ease of work and precision in information.

SEEDS has taken lots of initiatives including developing the LOS & LMS software customized as per our requirements from our software provider M/S Twinline Business Solutions Pvt. Ltd. Backend of LOS & LMS are integrated that helps us close the end-to-end process flow in an efficient and timely manner. The software is hosted on AWS, and the user allocation can be done on a role and task basis. We have maintained a minimum downtime in the entire Financial Year.

End to end Automated Processing



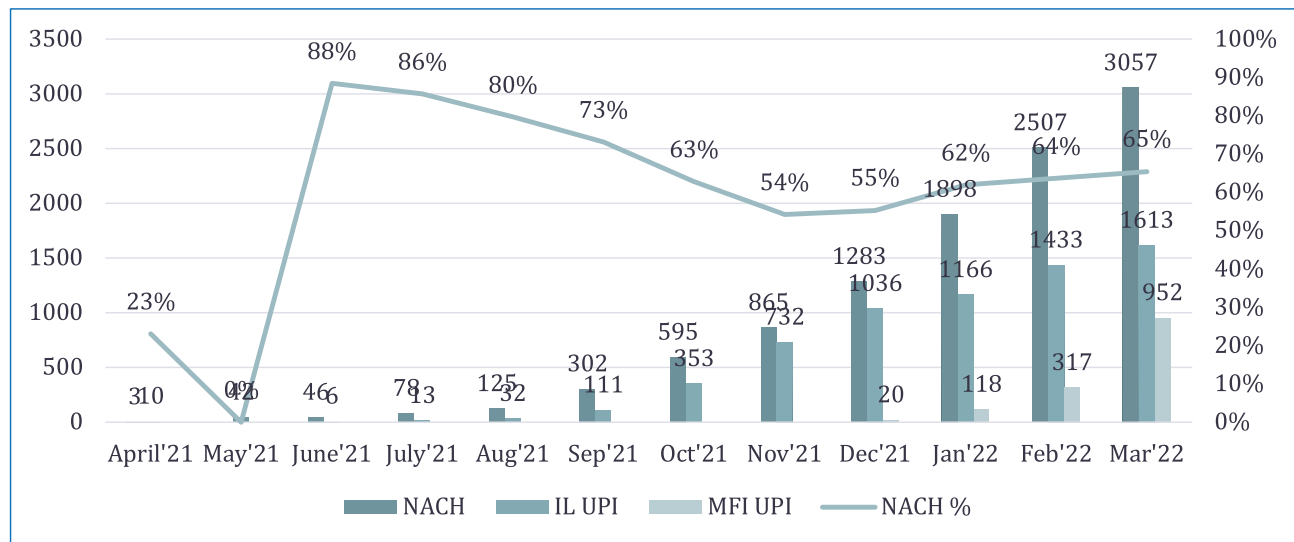
Amongst a host of other initiatives SEEDS has introduced WORKMATE software for fuel calculation based on real-time movement. This software has a feature of SOS whereby in case of any exigency with our field staff mobile alert is triggered to ensure the safety of our staff.

SEEDS has ensured that technology is imparted to our clients as well. We have developed a customer application that has downloaded on his mobile whereby he can check his loan balance, make payments, etc.

To ensure a more meaningful and insightful field visit SEEDS has developed a supervisor application that creates records for LUC monitoring.

On the collection front, a 100% Cashless collection has been our endeavor right from the start. SEEDS uses all possible tools like NACH/E-NACH/ESIGN with Biometric & Aadhar OTP based. SEEDS is also using QR codes client-wise for UPI collection wherever NACH is not possible.

Digitised Collection Process



Recruitment being an integral part of any organization, plays a vital role in the growth trajectory. At SEEDS, automation of the entire Employee onboarding process has been initiated.

SEEDS has and will continue with the new developments, upgrades, experiments with technology to keep pace with the ever-changing Tech environment.

Risk Management

SEEDS risk management framework enables the top management of the company to know which, when, from where, and how much risk to accept to strengthen the bottom line. The company has a robust system of data capturing which enables it to take a prompt and prudent decisions in day-to-day activity.

Client Onboarding is done digitally, and the selection of borrowers is done by using a proper logic-driven credit policy, and the delegation of rules to specify responsibility for making an informed credit decision. The whole system is end-to-end integrated and automated to reduce errors.

Recruitment, being an integral part of any organization, plays a vital role in the growth trajectory. At SEEDS, automation of the entire Employee onboarding process has been initiated.

SEEDS has and will continue with the new developments, upgrades, and experiments with technology to keep pace with the ever-changing Tech environment.

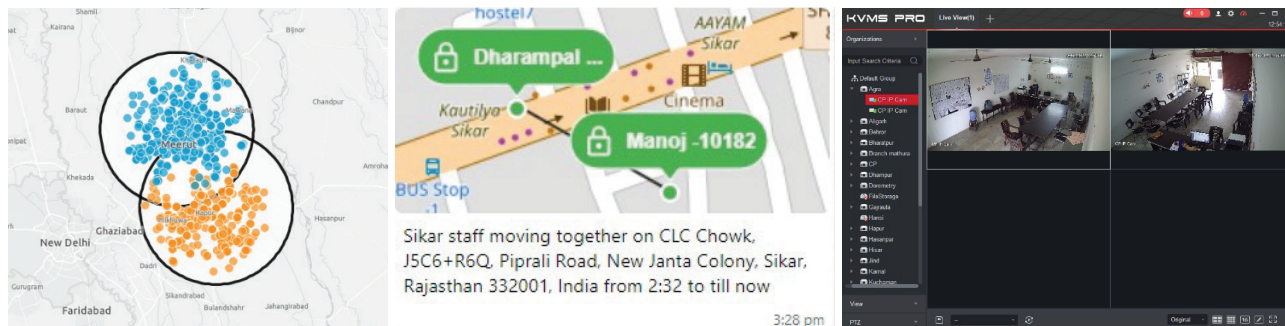
Risk Management System

| | | | | | |
|--|--|---|---|--|--|
| <p>DIGITISED CLIENT ONBOARDING</p> <ul style="list-style-type: none"> • End-to-end automation of processes to limit manual intervention. • Standard operating procedures defined for all processes. | <p>APPRAISAL</p> <ul style="list-style-type: none"> • Policies and deviations are standardized • Automized CAM to prevent manual errors and ensure quality/shorter TATs. • Data pulling from source through APIs mitigating fraud. | <p>FI VERIFICATION AND CREDIT APPRAISAL</p> <ul style="list-style-type: none"> • Personal visits by employees on fields. • Geo-tagging of customer location • End-to-end automation of FI and credit appraisal initiation and completion. | <p>LUC CHECKS</p> <ul style="list-style-type: none"> • An independent team to keep continuous touch with the client by visiting them on regular basis. • Partnerships with multiple FCU agencies and Hunter in Future. | <p>EARLY WARNING SYSTEMS</p> <ul style="list-style-type: none"> • Atomized dashboard for early warning system. | <p>ASSET LIABILITY MANAGEMENT</p> <ul style="list-style-type: none"> • Liquidity equivalent to 3 months of repayment and expenses. |
|--|--|---|---|--|--|

One of the key elements in successfully managing credit risk of a portfolio is that one must monitor and manage the dynamics of the credit risk. An understanding of risk-taking and transparency in risk taking are the key elements in the business strategy. SEEDS internal risk management process

is prepared on these pillars. Based on these measures, various reports are generated which helps the management in avoiding, mitigating, off-setting and diversifying the credit risk in its portfolio segments.

Early Warning System: Risk Based Dashboarding & Triggers



- TAT monitoring
- Rejection data analysis
- Product diversification analysis
- Ticket size wise movement analysis
- Credit policy confirmation (CB score, ID check, FOIR breach, EMI exposure breach, business stability, Radius breaching etc.)
- Collection Checking etc.
- Monitoring branch opening, closing and huddle meeting
- Attendance verification
- Staff location tracking and monitoring through software
 - Time mapping
 - Staff movement
 - Device management of staff
- Loan Utilisation Check by independent Risk Team
- Quarterly Client visit of Clients: An independent team to keep continuous touch with the client by visiting them on regular basis.
- Quarterly cashflow movement tracking
- Client Rating: Digital Rating, Behaviour Rating etc.
- Client relationship management

Enhanced Customer Experience

The Vision, Mission & Values of SEEDS have been crafted with a focus of giving customer an enriched experience in dealing with our company. Our aim has always been to ensure transparency in our dealings with the customer and enlightening his knowledge of finance.

We had our thoughts put to test by creating a customer centric eco-system whereby not only the origination process, but the post disbursement experience was also given due importance.

SEEDS has created tailor made products based on cash flows of the customer. Our focus is to build a reward and loyalty program for the customers in coming times. To ensure timely availability of credit

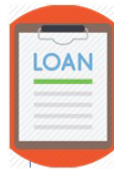
facility to our customers we are ensuring pre-defined TAT is followed and any exceptions are monitored to make sure that there is no undue delay.

SEEDS has always believed that the touch point with customer is essential to understand his needs and also to give him the confidence about his relationship with SEEDS.

Our post disbursement follow up call with the customer is done to get the feedback from the customer on his total experience of his dealing. A strong and effective Customer Grievance Redressal Mechanism (CGRM) has been a focal point for making our Customer First philosophy a reality.



Tailor made flexible loan terms to suit cashflow pattern



Easy and Simple application and approval process



Handholding through the process and building financial awareness



Quick approvals and defined TATs –subject to verification



Personalized credit assessment based on borrowers' profile



Ability to assess income and expenditure despite lack of documentation



Friendly and respectful customer service



Build trust –No hidden fee and charges



Building effective reward and loyalty programmes



Effective Grievance Management System

IMPACT STORIES



Impact Story One: A journey to self-reliance

Client Name: Sarita Devi

Location: Chirawa (Rajasthan)

Business: Garments

SEEDS FINCAP established a branch in Chirawa district located in the state of Rajasthan, some 174km away from Delhi, where the exclusion of women from the mainstream economy is particularly noteworthy, providing women with access to financial services entails a redefining of the role of these women from being economically dependents to being economic drivers, thereby redefining traditional conceptions of the role of women.

Our client Smt. Sarita Devi lives in Sardar Patel colony of Chirawa district. She is a woman of determination. She is spearheading her garment business from last 10 years. She was eyeing to increase the business volume but owing to paucity of capital she used to visit the market daily to purchase items in less quantity and therefore used to earn less margin.

The meagre earning and paltry profit, despite working hard, was slowing her growth!

After Covid -19, when market resumed, Sarita met our sales office Sandeep for loan of Rs. 100000 (One lac). After completing the documentation, due-diligence and verifications, SEEDS FINCAP sanctioned Rs. 100000 to her.

Upon receiving the much-required capital, Sarita purchased stock in good quantity from the whole sale market, that too on decent discount. This ensured better percentage of margins, thereby she earned reasonable amount of profit. A large quantity of buying meant no daily running to market which translated into time saving and enabling Sarita to spend in shop dealing with customer to sale more and understand the customer needs of latest varieties.

Slowly the business picked up growth and her husband/son to joined in helping her to purchase item.

Today, Sarita's income level has reached a level wherein she can not only proudly announce the numbers, but also, she has earned much deserved respect among family members and relatives. With that crucial financing from Seeds, Sarita has proved her ability to run garment business and empower her family. Not only has her status in society has improved substantially, but her hidden talent and determination is being recognized by all which is what SEEDS FINCAP's ultimate objective of Individual lending foray.

IMPACT STORIES



Impact Story Two: From struggling business to the cynosure of family

Client Name: Shilpa Devi

Location: Panipat (Haryana)

Business: Garment

A woman is considered an epitome of strength and energy, SEED's client Shilpa Devi is one among such ladies. She is operating her small garment business with few garments' items for last 5 years but stock of garment was often not enough to meet customers' demand and choices. Due to lack of capital, she had to visit to market daily to purchase items in small quantities and sell it on thin margin. This was impacting her earning potential, often she found herself with tiny margins despite working very hard in day in and day out. Business growth too was very low due to financial constraints which was further affected by Covid-19.

After Covid-19 when people returned to the market, Shilpa met our sales officer Ram Mahar and BCM Sandeep for a loan of Rs. 1,00,000 (One lac). After complete

all formalities and verifications, SEEDS FINCAP sanctioned her a loan of desired amount.

With that amount, Shilpa purchased good quantity stock of fancy clothes and regular materials for young generation girls, wedding materials, kids' dresses from whole sale market. The bulk purchase enabled her to earn more profit.

Now, Shilpa spent quality time in shop – dealing and interacting with customers, understanding their needs and preferences and add new costumer to increase sales. Based on understanding of customer behaviour and preferences, she orders latest varieties to match demand of local community.

This also has a positive impact on the growth of her business, with her husband also helping her out of his busy schedule to purchase items from whole sale market. With sustained income & sustainable business model, Shilpa has proved her ability to operate a business. The family too is proud of her achievement.



Impact Story Three: Spicing up the tea business

Client Name: Gopal Das
Location: Rewari (Haryana)
Business: Tea and Spices



Impact Story Four: The growth story

Client Name: Yatish Rawat
Location: Hapur (Uttar Pradesh)
Business: Dairy

Referred to as “Veer Bhoomi” for number of soldiers the district of Rewari has given to nation, this otherwise quiet city is 95 km away from Delhi. SEEDS FINCAP opened a branch here to provide business loans to Women/Man and access to financial services.

Gopal Das is one of the earliest residents of the district who was looking for opportunity to aid and expand his business. He met our Field officer and BCM for a loan of Rs. 60000 (Sixty Thousand Only) which he got after due diligence and going through the process.

The loan was sanctioned in the month of June 2021. With that amount, Gopal Das expanded his business from Tea stall to spices (masala) store items.

Gopal Das increased the stock of spices in the shop and grinds masala for customer on demand. This enabled Gopal Das to manage his masala shop stock in better way. Amidst his flourishing business, he is very particular about repayment. Not only he is one of our happy customers but also particularly appreciates our services and reminder process for instalment 2 days before due date.

Shri. Yatish Rawat is running his Dairy with more than 20 cattle in his farm for more than past 5 years. This great strength of this farm was proving to be small for sales requirements. He then ventured into dairy products ranging from ghee to sweets, all from milk produce from his farm, but not much to his surprise, his produce requirement was great, but again his sales were limited, which, in-turn, limited his growth as well. Post, Second lockdown, when business resumed, he then approached to SEEDS, wherein he met Branch Sales Manager Sachin, after understanding the, what SEEDS is doing up for its borrowers, he decided to partner with us for his fund requirements.

After disbursement he purchased more cattle to increase the meet the demands of his milk and milk products. Now, with more supply, he has now engaged whole sellers for distribution of his product. He now aspires his setup to grow more and become a local brand. As his business has grown over the months, he is now looking forward to adding more cattle to his farm. He has proved his ability to run small scale dairy business and empower his family and improve his lifestyle, more importantly, his journey signifies SEEDS commitment to the upliftment of business to new level.



Impact Story Five:

Client Name: Mohammad Saidu

Location: Pilakuwa (Uttar Pradesh)

Business: Fabrication & printing

Mr. Mohammad Saidu is skilled in fabrication and printing of fabric for bedsheets and similar items for more than ten years, operating the unit from home. Few years into the business, forayed into rolling and cutting of fabric into bedsheets. To enhance potential of business, he thought of stonewash, sunshade works on bedsheets. Limitation on capital, restricted his sourcing of raw material, which forced him to frequent visit to source raw materials, and supply to his sellers in small quantities. Post second lockdown when business resumed, he approached SEED'S Business Sales Manager Mr. Sachin for loan for Samvardhan Loan Tarun, after appraisal SEEDS sanctioned a loan of ₹1,00,000.00.



Post receipt of funds, he was able to procure larger quantities of raw material for his unit. Orders started pouring in, bringing back his business to pre-covid levels. He is now able to streamline his business, from sourcing raw materials to door-step delivery of finished product. He has added stonewash machine to meet the increase in demand. He now more engaged in business expansion, and increasing customer base, to match this, he is employing more skilled and semi-skilled staff. He is looking forward to being in touch with SEEDS to meet his funds requirement for consistent increase in demand.

SEEDS Insights



Having received the RBI license on 3rd April 2021 the journey of SEEDS was started by organising Shubharambh on 8th April 2021 at Lohagarh Farms in Gurgaon.

15th Day of August 2021 was another defining milestone for SEEDS wherein we launched 15 new initiatives in 15 of our branches.

We have celebrated a lot of happy moments together as a family and we are happy to share a few glimpses of the same. Be it festivals, birthday celebration of staff, engaging with families of our staff, celebrating milestones/achievements of individuals, branches or at Company level we have all lived it with togetherness.

SEEDS has always emphasised on team building and the management has ensured that there is continuous engagement within teams to build a strong framework of the organisation. We have been regular with employee interaction at all levels and always emphasised on an open culture.

SEEDS has always believed in ensuring the right training is given to the staff. The management has given special emphasis to give requisite learning and developing skill sets necessary for each employee to grow in their stature.

SEEDS has emphasised that all are given equal opportunity to grow in their role based on their performance. The promotion policy has been very transparent and has helped us to create leaders from within.

The Company celebrated its first Annual day ANKURAN. It was time for the entire company to showcase their talents and be themselves for 2 days. It was a fulfilled event with each state showcasing their respective cultures, sports competitions, motivational sessions, a little bit of brainstorming for the way forward and lots of fun and frolic.

Report on Corporate Governance

Company's Philosophy on Code of Governance:

Corporate Governance, as Seeds Fincap Private Limited believes, to consistently endeavor to adopt the best Governance practice and maintain High standards of corporate governance. The Company Believes the law in true letter and spirit, going beyond law in upholding Corporate Governance standards.

The Board of Directors of the Company have adopted the Internal Guidelines on Corporate Governance as required Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India (RBI) on September 01, 2016 at its meeting held on 19th April, 2022

Composition of Board of Directors:

A Board of Directors ("the Board") is a recognised set of individuals, who have been elected to represent the shareholders. The primary responsibility of the Board is to provide effective governance over the Company's affairs for the benefit of its shareholders, and to balance the interests of its diverse constituencies, including its customers, employees, suppliers and local communities. The Board of Directors are expected to exercise reasonable care, skill and diligence and avoid conflict of interest while dealing with the Company.

The Board of Directors of the Company comprises of 5 directors including 3 (Three) Executive Director, 1 (One) Non-Executive Director and 1 (One) Non-Executive Independent Director.

The company takes the proper disclosure from all the Directors including Independent Director.

None of the Directors on the Board hold directorships in any other Company. None of the Directors are related to each other except Mrs. Monika Acharya, Director who is wife of Mr. Subhash Chandra Acharya, Managing Director & CEO of company.

The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda and notes thereon are sent to all the directors seven days in advance from the date of Board Meeting. All the information required for decision making are incorporated in the agenda. The Board takes on record the actions taken by the company on all its decisions periodically.

During the Financial year ended March 31, 2022, the Board met 15 (fifteen) times. These Meeting were held on:

| S. No | Date of Board Meeting | S. No | Date of Board Meeting |
|-------|-----------------------------|-------|--------------------------------|
| 1 | 27 th April 2021 | 9 | 22 nd October 2021 |
| 2 | 29 th April 2021 | 10 | 10 th December 2021 |
| 3 | 24 th May 2021 | 11 | 21 st December 2021 |
| 4 | 30 th June 2021 | 12 | 30 th December 2021 |
| 5 | 5 th July 2021 | 13 | 14 th January 2022 |
| 6 | 16 th July 2021 | 14 | 27 th January 2022 |
| 7 | 2 nd August 2021 | 15 | 9 th March 2022 |
| 8 | 31 st August 202 | | |

Confirmation Regarding Independence Of Director

Pursuant to Regulation 149 (6) declaration of Independence submitted by Mr. Krishnendu Sarkar, Independent Director, the board of the Company confirms that independent directors fulfil the conditions specified in Companies Act 2013.

Committees of the Board

Section 177 & 178 of Companies Act, 2013 is not applicable being a private Company. Further, the Board of Directors have constituted a Working Committee with specific terms of reference to focus on specific issues and ensure expeditious resolution on diverse matters.

Composition of Working Committee:

| Name of the Director | Designation |
|-----------------------------|-------------|
| Mr. Subhash Chandra Acharya | Member |
| Mr. Avishek Sarkar | Member |

Note: Ms. Mahak, Company Secretary of the Company act as Secretary to the Working Committee.

Terms of Reference:

The Board of director have approved terms of reference for the Working Committee.

Extract of Terms of Reference: -

- Accepting Loans from various Banks/Financial Institutions/entity both domestic and foreign;
- Transaction related to securitization/assignment and raising of funds through issuance of Commercial Papers/ External Commercial Borrowings/ issuance of Non-Convertible Debentures and through any other way as stipulated and permitted under laws;
- Pledge, mortgage and/or Charge in all or any part of the movable or immovable properties of the Company and the whole part of the undertaking of the Company of every nature and kind whatsoever;
- Allotment of securities to the extent permissible under the Companies Act, 2013 and other applicable laws;
- Affixation of common seal in terms of Articles of Association of the Company, wherever required to facilitate transactions;
- Opening of Current Accounts at different places in India;
- Any changes in authorized signatories who operate such accounts;
- Apply for Net Banking and consequent changes in their authority to operate;
- Any closure of existing Current Account of the Company;
- To issue duplicate Share Certificate;
- Any other matter relating to the operations of various bank accounts and other general purposes of the Company.

Means Of Communication:

Annual Report containing inter-alia, Board Report, Auditor's Report, Audited Financial Statement etc circulated to members and other entitled thereto. The Annual Report is also available on the website of the company at www.seedsfincap.com

Company Polices & Guidelines

The Board of Directors of the Company has formulated various policies/ guidelines as applicable under the provisions of the Companies Act, 2013 and rules made thereunder and various circular(s), notification(s) and directions issued by the Reserve Bank of India for Systemically important NBFC-ND Companies.

The Board has adopted the following Policies/ Guidelines:

1. Fair Practice Code

2. KYC & AML Policy

3. Customer Grievance Policy

4. Anti-Sexual Harassment Policy

5. Interest Rate Model

6. Code of Conduct for Directors & Seniors Employees

Grievance Redressal Officer

The Company has laid down grievance redressal mechanism and has appointed Mr. Avishek Sarkar as Grievance Redressal officer to receive and address the queries/ concerns/ grievances of Customers. The Communication details of Grievance Redressal Officer are provided on the website of the Company.

| | No. of Shares | % of Shareholding |
|---------------------------|--------------------|-------------------|
| Indian Promoters | 1,44,58,000 | 45.81 |
| Persons Acting in Concert | Nil | Nil |
| Institutional Investors | Nil | Nil |
| Corporate Bodies | 40,79,590 | 12.93 |
| Indian Individual/HUF | 1,30,24,432 | 41.26 |
| Non -residents | Nil | Nil |
| Total | 3,15,62,022 | 100.00 |

Those shareholders who wish to know more about the same may contact the company's Registrar and Share Transfer Agent or Compliance Department of the company.

Demat

The Company has set up requisite facilities for dematerialisation of its equity shares in accordance with the provisions of Depository Act, 1996 with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreements with both the depositories. International Securities Identification Number (ISIN) for equity shares

INE0K2Q01018 & for partly paid up Shares IN90K2Q01017.

Code of Conduct

The Board has laid down a code of conduct for all board members and senior management of the company. All the board members and senior management personnel have affirmed compliance with the code for the financial year ended 31st March, 2022.

A declaration to this effect for part of the report. The code required Directors and Senior Management Team members to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code of conduct is displayed on the Company's Website www.seedsfincap.com

Address for Correspondence: Shareholder Correspondence maybe Addressed to:

Registrar & Share Transfer agent

KFin Technologies Private Limited

Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032

Ph: 18003094001

E-mail: kfinkart.support@kfintech.com
einward.ris@kfintech.com

Website: <https://www.kfintech.com/>

To the Company

Compliance & Legal Department,
Seeds Fincap Private Company

Registered Office: 509,5th Floor, World Trade
Centre, Babar Road, New Delhi-110001

Corporate Office: Unit No.662, 6th Floor,
JMD Megapolis, Sector-48, Sohna Road,
Gurugram-122018

Ph: +91 1244 219 441

Email: cs@seedsfincap.com

Website: www.seedsfincap.com

Other Useful Information to Shareholders

- Shareholders/beneficial owners are requested to quote their folio no. /DP and client ID nos., as the case may be, in all correspondence with the RTA/ Company.
- Ids, change in their address/pin code number and bank account details promptly by written request under the signatures of sole/first joint holder.

- Beneficial owners of shares in demat form are requested to send their instructions regarding PAN, email ids, change of name, change of address, bank details, nomination, power of attorney etc., directly to their DP as the same are maintained by the DPs.
- In case of loss/misplacement of shares, investors should immediately lodge a FIR/complaint with the police and inform RTA/ Company along with original or certified copy of FIR/acknowledged copy of the complaint.
- Shareholders(s) of the Company who have multiple accounts in identical name(s) or holding more than one share certificate in the same name under different ledger folio(s) are requested to apply for consolidation of such folio(s) and send the relevant share certificates to the Company/RTA.
- Shareholders are requested to provide their valuable suggestions for improvement of our investor services. We request shareholders whose shares are in the physical mode to dematerialise their shares. Shareholders are requested to quote their e-mail IDs, telephone/fax numbers for prompt reply to their communication.

Role of the Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and applicable Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. The Company Secretary acts as the Secretary to all the Committees of the Board constituted under the Companies Act, 2013.

Management Discussion and Analysis

Overview

SEEDS started its operations from the Behror Branch in Rajasthan. The organization is engaged in providing loans to MSME customers. SEEDS adopted the "Individual Loan Model" with robust credit appraisal tools and latest technology support.

Financial Year 2021-2022 has been a remarkable year for SEEDS; as of March 31, 2022, the organization had 9,555 clients spread across 24 branches in 3 states with a gross loan portfolio of 65.26 Cr.

Last year when covid stirred India, SEEDS accepted it as an opportunity to move towards cashless transactions. We adopted the process of disbursing the loan amount directly in the bank account of the borrower through NEFT. The organization has been able to achieve 100% cashless disbursement through NEFT. The organization adopted cashless collections mode through NACH and UPI and 100% of the collections are through cashless mode.

Industry Scenario

The overall credit demand for finance by MSMEs is estimated to be Rs.105.5 Lakh Crore. To estimate the debt demand that Financial Institutions would consider financing in the short term, the study does not take into account the demand from the enterprises that are either not considered commercially viable by formal financial institutions, or those enterprises that voluntarily exclude themselves from formal financial services. Thus, after excluding (a) sick enterprises, (b) new enterprises (those with less than a year in operation and business), (c) micro service enterprises that prefer finance from the informal sector, the viable and addressable debt demand is estimated to be INR 36,70,000 Cr. This is 53 percent of the total debt demand.

Flow of Finance to the MSME Sector

Of the total estimated demand, only 53% is "addressable," that is, Rs.55.9 Lakh Crore can be served by the formal financial institutions. Together, micro enterprises accounts for ~99.5 percent of the addressable demand. Of this addressable demand, formal financial institutions currently address roughly one-third, that is, Rs.16.94 Lakh Crore. Thus the total credit gap is estimated at Rs.39 Lakh Crore.

Business Growth

In Financial Year 2021-22, SEEDS strengthened its operations by expanding in one more states, making us operational in three states now. The number of branches increased from 2 in March 2021 to 24 in March 2022. The organization closed the year with a loan portfolio of INR 65.26 crore, registering a growth of 21654% during the year. We have been able to achieve this growth in portfolio by maintaining our portfolio quality with PAR at 0.00% as on March 31, 2022. the year.

Regulations and Compliance

SEEDS registered as a Non-Banking Financial Company under directions of the Reserve Bank of India (RBI), received its licence in March'21. The organization complies with the requirements of prescribed by the Reserve Bank of India as applicable to it.

Financials

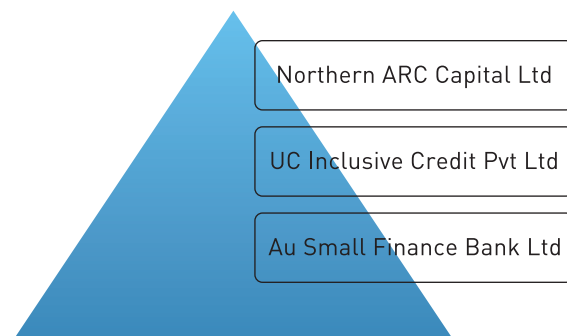
The total revenue generated by the organization was Rs.6.52 Crores as compared to Rs. 0.14 Cr in March 2022. However, as the organization is still in its initial phase, where we are concentrating our efforts on expansion, the organization incurred a loss of Rs. 6.64 Crores.

The shareholders' funds increased from Rs. 2.12 Cr in March'21 to Rs. 23.18 Cr in March'22. The details of the shareholders holding more than 5% of the ordinary shares of the organization are as under:

| Name | Number of Shares | % of Shares |
|--|------------------|-------------|
| Subhash Chandra Acharya | 3,505,000 | 11.11% |
| Concourse Consultancy Services Pvt. Ltd. | 3,200,000 | 10.77% |
| Avishek Sarkar | 31,55,000 | 10.00% |
| Sudhindra Kumar Sharma | 27,05,000 | 8.57% |
| Sumeet Dhall | 26,00,000 | 8.24% |
| Gitesh Sharma | 22,30,000 | 7.07% |

In Financial Year 2022, SEEDS raised total funds amounting to INR 78.19 Cr - which includes INR. 48.50 Cr through term loans including NCD and INR. 2 Cr through Assignment.

The top three lending partners of SEEDS are:



Funding Mix (Sources of on lending funds):

| Source | % Of total outstanding |
|--|------------------------|
| Private Sector banks including small finance banks | 8.6% |
| NBFCs | 71.7% |
| Others (NCD) | 19.6% |
| Total | 100.0% |

Risk Management

SEEDS recognizes that Risk management as one of the key drivers of growth and further to enhance corporate governance. Accordingly, the Management has framed the following Risk framework to continuously thrive for available risks in the organization which directly or indirectly effect the functioning of the organization.

Identification, Measurement and Assessment of Risk

- Management's responsibility is to operationalize the Risk Management Program and ensure that formal procedures are put in place to identify and define risk with input from representatives across the businesses.
- Measurement of risk is completed considering both quantitative and qualitative means using the likelihood and impact criteria as developed by Management and as reviewed by the Board.

- The management has identified certain inherent and residual risks which have been divided in accordance with likelihood and its impact on the business.

Human Resource Management

SEEDS places a lot of emphasis on the quality of its human resources, especially in the light of current expansion. For recruitment at the field level, references, social media advertisements, newspaper ads are placed to attract a mix of people with prior experience in the sector or from a different sector.

SEEDS follows a diversified workforce policy; hence, it ensures that person from same institutional background, same localities, references etc. are not posted together so that branches have a mix of people. Background check (on education, permanent address and police verification through inhouse team) is mandatory for each field level employee. For the higher levels which require more experience they are employed, mostly through employee referrals. A written test is conducted to assess aptitude as well as numerical skills. Communication skills are evaluated during an interview before selection takes place. The ethos behind hiring is that the staff have to be relationship managers and flag bearers of SEEDS.

For supervisory levels, SEEDS recruits from personal references. The company also recruits Management Graduates as Trainee who must undergo a 6-month probation period, during which monthly feedback is given by their supervisors. The probationers are confirmed by the Head Office after 6 months based on their performance and supervisory feedback.

There is a focus on induction training in SEEDS, refresher training and supervisory skill development training happens on regular intervals. Induction training covers general orientation about

the company, product and process training. On the job training covers all other aspects of operations. Till now, all classroom trainings have been centralised in Gurugram Corporate Office but will be shifted to the hub branches for various regions. All levels of staff and management attend at least 5 days of the product and process training, since this is an integral part of SEEDS at all levels. Fundamental product training and orientation about the ideology of SEEDS is given over 5 days to all lateral recruits. Soft aspects are also taught to the staff, for instance addressing the clients politely, dressing appropriately, etc. In the future there will be online tests to assess training outcomes. Refresher trainings will also be devised as e-learning modules in the future.

Promotion is purely merit and competence based. The panel of Senior Management Team evaluates staff on the basis of 4 parameters (experience, education, job knowledge and communication, skills) apart from performance which is the primary requirement for any promotions.

Technology

Technology makes business operations easier for any institution and the same goes for SEEDS as well. The company has invested in technology to significantly reduce capital expenditure and improve overall operational efficiency.

It also allow better utilization of the available assets within less time and resources, and also provide better services.

The adoption of technological innovations is the way forward for SEEDS. It will aid the company to optimise its resources and processes to facilitate intuitive and automated decision making in the future. It will also help SEEDS to have enormous leverage over the traditional lending system and boost maximum possible growth.

Board's Report

To
The Members
Seeds Fincap Private Limited

Your Directors are pleased to have this opportunity to present the 3rd Annual Report of the Company along with the Audited Financial Statements of the Company for the year ended March 31, 2022.

Financial Highlights

The Company's Financial performance for the year ended on March 31, 2022 is summarized below:

| Particular | 2021-22 | 2021-22 |
|----------------------------|---------------|-------------|
| Revenue from operations | 5,91,88,740 | 52,747 |
| Other Income | 60,19,349 | 13,49,232 |
| Total Expenditure | 13,16,21,423 | 37,26,710 |
| Profit / (Loss) before Tax | (6,64,13,334) | (23,24,731) |
| Current Tax | - | - |
| Deferred Tax | - | - |
| Profit/(Loss) after Tax | (6,64,13,334) | (23,24,731) |

Operational Highlights

The Income from operations during the year has been Rs. 5,91,88,740 as against Rs. 52,747 in the previous year. The financial year under review resulted in Net Loss of Rs. 6,64,13,334 as compared to Net loss of Rs. 23,24,731 in the previous year. The management is optimistic on the performance of the Company in future and a detailed discussion is provided under Management Discussion and Analysis Report. Operational performance for the financial year 2021-22 is summarized below :

- The company gross Loan Portfolio as on March 31, 2022 stood INR 65.26 Crore;
- As on March 31,2022, Company has distributed loans to 9,555 Clients;
- Total 24 Branches are operational at the end of March 31, 2022

Transfer To Reserve

There is no amount proposed to be transferred to reserves.

Dividend

Since the company is its early stage of operations and has accumulated losses, your Directors didn't recommend any dividend during the Financial year ending on 31st March, 2022.

Capital Structure

During the year under the review the Authorised Share Capital of the Company has increased two times, details for the same are as follow

- Company has increased from 25 Cr to 30 Cr for which Shareholder consent was sought in Extraordinary general Meeting held on 19th of April 2021
- On Extra Ordinary General Meeting dated 20th January 2022 Company has increased from 30 Cr to 35 Cr.

During the Financial Year 21-22, the paid-up Share Capital of the Company has been increased Rs. 2,04,50,000 to Rs. 22,56,20,220 through following means:

- Right issue of 4,60,000 equity Shares of Rs. 10 each.
- Issue of 10,010,000 Equity Shares of Rs. 10 each.
- Issue of 40,49,600 Equity Shares of Rs. 10 each.
- Issue of 1,00,00,000 Equity Shares of Rs. 10 each on partly paid-up basis
- Right Issue of 3,00,000 Equity Shares of Rs. 10 each
- Issue of 26,90,000 Equity Share of Rs. 10 each at a premium of Rs. 10 per share on preferential basis.
- Issue of 19,77,422 Equity Share of Rs. 10 each at a premium of Rs. 24.20 per share on preferential basis.

Note: Conversion of 30,000 Non-Cumulative, Participating, Compulsorily Convertible Preference shares of Rs. 100/- each into 3,00,000 Equity Shares of Rs. 10 each ranking pari passu with the existing Equity Shares of the Company.

Human Resource Development

Human Resource is not only an integral part of any organization but also strive its success and growth. The Company believes that human resources are the key resources and integral part of the organization and endeavors to create a culture of openness and empowerment amongst its employees and provide good carrier development.

Your Company believes in trust, transparency & teamwork to improve employees' productivity at all levels and is committed to the welfare of the employees and their families by putting review and

reward system in place. To increase the knowledge and potential of its employees, the company is providing training to its staff on regular basis.

Material Changes and Commitments, if any Affecting the Financial Position of the Company

There is no material change noted and observed by the Board of the company which have occurred between the close of the financial year March 31, 2022 to which the financial statement relates and the date of this report.

Performance Highlights of Subsidiary and Associates Companies

The Company does not have any subsidiaries and Associates Companies.

Directors Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- I. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- II. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- III. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

Explanation – For the purposes of this clause, the term internal financial controls means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of assets, prevention and detection of fraud and errors, the accuracy and completeness of accounting records and timely preparation of reliable financial information.

- VI. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Declaration from Independent Directors

The Company has received declarations from Mr. Krishnendu Sarkar, Independent Director stating that they meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

Registration with RBI

The Company being a Non-Banking Finance Company (NBFC) and is registered with the Reserve Bank of India (RBI), with RBI Registration No: N-14.03545

RBI Guidelines

The Company is complying with all the applicable guidelines/directions of the Reserve Bank of India for Non-Banking Finance Company pursuant to Non-Banking Financial (Non - Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 and Master direction Non-Banking Financial Company-Non Systematically Important Non Deposit taking company (Reserve Bank) Direction, 2016, Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016 the particulars as applicable to the Company are appended to the Balance Sheet.

The RBI Norms and Accounting Standards

The company continues to comply with the directives and accounting standard as well as the norms prescribed by Reserve Bank of India for NBFCs for the financial year 2021-22.

Directors

In accordance with the provisions of Section 149, 152 and 161 of the Companies Act, 2013 and rules made there under as amended from time to time, During the Year under review there was no change in Director & KMP except:

Mr. Sudhindra Kumar Sharma (DIN: 09424798), was appointed as Additional Director of the Company in the category of Executive Director of the Company dated December 10, 2021, subject to the approval of shareholders in the ensuing Annual General Meeting. Mr. Sudhindra Kumar Sharma has given his consent for his appointment and also submitted necessary disclosures with respect to his appointment.

The Board of Director at the Meeting dated March 9, 2022 had change the designation of Mr. Krishnendu Sarkar (DIN: 08641719) from Director to Independent Director in the category of Non- executive Director of the Company, subject to the approval of Member in ensuing Annual General Meeting. Mr. Krishnendu Sarkar had submitted a declaration that he meets the criteria of independence as provided in section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

Furthermore, The Company has received declarations from all the Directors confirming that they are not disqualified/ debarred from being appointed/ reappointed as Director.

Number of Meetings of Board of Directors

The Board of Directors of your Company, during the period under review i.e. Financial year ended March 31, 2022, met 15 (fifteen) times. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Key Managerial Personnel(KMP)

The Company during the year, in its 2nd Annual General Meeting appointed Mr. Subhash Chandra Acharya (DIN: 08612145), as Managing Director of the Company.

Ms. Mahak Chawla, has been appointed for the post of Company Secretary of the Company dated 30th December, 2021

In accordance with the provision of Section 203 of the Companies Act 2013 read with rule 9 of Companies (Appointment & Remuneration of Managerial Personnel) Rule, 2014, Ms Mahak Chawla, Company Secretary of the Company appointed with effect from 30th December, 2021 on such terms & Condition and remuneration as provided in the letter of appointment.

Corporate Governance

The management has taken every possible steps to ensure Efficient and Transparent governance of the affair of the Company. The Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company, who have affirmed the compliance thereto.

The Board is committed towards the Compliance of all Law of the land as may be applicable on the Company and the management of the affair of the organization in the best interest of all the stakeholder of the Company.

Compliance With Secretarial Standards On Board Meeting And General Meeting

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

Policy on Director's Appointment and Remuneration and other Details

The Company being a private Company, section 178(3) of the Companies Act, 2013 is not applicable.

Risk Management Policy

Effective risk management is essential to success and is an integral part of our culture. While we need to accept a level of risk in achieving our goals, sound risk management helps us to make the most of each business opportunity, and enables us to be resilient and respond decisively to the changing environment.

Our approach to risk management assists us in identifying risks early and addressing them in ways that manage uncertainties, minimize potential hazards, and maximize opportunities for the good of all our stakeholders including shareholders, customers, suppliers, regulators and employees. Risks can be broadly classified as Strategic, Operational, Financial, and Legal/Regulatory.

In accordance with the requirements of the Companies Act, 2013 Company is planning to adopted risk management policy, approved by Board of Directors and established a risk management framework to identify, mitigate and control the risk and threatens of risk.

CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to formulate Corporate Social Responsibility (CSR) Policy and Committee as it does not fulfill the criteria specified under Section 135 of the Companies Act, 2013.

Internal Control Systems

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Board of the Company

The Internal Auditor as appointed by the company to monitors and evaluates the efficacy and adequacy of internal control systems in the Company. Based on the report of internal auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Board.

Board Committees

Detailed composition of the Board Committees viz. Working Committee and number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms a part of this Report.

Working Committee

The role, terms of reference, authority and powers of the Working Committee are in conformity with Board of Director of the Company. The details of which are given in the Corporate Governance Report. The Committee met periodically during the year.

Disclosure under Section 177(8): The Company does not fall under this section, there is no requirement of constitution of Audit Committee.

Auditors

Statutory Auditors & Their Report

M/S Thakur Mukund & Associates, Chartered Accountants, had resigned from the office of Statutory Auditor of the Company, M/s Agiwal & Associates, Chartered Accountants (Firm registration No. 080475), were appointed to fill the casual vacancy

arose as a result of such resignation to hold office of Statutory Auditor of the Company till the conclusion of ensuring Annual general Meeting of the Company.

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, M/s Agiwal & Associates Chartered Accountants (Firm registration No. 080475), considered for appointment as the Statutory Auditors to fill the casual Vacancy in the board meeting held on 14th January, 2022 for which consent of member were taken in the Extra-ordinary General Meeting dated 20th January, 2022 to act as Statutory Auditor of the Company till the conclusion of 3rd Annual general Meeting of the Company.

Board Recommends re-appointment of Auditor for next term of Five Year i.e from the conclusion of 3rd Annual General of the Company till the conclusion of 8th Annual General Meeting of the Company.

Statutory Auditor has confirmed their eligibility to the effect that their re-appointment if made would be within the prescribed limit under the Act and that their re-appointment if made would be within the prescribe limit under the Act and that they are not disqualified for re-appointment as Auditor of the Company.

Internal Auditor

M/S BDO India LLP was Appointed as an Internal Auditors of your company for the financial year 21-22 dated 24th December, 2021

Auditors' Reports

Your director does not observe any qualification, reservation or adverse remark or disclaimer made by the Statutory Auditor in its Report. The Statutory Auditor have also confirmed their independence, which has been duly took on record by Board.

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, M/s Agiwal &

Associates Chartered Accountants (Firm registration No. 080475), considered for appointment as the Statutory Auditors to fill the casual Vacancy in the board meeting held on 14th January, 2022 for which consent of member were taken in the Extra-ordinary General Meeting dated 20th January, 2022 to act as Statutory Auditor of the Company till the conclusion of 3rd Annual general Meeting of the Company.

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Auditors' Reports

Your director does not observe any qualification, reservation or adverse remark or disclaimer made by the Statutory Auditor in its Report. The Statutory Auditor have also confirmed their independence, which has been duly took on record by Board.

Future Prospects

The Management is exploring and evaluating various business models for implementation in order to enhance the turnover of the company and is very optimistic and aggressively focusing on to exploit the opportunities available to NBFC in India. The Board expects that the Company will successfully implement suitable business models in the coming

financial year to improve the overall performance and enhance the profitability of the Company.

The management further expects that, in the present economic scenario, the Company via its strategy, competency, operational efficiencies and successful implementation of its new business models will yield some results in the years to come and create value to its stakeholders.

The detailed future prospects are given in the Management Discussion and Analysis Report is attached, which forms a part of this Report.

Related Party Transactions

No transaction was entered with related parties under section 188 of the Companies Act, 2013. Attention of Members is also drawn to the disclosures of transactions with related parties set out in Notes to Accounts – Note No. 25 forming part of the financial statements.

Pecuniary Relationship or Transactions of The Non-executive Directors and Disclosures on the Remuneration of the Directors

All pecuniary relationship or transactions of the non-executive director's vis-a-vis the company, along with criteria for such payments and disclosures on the remuneration of directors along with their shareholding are disclosed Return in form Form MGT-7 as on 31st March 22 is available on Companies Website at www.seedsfincap.com

Inter se Relationships Between the Directors

None of the Director is related to each other except for Mr. Subhash Chandra Acharya, Managing Director & CEO of the Company is Husband of Mrs. Monika Acharya, Director of the Company.

Extract of Annual Return

As required under Section 92 (3) read with section 134 (3)(a) of the Act, the Annual Return in form Form MGT-7 as on 31st March 22 is available on Companies Website at www.seedsfincap.com

Public Deposits

During the year the Company has not received any Deposits from public, covered under Chapter V of the Companies Act, 2013.

Particulars Of Loans, Guarantees Or Investments

The particular of Loans, Guarantees or Investments

as per Section 186 of the Act by the Company have been disclosed in the notes to Financial Statement

Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo

Pursuant to provisions of Section 134 of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is as under:

a. Conservation of Energy:

| | |
|--|----|
| Steps taken for Conservation | NA |
| Step taken for utilizing alternate source of Energy | NA |
| Capital Investment on Energy conservation Equipment. | NA |

b. Technology Absorption:

| | |
|--|----|
| Efforts made for technology absorption | NA |
| Benefit derived | NA |
| Expenditure on research & Development, if any | NA |
| Year of import | NA |
| Whether imported technology fully absorbed | NA |
| Area where absorption of imported technology has not taken Place, if any | NA |

c. Foreign Exchange Earning /Outgo:

| | |
|---------|-----|
| Earning | NIL |
| Outgo | NIL |

Disclosure Regarding Maintainance of Cost Record

The Company is not required to maintain the cost record as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

Frauds Reported by Auditors under Sub-section (12) Of Section 143 other than Those which are Reportable to the Central Government

During the year under review, there was no frauds reported by auditors under sub-section (12) of section 143 of the Companies Act, 2013

Disclosure under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company gives utmost importance for prevention of sexual harassment at workplace and Comply with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, there were no complaints regarding sexual harassment by any women employee (permanent, contractual, temporary, trainees) who are covered under this policy till the date of this report. The Company has complied with the provision relating to the constitution of Internal Complaints Committee under the Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Significant And Material Orders Passed By The Regulators Or Courts

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Nature of Business.

During the year under the review the company carried our business as mentioned in the main object of the Company.

Change in Name of the Company.

The Company has not changed the name during the period under review.

Other Disclosure under Companies Act, 2013

- Disclosure under Section 131 (1): The Company has not revised its financial statement or its Board during the relevant financial year. Hence no disclosure is required.
- Disclosure on Vigil Mechanism under the Prov. to Section 177(10): As the Company does not fall under this section, there is no requirement of establishment of Vigil Mechanism.
- Details of remuneration pursuant to section 197(12) & Rule 5 of the Companies (Appointment and remuneration of Managerial personnel) Rule, 2014: Company not being listed Company, provision of section 197(12) is not applicable.

ACKNOWLEDGEMENT

The Directors thank the Company's employees, customers, vendors, investors and academic partners for their continuous support.

The Directors place on record their warm appreciation of the assistance and cooperation extended by various Government Departments, Authorities, and Business Partners etc.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors thank you and look forward to your continuance support.

For and on behalf of Board of Directors of
Seeds Fincap Private Limited

Registered Office:

509, 5th floor, World Trade Centre,
Babar Road,
New Delhi -110001

Corporate Office:

Unit No. 662,
JMD Megapolis, Sohna Road, Sector 48,
Gurugram, Haryana, 122018
Website: www.seedsfincap.com

Sd/-

Subhash Chandra Acharya

Managing Director & CEO
DIN: 08612145

Sd/-

Avishek Sarkar

Whole time Director
DIN: 07015080

Auditors' Report

To the Members of Seeds Fincap Private Limited

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("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, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note No. 28 of the financial statements which describes the impact of economic and social consequences of the COVID-19 pandemic on the Company's business and financial metrics, which continues to be dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibility of Management 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 (AS) specified under section 133 of the Act, as amended.

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 the 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit 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 financial statements of the Company for the year ended March 31, 2021, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 24, 2021.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

(b) In our opinion, proper 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2022 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) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, the company is exempt from getting an opinion on internal financial control;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2022;

(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 financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the financial statements, 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; and

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

v. No dividend has been declared or paid during the year by the Company.

For Agiwal & Associates

Chartered Accountants

Firm Registration Number: 000181N

Sd/-

CA P.C. Agiwal

Partner

Membership Number: 080475

UDIN: [22080475AJSMMX3608]

Delhi

May 27, 2022

Annexure referred to in paragraph 1 of “Report on Other Legal and Regulatory Requirements” of our report of even date

Re: Seeds Fincap Private Limited (‘the Company’)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) This clause is not applicable as the Company is not having any intangibles asset.

(b) Property, Plant and Equipment were not physically verified by the management during the year under audit.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company. (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

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

(ii) (a) The Company’s business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 4 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) Since the principal business of the Company is to give loans, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year 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 to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company’s interest.

(c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing loans to retain customers, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause) in this Annexure 1, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

(d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2022 is nil.

(e) Since the principal business of the Company is to give loans, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Corporation.

(f) 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 to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.(vi)

The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues, as applicable to the Corporation, have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

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

(ix) (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) Term loans were applied for the purpose for which the loans were obtained.

(ix) (d) The Company has not utilized funds raised on short term basis for long term purposes, the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.

(ix) (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(ix) (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x) (b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares respectively during the year. The funds raised, have been used for the purposes for which the funds were raised.
- (xi) (a) As informed to us, No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is applicable to the Company.
- (xvi) (b) The Company is a Credit and Investment Finance Company registered with the Reserve Bank of India and has obtained a Certificate of Registration (COR No. 14.03545) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvi) (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses of Rs. 6,40,43,241/- in the current financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 21 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities,

other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) This clause is not applicable to the company, hence the company is not required to transfer any amount (in respect of other than ongoing projects) to a fund specified in Schedule VII of the Companies Act within a period of six months of the expiry of financial year in compliance with second proviso to sub section 5 of section 135 of the Act.

(xx) (b) This clause is not applicable to the company, hence there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

For Agiwal & Associates

Chartered Accountants

Firm Registration Number: 000181N

Sd/-

CA P. C. Agiwal

Partner

Membership Number: 080475

UDIN: 22080475AJSMMX3608

Delhi

May 27, 2022

Financial Statements

Seeds Fincap Private Limited
Balance sheet as at March 31, 2022

| Particulars | Notes | For the year ended | |
|--|-------|-----------------------|-----------------------|
| | | 31st March 2022 (INR) | 31st March 2021 (INR) |
| A EQUITY AND LIABILITIES | | | |
| Shareholders Funds | | | |
| a) Share Capital | 2 | 22,56,20,220 | 2,34,50,000 |
| b) Reserves and Surplus | 3 | 61,31,137 | (22,09,141) |
| | | 23,17,51,357 | 2,12,40,859 |
| a) Share Application Money | | - | - |
| | | - | - |
| Non Current Liabilities | | | |
| a) Long Term Borrowings | 4 | 15,75,48,704 | - |
| b) Long Term Provisions | 5 | 18,61,588 | 50,000 |
| | | 15,94,10,292 | 50,000 |
| Current Liabilities | | | |
| a) Short Term Borrowings | 6 | 37,93,08,799 | - |
| b) Other Current Liabilities | 7 | 1,71,19,293 | 13,84,928 |
| c) Short Term Provisions | 8 | 8,25,430 | - |
| | | 39,72,53,522 | 13,84,928 |
| Total | | 78,84,15,171 | 2,26,75,787 |
| B ASSETS | | | |
| Non Current Assets | | | |
| a) Property, Plant and Equipment & Intangible Assets | | | |
| (i) Property, Plant and Equipment | 10 | 54,69,690 | 4,53,159 |
| (ii) Intangible Assets | 10 | - | - |
| b) Long term Loans and Advances | 9 | 26,28,26,668 | - |
| c) Other Non Current Assets | 11 | 3,21,61,210 | - |
| | | 30,04,57,568 | 4,53,159 |
| Current Assets | | | |
| a) Cash and Cash Equivalents | 12 | 21,30,05,906 | 2,04,29,160 |
| b) Short Term Loans and Advances | 13 | 25,01,18,444 | - |
| c) Other Current Assets | 14 | 2,48,33,253 | 17,93,468 |
| | | 48,79,57,603 | 2,22,22,627 |
| Total | | 78,84,15,171 | 2,26,75,787 |
| Significant accounting policies and notes to acc | 1 | | |

As per our report of even date attached

For Agiwal & Associates
ICAI Firm Registration Number: 000181N
Chartered Accountants

For and on behalf of board of Directors
Seeds Fincap Private Limited

CA P. C. Agiwal
Membership Number: 080475

Subhash Chandra Acharya
DIN: 08612145

Sudhindra Sharma
DIN: 09424798

UDIN: 22080475AJSMX3608
Place: Gurugram
Date: 27th May 2022

Mahak Chawla
Membership Number: A61643

Seeds Fincap Private Limited
Statement of Profit and Loss for the year ended March 31, 2022

| Particulars | Notes | For the year ended 31st March 2022 (INR) | For the year ended 31st March 2021 (INR) |
|--|-------|---|---|
| REVENUE | | | |
| Revenue from Operations | 15 | 5,91,88,740 | 52,747 |
| Other Income | 16 | 60,19,349 | 13,49,232 |
| Total Revenue (A) | | 6,52,08,089 | 14,01,979 |
| EXPENSES | | | |
| Employees Benefit Expenses | 17 | 7,16,69,164 | 17,80,405 |
| Finance Cost | 18 | 2,76,41,569 | 1,646 |
| Depreciation | 10 | 23,70,093 | 49,623 |
| Contingent Provision on Standard Assets | 19 | 12,82,363 | - |
| Other Expenses | 20 | 2,86,58,234 | 18,95,036 |
| Total Expenses (B) | | 13,16,21,423 | 37,26,710 |
| Profit Before Tax (C)= A- B | | (6,64,13,334) | (23,24,731) |
| Tax Expenses (D) | | | |
| 1) Current Tax | | - | - |
| 2) Deferred Tax | | - | - |
| Profit/ Loss for the year E= C- D | | (6,64,13,334) | (23,24,731) |
| EARNING PER SHARE | | | |
| Basic (Rs.) (EPS) | | (5.33) | (1.14) |
| Diluted (Rs.) (EPS) | | (5.33) | (1.14) |
| Nominal Value | | | 10 |
| Significant accounting policies and notes to account | 1 | | |

The accompany notes are integral part of accounting policies

As per our report of even date attached

For Agiwal & Associates
ICAI Firm Registration Number:000181N
Chartered Accountants

CA P. C. Agiwal
Membership Number: 080475

UDIN: 22080475AJSMX3608

a

Date: 27th May 2022

For and on behalf of board of Directors
Seeds Fincap Private Limited

Subhash Chandra Acharya Sudhindra Kumar Sharma
DIN:08612145 DIN:09424798

Mahak Chawla
Membership Number: A61643

Cash Flow Statement for the year ended March 31, 2022

| Particulars | For the year ended 31st March 2022 (INR) | For the year ended 31st March 2021 (INR) |
|--|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/ (Loss) before tax | (6,64,13,334) | (23,24,731) |
| Adjustment for Non Cash Expenses and Non Operating activities | | |
| Depreciation | 23,70,093 | 49,623 |
| Interest on FDR | (56,61,225) | (13,49,232) |
| Operating Profit before Working Capital Changes | (6,97,04,466) | (36,24,340) |
| Increase/ (Decrease) in Other Non Current Assets | (3,21,61,210) | 2,00,00,000 |
| Increase/ (Decrease) in Other Current Assets | (2,30,39,785) | (11,45,846) |
| Increase/ (Decrease) in Long Term Loans and advances | (26,28,26,668) | - |
| Increase/ (Decrease) in Short Term Loans and advances | (25,01,18,444) | - |
| Increase/ (Decrease) in Other Current Liabilities | 1,57,34,365 | 9,17,928 |
| Increase/ (Decrease) in Long Term Provisions | 18,11,588 | 50,000 |
| Increase/ (Decrease) in Short Term Provisions | 8,25,430 | (40,615) |
| Cash Flow from Operating Activities | (6,194,79,190) | 1,61,57,127 |
| A. Net Cash Outflow from Operating Activities | (6,194,79,190) | 1,61,57,127 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (73,86,624) | (5,02,782) |
| Interest on FDR | 56,61,225 | 13,49,232 |
| B. Net Cash Outflow from Investing Activities | (17,25,399) | 8,46,450 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of Share Capital including share premium | 27,69,23,833 | 30,00,000 |
| proceeds from Short Term/ Long Term Borrowing | 53,68,57,502 | - |
| C. Net Cash Outflow from Financing Activities | 81,37,81,335 | 30,00,000 |
| Net Increase in Cash & Cash Equivalents (A+B+C) | 19,25,76,746 | 2,00,03,576 |
| Opening Cash and Cash Equivalents | 2,04,29,160 | 4,25,584 |
| Closing Cash and Cash Equivalents | 21,30,05,906 | 2,04,29,160 |

As per our report of even date attached
For Agiwal & Associates
ICAI Firm Registration Number:000181N
Chartered Accountants

CA P. C. Agiwal
Membership Number: 080475

UDIN: 22080475AJSMX3608
Place: Gurugram
Date: 27th May 2022

As per our report of even date attached
For Agiwal & Associates
ICAI Firm Registration Number:000181N
Chartered Accountants

Subhash Chandra Acharya
DIN:08612145

Mahak Chawla
Membership Number: A61643

Sudhindra Kumar
Sharma
DIN:09424798

Seeds Fincap Private Limited
Notes forming part of financial statement

Corporate information

Seeds Fincap Private Limited ("SFPL" or 'the Company') was incorporated on 15th November 2019 under the Companies Act vide CIN U65999DL2019PTC357518 to carry on the business of a finance company. The Company is registered as a Non-Banking Financial (Non-Deposit Accepting or Holding) Company under section 45-IA of the Reserve Bank of India Act, 1934 vide certificate no.14.03545 with effect from 26, March 2021 and all directions, guidelines or instructions of the Reserve Bank of India that have been issued from time to time and are in force and as applicable to a Non deposit taking Non- Banking Financial Company are applicable to the Company The registered office of the Company is 509, 5th Floor, World Trade Centre, Babar Road, New Delhi-110001 and corporate office at Unit No. 662-663, JMD Megapolis, Sohna Road, Sector 48, Gurugram, Haryana, 122018

1. Significant Accounting Policies

a. Statement of Compliance in preparation of financial statements

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 ('AS') notified under section 133 of the Companies Act, 2013 (the 'Act') read together with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Accounting Standards) amendment Rules, 2016. The financial statements have been prepared on an accrual basis and going concern basis and under the historical cost convention except as disclosed in specific accounting policies.

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous Year.

b. Functional and Presentation of Currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All the financial information have been presented in Indian Rupees (INR).

c. Current / non-current classification of assets / liabilities

As required by Revised Schedule III, the Company has classified assets and liabilities into current and non-current based on the operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Since in case of non-banking financial Company normal operating cycle is not readily determinable, the operating cycle has been considered as 12 months.

d. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

The actual results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize. The estimates and underlying assumptions are reviewed on an ongoing basis.

e. Revenue Recognition

- (i) Interest income on loans is accounted for by applying the interest rate on the diminishing balance of the financed amount over the period of the agreement.

- (ii) Loan instalments received are apportioned between interest income and principal portion. The principal amount is reduced from the loan outstanding, so as to achieve the constant rate of interest on the remaining balance.
- (iii) Processing fees is recognized as income on accrual basis
- (iv) Interest income on fixed deposits recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (v) All other income is recognized on an accrual basis.

f. Property, Plant and Equipment

Fixed assets are stated at cost, net of accumulated

| Asset description | Estimated Useful life (in Years) |
|---------------------------|---|
| Computers and peripherals | 3 |
| Furniture and Fixtures | 10 |
| Vehicles | 8 |
| Office equipment | 5 |
| Mobile and Tablet | 3 |
| Software | 3 |

- (ii) Individual assets having cost or reasonable value less than Rs 5000.00 (Five thousand rupees) has been expensed in the month of purchase depending upon the nature of asset.

h. Borrowing Cost

- (i) Borrowing cost consists of interest and other ancillary costs that entity incurs in connection with borrowing of funds.

i. Classification of Loan portfolio

Loan Portfolio is classified in accordance with Non-Banking Financial Company Directions issued by Reserve Bank of India as mentioned below.

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.

g. Depreciation on Property, Plant and Equipment Asset/ Amortization

- (i) (i) Depreciation of fixed assets is provided using the useful lives and, in the manner, provided in Schedule II of the Companies Act, 2013 following written down value method.

Asset Classification Norms

- (i) Standard Assets means the assets in respect of which no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.
- (ii) Non-Performing Asset means an asset for which interest or principal has remained overdue for a period of 180 days or more.

j. Provisioning policy for loan portfolio

Loan portfolio is provided for in accordance with NBFC Master Directions which require the total provision of:

- a. 0.25% of the outstanding loan portfolio,
- b. 10% of the aggregate loan instalments which are overdue for more than 180 days.
- c. 100% provision to the extent to which the advance is not recovered for more than 24 months.
- d. In addition to item (iii) above, depending upon the period for which the asset has remained overdue for more than 24 months, provision shall be made on the following basis.
 - a) Upto one year – 20%
 - b) One to three years – 30%
 - c) More than three years – 50%

k. Provision and contingent liabilities

The Company recognizes a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

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.

l. Sale of asset portfolios by way of assignment/ securitization

The Company undertakes sale of its loan portfolios by way of securitization/ assignment of its loan portfolio. The assigned/ securitized portfolio is de-recognized from the books of the Company in situations where the Company relinquishes its contractual rights over the underlying loan.

m. Employee benefits:

The Company has various schemes of retirement benefits, namely provident fund, gratuity and leave encashment.

(i) **Short-term employee benefits:** All employee benefits payable/ available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

(ii) **Other long-term employee benefits:** Entitlements to annual leave are recognized when they accrue to employees. Leave entitlements can be availed while in service of employment subject to restriction on the maximum number of accumulation. The company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the Year end.

(iii) Defined contribution plan: Contributions towards Provident Fund are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss for the year when the expenses are actually incurred.

(iv) Defined benefit plans: The present value of obligations under such defined benefit plans are based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

n. Taxes on Income

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 and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized 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 recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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 asset can be realized. 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.

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.

o. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term fixed deposits/ investments with an original maturity of three months or less. Fixed Deposit with more than twelve months' maturity are disclosed separately under cash and cash equivalents.

p. Segment Reporting

Since the Company's business activity falls within single primary/ secondary business segment viz., loan and financing in India, no disclosure is required to be given as per Accounting Standard (AS) – 17 "Segment Reporting" as notified under Section 133 of the Companies Act, 2013 ('the Act') read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

q. Event occurring after balance sheet date

Events occurring after the balance sheet date are those significant events, both favourable and unfavourable, that occur between the balance sheet date and the date on which the financial statements are approved by the Board of Directors.

Adjustments to assets and liabilities are required for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date.

Adjustments to assets and liabilities are not appropriate for events occurring after the balance sheet date, if such events do not relate to conditions existing at the balance sheet date.

There are events which, although they take place after the balance sheet date, are sometimes reflected in the financial statements because of statutory requirements or because of their special nature.

r. Impairment of asset

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit

and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

s. Cash flow statement

The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statements prescribed under the Companies Act, 2013

t. Changes in accounting Policies

No significant changes in accounting policies have been made during the year.

u. Portfolio insurance claim receivable

Insurance claim on death cases is generally received in 3-6 months post the intimation of death to insurance company.

v. Input tax credit method

As per section 17(4), the company can claim input tax credit on its inputs, inputs services or capital goods at a fixed rate of 50% on all of its credit, and rest of the input tax credit would lapse.

Seeds Fincap Private Limited

Notes forming part of the financial statements for the year ended 31st March 2022

| 2 Share Capital | As at March 2022 (INR) | As at March 2021 (INR) |
|---|---------------------------|---------------------------|
| Authorised | | |
| 35000000 (Previous year 2045000) Equity Shares of Rs. 10/- each | 35,00,00,000 | 2,50,00,000 |
| Issued | | |
| 31562022 (Previous year 2045000) Equity Shares of Rs. 10/- each | 22,56,20,220 | 2,04,50,000 |
| NIL (Previous year 30000) Compulsorily Convertible Preference Shares of Rs 100/- each | - | 30,00,000 |
| Subscribed | | |
| 31562022 (Previous year 2045000) Equity Shares of Rs. 10/- each | 22,56,20,220 | 2,04,50,000 |
| 30000 (Previous year NIL) Compulsorily Convertible Preference Shares of Rs 100/- each | - | 30,00,000 |
| Paid Up | | |
| 21562022 (Previous year 2045000) Equity Shares of Rs. 10/- each | 21,56,20,220 | 2,04,50,000 |
| 10000000 (Previous year NIL) Equity Shares of Rs. 10/- each partly paidup Rs. 1 /Share* | 1,00,00,000 | - |
| 30000 (Previous year NIL) Compulsorily Convertible Preference Shares of Rs 100/- each | - | 30,00,000 |
| | 22,56,20,220 | 2,34,50,000 |
| a) Reconciliation of number of ordinary shares outstanding | | |
| i) As at beginning of the year | 20,45,000 | 20,45,000 |
| Add:Shares issued during the year** | 2,94,87,022 | - |
| Add:Shares converted during the year | 30,000 | - |
| Shares outstanding at the end of the year | 3,15,62,022 | 20,45,000 |

* On December 24, 2021, the Company issued 1,00,00,000 partly paid-up equity shares of INR 10 each, on which INR 1 per share is paid till March 31, 2022.

**On April 29,2021 the Company issued 4,60,000 Equity Shares of INR 10 each .On June 30,2021 the Company issued 1,00,10,000 Equity Shares of INR 10 each .On November 30,2021 the Company issued 43,49,600 Equity Shares of INR 10 each.On December 31,2021 the Company issued 26,90,000 Equity Shares at a price of INR 20 each (Face Value of INR 10 and premium of INR 10 each).On March 31,2022 the Company issued 19,77,422 Equity Shares at a price of INR 34.20 each (Face Value of INR 10 and premium of INR 24.20 each).

Compulsorily Convertible Preference Shares

| | | |
|---|----------|---------------|
| ii) As at beginning of the year | 30,000 | - |
| Add:Shares issued during the year | - | 30,000 |
| Less:Shares Converted during the year | 30,000 | - |
| Shares outstanding at the end of the year | - | 30,000 |

b) Shareholder holding more than 5% of the Equity Shares in the Company

| | No. of Shares | % | No. of Shares | % |
|---|---------------|--------|---------------|--------|
| 1) Subhash Chandra Acharya | 35,05,000 | 11.11% | 5,40,000 | 26.41% |
| 2) Avishek Sarkar | 31,55,000 | 10.00% | 2,00,000 | 9.78% |
| 3) Prashant Gupta | 11,00,000 | 3.49% | 11,00,000 | 53.79% |
| 4) Sudhindra Sharma | 27,05,000 | 8.57% | 1,10,000 | 5.38% |
| 5) Sumeet Dhall | 26,00,000 | 8.24% | - | - |
| 6) Concourse Consultancy Service Pvt Ltd. | 34,00,000 | 10.77% | - | - |
| 7) Gitesh Sharma | 22,30,000 | 7.07% | - | - |

C) Shareholding of Promoters

| Promoter name | No. of Shares | % | No. of Shares | % | % change during the year |
|---|---------------|--------|---------------|--------|--------------------------|
| 1) Subhash Chandra Acharya | 35,05,000 | 11.11% | 5,40,000 | 26.41% | 549% |
| 2) Avishek Sarkar | 31,55,000 | 10.00% | - | - | - |
| 3) Monika | 1,50,000 | 0.48% | 5,000 | 0.24% | 2900% |
| 4) Maneesha Gupta | 9,18,000 | 2.91% | - | - | - |
| 5) Prashant Gupta | 11,00,000 | 3.49% | - | - | - |
| 6) Concourse Consultancy Services Pvt. Ltd. | 34,00,000 | 10.77% | - | - | - |
| 7) Gitesh Sharma | 22,30,000 | 7.07% | - | - | - |

| | As at March 2022 (INR) | As at March 2021 (INR) |
|---|---------------------------|---------------------------|
| 3 Reserve and Surplus | | |
| Securities Premium Account | | |
| At the beginning of the year | - | - |
| Add: on Issue of Shares | 7,47,53,612 | - |
| | 7,47,53,612 | - |
| Profit & Loss Account | | |
| At the beginning of the year | (22,09,141) | 115,590 |
| Add: Net Profit/ (Loss) for the Year | (6,64,13,334) | (23,24,731) |
| Less: other appropriations | - | (22,09,141) |
| Total Reserve and Surplus | 61,31,137 | (22,09,141) |
| 4 Long Term Borrowings* | | |
| Term Loan | | |
| - From Bank (Secured)* | 66,66,675 | - |
| - From Others (Secured) | 12,08,82,029 | - |
| 60 (Previous year NIL) 16% Unsecured, Senior, Redeemable, Non Convertible Debentures of Rs. 500000/- each | 3,00,00,000 | - |
| Total Long Term Borrowings | 15,75,48,704 | - |
| <small>*Secured Loans are guaranteed by promoters director and by hypothecation of Book Debt. Interest rates applicable on above secured loans are ranges between 14%-16.75% p.a. (previous</small> | | |
| 5 Long Term Provisions | | |
| Provision for Leave Encashment | 7,44,688 | 25,000 |
| Provision for Gratuity | 4,59,833 | 25,000 |
| Contingent Provision against Standard Assets | 6,57,067 | - |
| Total Long Term Provisions | 18,61,588 | 25,000 |
| 6 Short Term Borrowings* | | |
| Bank Overdraft (Secured) | 12,410,314 | - |
| Term Loan | | |
| - From Bank (Secured) | 3,06,66,659 | - |
| - From Others (Secured) | 16,95,38,990 | - |
| 110 (Previous year NIL) 16% Unsecured, Senior, Redeemable, Non Convertible Debentures of Rs. 500000/- each | 5,50,00,000 | - |
| Total Short Term Borrowings | 37,93,08,795 | - |
| <small>*Secured Loans are guaranteed by promoters director and by hypothecation of Book Debt. Interest rates applicable on above secured loans are ranges between 14%-16.75% p.a. (previous</small> | | |
| 7 Other Current Liabilities | | |
| Interest Accrued but not due | 39,55,378 | - |
| Advances From Directors | - | 4,57,000 |
| Expense Payable | 28,38,376 | 7,01,596 |
| Payable to BC Partners | 3,25,275 | 63,539 |
| Statutory Dues | 28,03,435 | 78,213 |
| Payable towards Assignment | 20,83,587 | - |
| Other Liabilities | 513,242 | 84,580 |
| Total Other Current Liabilities | 1,71,19,293 | 13,84,928 |
| 8 Short Term Provisions | | |
| Provision for Leave Encashment | 1,98,548 | - |
| Provision for Gratuity | 15,86 | - |
| Contingent Provision against Standard Assets | 6,25,296 | - |
| Short Term Provisions | 8,25,430 | - |
| 9 Long Term Loans and Advances | | |
| Unsecured and Considered good | | |
| Standard Portfolio Loans | 26,28,26,668 | - |
| Sub-Standard Portfolio Loans | - | - |
| Doubtful Portfolio Loans | - | - |
| Loss Portfolio Loans | - | - |
| Total Long Term Loans and Advances | 26,28,26,668 | - |

10. SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT AS ON 31ST MARCH 2022

| NAME OF FIXED ASSETS | GROSS BLOCK | | | | DEPRECIATION BLOCK | | | | WDV BLOCK | |
|------------------------|------------------|------------------|----------|------------------|--------------------|---------------|------------------|------------------|------------------|------------------|
| | AS ON 01.04.2021 | ADDITION | SALE | TOTAL | AS ON 01.04.2021 | W/off | DURING THE YEAR | UPTO 31.01.2022 | AS ON 31.03.2022 | AS ON 31.03.2021 |
| COMPUTER | 4,92,184 | 51,59,034 | - | 56,51,219 | 48,694 | 25,291 | 19,30,185 | 20,04,170 | 36,47,049 | 4,43,491 |
| OFFICE EQUIPMENT | 10,598 | 14,10,132 | - | 14,20,730 | 929 | - | 3,13,614 | 3,14,543 | 11,06,187 | 9,669 |
| FURNITURE AND FIXTURE: | - | 8,42,749 | - | 8,42,749 | - | - | 1,26,293 | 1,26,293 | 7,16,456 | - |
| TOTAL | 5,02,782 | 74,11,915 | - | 79,14,698 | 49,623 | 25,291 | 23,70,092 | 24,45,006 | 54,69,692 | 4,53,159 |

SCHEDULE OF INTANGIBLE FIXED ASSETS AS ON 31ST MARCH 2022

| NAME OF FIXED ASSETS | GROSS BLOCK | | | | DEPRECIATION BLOCK | | | | WDV BLOCK | |
|----------------------|------------------|----------|----------|----------|--------------------|----------|-----------------|-----------------|------------------|------------------|
| | AS ON 01.04.2021 | ADDITION | SALE | TOTAL | AS ON 01.04.2021 | W/off | DURING THE YEAR | UPTO 31.01.2022 | AS ON 31.03.2022 | AS ON 31.03.2021 |
| SOFTWARE | - | - | - | - | - | - | - | - | - | - |
| TOTAL | - | - | - | - | - | - | - | - | - | - |

| | As at | As at |
|--|-------------------------|------------------------|
| | March 2022 (INR) | March 2021(INR) |
| 11 Other Non Current Assets | | |
| - In First loan default guarantee (Maturity more than 12 months) | 3,12,43,062 | - |
| Minimum retention recievable on Assignment | 9,18,148 | - |
| Total Other Non Current Assets | 3,21,61,210 | - |

| | As at | As at |
|--|-------------------------|------------------------|
| | March 2022 (INR) | March 2021(INR) |
| 12 Cash and cash equivalents | | |
| - In Current Account | 2,36,72,611 | 4,28,416 |
| - In FDR(Maturity within 3 months) | 18,93,00,650 | 2,00,00,000 |
| Cash in Hand | 32,645 | 744 |
| Total Cash And Cash Equivalents | 21,30,05,906 | 2,04,29,160 |

| | As at | As at |
|--|-------------------------|------------------------|
| | March 2022 (INR) | March 2021(INR) |
| 13 Short Term Loans and Advances | | |
| Standard Portfolio Loans | 25,01,18,444 | - |
| Sub- Standard Portfolio Loans | - | - |
| Doubtful Portfolio Loans | - | - |
| Loss Portfolio Loans | - | - |
| Total Short Term Loans and Advances | 25,01,18,444 | - |

| | As at | As at |
|---|-------------------------|------------------------|
| | March 2022 (INR) | March 2021(INR) |
| 14 Current Assets | | |
| Interest Accrued on FDR | 53,15,157 | 1,88,586 |
| Income Accrued | 69,12,949 | 52,747 |
| Minimum retention recievable on assignement | 2,187,018 | - |
| TDS and GST Receivables | 10,68,376 | 1,63,634 |
| Receivable from BC Partners | 6,33,740 | - |
| Advance to vendor | 1,90,942 | 4,41,972 |
| Prepaid expenses | 48,29,488 | 1,87,200 |
| Advance to Employees | 18,16,136 | 60,998 |
| Security Deposit | 12,56,230 | 6,48,330 |
| Carried down balance- insurance | 3,80,000 | 50,000 |
| Cash Collateral Recoverable | 44,438 | - |
| Insurance Claim Recievable- Portfolio | 1,98,779 | - |
| Total Current Assets | 2,48,33,253 | 17,93,467 |

| | As at | As at |
|---|--------------------|------------------|
| | March 2022 (INR) | March 2021(INR) |
| 15 Revenue From Operations | | |
| Interest Income on Loan Portfolio | 4,57,17,669 | - |
| Processing fees | 1,18,58,035 | - |
| Interest on FDR | 5,04,103 | - |
| Servicer Fees | 10,84,564 | - |
| Late fee & Penalties - Other | - | - |
| Business Partnership income | 24,369 | 52,747 |
| Total Revenue From Operations | 5,91,88,740 | 52,747 |
| | As at | As at |
| | March 2022 (INR) | March 2021(INR) |
| 16 Other Income | | |
| Interest on FDR | 56,61,225 | 13,49,232 |
| Other Income | 3,58,124 | - |
| Total Other Income | 60,19,349 | 13,49,232 |
| | As at | As at |
| | March 2022 (INR) | March 2021(INR) |
| 17 Employee Benefit Expenses | | |
| Salaries,wages and bonus | 5,54,83,160 | 16,42,946 |
| Director Remuneration | 97,65,980 | - |
| PF and ESI Contribution | 45,29,666 | 87,459 |
| Leave Encashment | 9,18,236 | 25,000 |
| Gratuity | 4,36,419 | 25,000 |
| Insurance Expenses | 3,74,673 | - |
| Staff Welfare expenses | 1,61,030 | - |
| Total Employee Benefit Expenses | 7,16,69,164 | 17,80,405 |
| | As at | As at |
| | March 2022 (INR) | March 2021(INR) |
| 18 Finance expenses | | |
| Finance Cost | 2,43,21,763 | - |
| Processing Fees | 31,28,181 | - |
| Bank charges | 1,76,025 | 1,646 |
| Other Finance Cost | 15,600 | - |
| Total Finance Expenses | 2,76,41,569 | 1,646 |
| | As at | As at |
| | March 2022 (INR) | March 2021(INR) |
| 19 Contingent Provision against Standard Assets | | |
| Contingent Provision against Standard Assets | 12,82,363 | - |
| Total Contingent Provision against Standard Assets | 12,82,363 | - |
| | As at | As at |
| | March 2022 (INR) | March 2021(INR) |
| 20 Other Expenses | | |
| Advertisement Expenses | 2,100 | - |
| Business Promotion | 75,000 | 1,700 |
| Travelling and Conveyance expenses | 4,11,184 | 1,67,088 |
| Communication Expenses | 15,68,319 | 1,24,532 |
| Rent Expenses | 35,77,571 | 4,12,329 |
| Office Expenses | 15,51,953 | 2,58,433 |
| Electricity Expenses | 2,72,540 | - |
| Software Expenses | 16,30,003 | - |
| Recruitment Expenses | 6,59,950 | - |
| Printing and Stationery | 6,79,172 | 53,797 |
| Repair and Maintenance- Computer | 2,60,626 | 76,963 |
| Repair and Maintenance- Office | 9,08,000 | 2,24,096 |
| Meeting and Conferences | 2,96,354 | - |
| Branch establishment expenses | 5,14,863 | - |
| Legal and Professional charges | 86,62,800 | 4,43,208 |
| Insurance Expenses | 29,556 | - |
| Director Sitting Fees | 15,000 | - |
| Preliminary expenses written off | 62,400 | 62,400 |
| Annual Meet Expenses | 15,63,700 | - |
| Audit Fees | 4,00,000 | 20,000 |
| Membership and Subscription charges | 4,21,844 | 44,250 |
| Cenvat Credit Disallowed | 13,91,200 | - |
| Misc. Expenses | 1,099 | 6,240 |
| Total Other Expenses | 2,86,58,234 | 18,95,036 |

Seeds Fincap Private Limited
Notes forming part of financial statement

SEEDS FINCAP PRIVATE LIMITED
Notes forming Part of the Financial Statements for the year ended 31st March 2022

21. RATIOS

| S.No. | Ratio | Numerator | Denominator | 31-03-2022 | 31-03-2021 | % Variance | Reason for Variance* |
|-------|-----------------------------|-----------------------------------|---------------------|------------|------------|------------|----------------------|
| 1 | Current Ratio | Current Assets | Current Liabilities | 1.23 | 16.05 | 23% | - |
| 2 | Debt-equity Ratio | Debt | Equity | 2.32 | - | 100% | - |
| 3 | Debt service coverage ratio | Net operating income | Total debt service | 18.74 | - | 100% | - |
| 4 | Return on equity ratio | Profit after tax | Average equity | (0.53) | (0.11) | -153% | - |
| 5 | Net capital turnover ratio | Total income | Average equity | 0.52 | 0.07 | -48% | - |
| 6 | Net profit ratio | Profit after tax | Total revenue | (1.02) | (1.66) | -202% | - |
| 7 | Return on capital employed | Earning before interest and taxes | Capital employed | (0.10) | (0.11) | -110% | - |

* There were no business activities in previous FY21, so current and previous year figures are not comparable

22. Earnings per share

Basic earnings per equity share is computed by dividing net profit or loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year. Diluted earnings per share is computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares except where results are anti-dilutive.

| Particulars | For the year ended 31st March 2022 | For the year ended 31st March 2021 |
|---|---------------------------------------|---------------------------------------|
| Profit after tax as per the statement of Profit and Loss | (6,64,13,334) | (23,24,731) |
| Net Profit attributable to equity shareholders for calculation of basic EPS | (6,64,13,334) | (23,24,731) |
| Opening Balance of equity shares | 20,45,000 | 20,45,000 |
| Add: Issued/ converted during the year | 2,95,17,022 | 30,000 |
| Closing Balance of Equity Shares | 3,15,62,022 | 20,75,000 |
| Nominal Value of equity share (INR) | 22,56,20,220 | 2,34,50,000 |
| Weighted average number of shares outstanding during the period for calculation of basic EPS | 1,24,70,303 | 20,42,036 |
| Effect of diluted potential shares | - | - |
| Weighted average number of shares outstanding during the period for calculation of basic EPS | 1,24,70,303 | 20,42,036 |
| Basic Earning per Shares (INR) | (5.53) | (1.14) |
| Diluted potential Equity Shares (INR) | (5.53) | (1.14) |

23. Auditor's remuneration (excluding tax)

| Particulars | Year ended 31st March 2022 | Year ended 31st March 2021 |
|-------------------|-------------------------------|-------------------------------|
| As auditor | | |
| - Statutory audit | 4.00 | 0.20 |
| Total | 4.00 | 0.20 |

Seeds Fincap Private Limited
Notes forming part of financial statement

24. Disclosure with respect to Accounting Standard (AS)-15 (Revised) Employee Benefits

a. Defined benefit plan (Gratuity):

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days (for a month of 26 days) of total basic salary last drawn for each completed Year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972, except that there is no limit on payment of gratuity.

The Company had carried out an actuarial valuation in accordance with AS-15 (Revised) "Employee Benefits" during the Year ended March 31, 2022.

The following table sets out the status of the gratuity plan as required under AS-15 (Revised):

| Particulars | Year ended 31st March 2022 | Year ended 31st March 2021 |
|--|-------------------------------|-------------------------------|
| A) Reconciliation of benefit obligations and plan assets: - | | |
| Opening defined benefit obligation | 25,000 | - |
| Current service cost | 4,36,721 | - |
| Interest cost | 1,600 | - |
| Actuarial losses/ (gains) | -1,902 | - |
| Benefits paid | - | - |
| Settlement loss/ (gain) | - | - |
| Closing Benefit Obligation | 4,61,419 | - |
| B) Reconciliation of present value of the obligations and the fair value of the | | |
| Present value of obligations | 4,61,419 | - |
| Fair value of plan assets | - | - |
| Net liability to be recognized in Balance Sheet | 4,61,419 | - |
| C) Gratuity cost for the Year: | | |
| Current service cost | 4,36,721 | - |
| Interest cost | 1,600 | - |
| Expected return/ (loss) on plan assets | - | - |
| Settlement loss/ (gain) | - | - |
| Net actuarial losses/ (gain) recognized in Year | -1,902 | - |
| Prior period charge for current cost | - | - |
| Net gratuity cost/ (income) to be recognized in Statement of Profit and Loss | 4,36,419 | - |

| Particulars | Year ended 31st March 2022 | Year ended 31st March 2021 |
|--|-------------------------------|-------------------------------|
| Discount Rate | 6.40% p.a. | - |
| Expected rate of return on plan assets | - | - |
| Salary escalation rate | 6.00% p.a. | - |

Financial assumptions

The discount rate mentioned above reflects the estimated timing and currency of benefit payments. It is based on the yields/ rates available on applicable bonds as on current valuation date.

The salary growth indicated above is the Company's best estimate on an increase in the salary of the employees in future Years, determined considering the general trend in inflation, seniority, promotions, past-experience and other relevant factors such as demand and supply in employment market, etc.

b. Earned Leave Liability:

The earned leave due to an employee is the period which the employee has earned, diminished by the period of leave actually taken by the employee.

| Particulars | Year ended 31st March 2022 | Year ended 31st March 2021 |
|--|-------------------------------|-------------------------------|
| A) Reconciliation of benefit obligations and plan | | |
| Opening defined benefit obligation | 25,000 | - |
| Current service cost | - | - |
| Interest cost | 1,600 | - |
| Actuarial losses/ (gains) | 9,16,636 | - |
| Benefits paid | - | - |
| Settlement loss/ (gain) | - | - |
| Closing Benefit Obligation | 9,43,236 | - |
| B) Reconciliation of present value of the obligations | | |
| Present value of obligations | 9,43,236 | - |
| Fair value of plan assets | - | - |
| Net liability to be recognized in Balance Sheet | 9,43,236 | - |
| C) Earned Leave cost for the Year: | | |
| Current service cost | 9,18,236 | - |
| Interest cost | - | - |
| Expected return/ (loss) on plan assets | - | - |
| Settlement loss/ (gain) | - | - |
| Net actuarial losses/ (gain) recognized in Year | - | - |
| Prior period charge for current cost | - | - |
| Net earned leave cost/ (income) to be recognized in | 9,18,236 | - |

| Particulars | Year ended | Year ended |
|--|------------------------|------------------------|
| | 31st March 2022 | 31st March 2021 |
| Discount Rate | 6.40% p.a. | - |
| Expected rate of return on plan assets | - | - |
| Salary escalation rate | 6.00% p.a. | - |

25. Provision for outstanding loan portfolio

- a. The details of Provision for outstanding loan portfolio (Refer note 1j) in accordance the NBFC Master Directions:

| Classification | As at 31st March 2022() | | As at 31st March 2021() | |
|-------------------------|--|------------------|--|------------------|
| | Loan Portfolio | Provision | Loan Portfolio | Provision |
| Standard Portfolio | 51,29,45,111 | 12,82,363 | - | - |
| Sub- Standard Portfolio | - | - | - | - |
| Doubtful Portfolio | - | - | - | - |
| Loss Portfolio | - | - | - | - |
| Total | 51,29,54,111 | 12,82,363 | - | - |

26. Related Parties under AS-18 with whom transactions have taken place during the Year.

- a. Directors and Key Managerial Personnel

| | |
|----------------------------|--|
| Mr.Subhash Chandra Acharya | Managing Director and CEO |
| Mr. Avishek Sarkar | Wholetime Director |
| Mr. Sudhindra Kumar Sharma | Director |
| Mr. Krishnendu Sarkar | Director (Upto 8 th March 2022) |
| Ms. Monika | Director |
| Ms. Mahak Chawla | Company Secretary |

- b. Relative of Key Managerial Personnel

| | |
|------------|----------|
| Ms. Monika | Director |
|------------|----------|

c. Transactions with Related Parties

c. Transactions with Related Parties

| S.No. | Particulars | For the year ended | For the year ended |
|-------|--|-----------------------------|-----------------------------|
| | | 31 st March 2022 | 31 st March 2021 |
| | Remuneration for Key Managerial Personnel* :- | | |
| (a) | (i) Mr.Subhash Chandra Acharya | 42.50 | - |
| | (ii) Mr. Avishek Sarkar | 35.00 | - |
| | (iii) Mr. Sudhindra Kumar Sharma | 20.16 | - |
| | (iv) Ms. Mahak Chawla | 1.07 | - |
| | Other Transaction: - | | |
| | (i) Advisory Fees: - | | |
| | (i) Mr. Sudhindra Kumar Sharma | 7.05 | |
| | Advance Settled given to Company: - | | |
| | (i) Mr.Subhash Chandra Acharya | (4.57) | |
| | (ii) Allotment of Equity Share including Share Premium: - | | |
| (b) | (i) Mr.Subhash Chandra Acharya | 170.00 | - |
| | (ii) Mr. Avishek Sarkar | 135.00 | - |
| | (iii) Mr. Sudhindra Kumar Sharma | 90.00 | - |
| | (iv) Ms. Monika | 15.00 | - |
| | (ii) Issue of Compulsory Convertible Preference Shares :- | | |
| | (i) Mr.Avishek Sarkar | - | 30.00 |
| | (iii) Conversion of Compulsory Convertible Preference Shares :- | | |
| | (i) Mr.Avishek Sarkar** | 30.00 | - |

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits.

**Conversion of Compulsory Convertible Preference Shares amounting to Rs. 30 Lakhs into 3,00,000 Equity Shares of INR 10 each.

27. Assignment Deal

The Company sold loans through direct assignments to Vedika Credit Capital Limited on January 29,2022. The information on direct assignment activity of the Company as an Originator is as given below:

| Particulars | Year ended | Year ended |
|---|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| | ₹ | ₹ |
| (i) No. of accounts | 361 | - |
| (ii) Aggregate value (net of provisions) of accounts sold (INR) | 2,04,00,057 | - |
| (iii) Aggregate consideration (INR) | 2,04,00,057 | - |
| (iv) Minimum Retention (INR) | 31,05,166 | - |
| (v) Additional consideration realized in respect of accounts transferred in earlier Years | - | - |
| (vi) Aggregate gain / loss over net book value | - | - |

Seeds Fincap Private Limited
Notes forming part of financial statement

28. Covid-19 Related disclosure

Disclosure as required by RBI circular dated April 17,2020 'COVID-19 Regulatory package –Asset Classification and provisioning is not required.

The continuing impact of COVID-19 on the global economy and how governments, businesses and consumers respond is uncertain. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which are subject to a number of management judgements and estimates. In relation to COVID-19, judgements and assumptions include the possible extent and duration of the pandemic, the impacts of actions of governments and other authorities, and the responses of businesses and consumers in different industries. Further, the Company has in addition to the moratorium benefit discussed above restructured certain loan accounts in accordance with the Resolution framework for COVID-19 related stress as per the RBI Circular dated August 2020. These accounts have been classified on the basis of the historical behavior of such loans and applying suitable macro-economic outlook and expected credit losses have been provided in respect of those loans as well.

29. Report on other legal and regulatory requirements: -

- i. At the Year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- ii. There is no unhedged foreign currency exposure during the Year.
- iii. The Company has taken confirmation and there are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (MSMED) pertaining to micro or small enterprises for the year ended 31st March, 2022 the company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

30. Figures for previous Year have been regrouped and/or reclassified wherever considered necessary, to conform to current Year's classification.

31. During the year company has not made any provision on account of deferred tax due to accumulated loss of INR 6,86,22,475.

32. Balances of sundry debtors and creditors and other parties are subject to confirmation.

33. Note no 1 to 32 are integral part of financial statement.

For Agiwal & Associates

ICAI Firm Registration Number: **000181N**
Chartered Accountants

Sd/-

Partner

Membership Number. 080475

UDIN: 22080475AJSMMX3608

Place: Gurugram

Date: 27st May 2022

For and on behalf of Board of Directors of

Seeds Fincap Private Limited

Sd/-

Subhash Chandra Acharya

Managing Director & CEO

DIN: 08612145

Sd/-

Mahak Chawla

Company Secretary

Membership Number. A61643

Sd/-

Sudhindra Kumar Sharma

Director

DIN: 09424798



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Tel No. : 011-40050085

CORPORATE OFFICE:

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Gurugram, Haryana, 122018

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CIN No. : U65999DL2019PTC357518

SEEDS FINCAP PRIVATE LIMITED