



28TH ANNUAL REPORT

2021-2022



DAR CREDIT & CAPITAL LTD.

...WE MAKE LIFE SIMPLE

Dar Credit & Capital Ltd.

(CIN: U65999WB1994PLC064438)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ramesh Kumar Vijay

B. Com, FCA, FCS

Executive Chairman

Mr. Rajkumar Vijay

B. Com., MBA

Whole-Time Director & CEO

Mr. Umesh Khemka

B.com, FCA, ACS

Professional Director

Mr. Saswata Chaudhuri

Independent Directorp

Mrs. Neha Baid

Independent Woman Director

*Mrs. Megha Saraf – Chief Financial
Officer*

Ms. Kashish Arora- Company

Secretary

COMMITTEES OF BOARD

1. Credit and Risk Management
Committee
2. Sexual Harassment Committee
3. Asset and Liability Management
Committee
4. Finance Management
Committee
5. Audit Committee
6. Nomination & Remuneration
Committee

OTHER INFORMATION

STATUTORY AUDITORS

M/s K A S G & Co.

Chartered Accountants

SECRETARIAL AUDITORS

Jayashri Tulsyan & Associate

Company Secretaries

INTERNAL AUDITORS

M/s B Chatterjee & Co.

Chartered Accountants

BANKERS

State Bank of India

AU Small Finance Bank

Bandhan Bank

Punjab National Bank

Catholic Syrian Bank

REGISTRAR AND SHARE TRANSFER AGENT

Kfin Technologies Private Limited

REGISTERED OFFICE

Unit 6B, 6th Floor

Business Tower,

206, AJC Bose Road,

Kolkata 700017.

Website: www.darcredit.com

CHAIRMAN'S CORNER



My dear Shareowners and all Stakeholders;

It gives me great pleasure to welcome you all to the 28th Annual General Meeting of your Company.

The Financial year 2021-22 was a challenging year for DCCL.

COVID 19, was a black swan event or once-in-a-lifetime event obviously because this affected each and every aspect of, each and every business of, each and every country, each and every part of the world. These are extraordinary times. We are witnessing the dawning of a new era global pandemic that paralyzed our lives.

The pandemic not only shocked us because it made us face the unimaginable but also temporarily took away what we considered to be ours forever, like the freedom to move, to travel, to meet, to work in our offices, to go to the cinema or theatre, to go shopping. It made us feel vulnerable, made us realize that we are not invincible.. As individuals, families, and companies, large or small, we had to lose the fear of digitalization.

Amid an uncertain economic environment and challenging industry dynamics, we continued to perform with resilience. This performance has been supported by our relentless focus on building our capabilities and disciplined approach towards improving our service.

Business Outlook – NBFC Sector

NBFCs play a critical role in financial intermediation and promoting inclusive growth by providing last-mile access of financial services to meet the diversified financial needs of less-banked customers.

NBFC sector is witnessing some transformative trends. Thus, the business models of NBFCs are changing.

The NBFC segment has entered into a new business landscape wherein it needs to continuously strive to innovate and add new products to its toolkit. Core strength of NBFCs include customer base; strong distribution and servicing reach; higher risk appetite; flexible business model; non-physical points of presence; and faster scale-up and scale-down capability.

Effects of COVID-19 on NBFC Sector

NBFCs have navigated the challenges in the past couple of years by focusing on higher liquidity, capital and provisioning buffers. These, combined with improving economic activity, have put the sector in a comfortable position to capitalise on growth opportunities.

On ground data suggests that the third wave impact may not be disproportionate, given that it is not so much of a health crisis as in the second wave and the bounce back shows resilience of the segments, it said.

As per the rating agency, having learnt from the impact of the COVID 19, NBFCs are much better placed to handle the possible impact of the third wave.

Way Ahead

As the economy continues to combat the effects of COVID-19 pandemic we reiterate our commitment of being Open to our customers' needs concerns challenges and aspirations. However the fast pace of vaccination and slowdown in new infections in several states do provide hope. I am confident that we can and will come out of this together. We are looking ahead with confidence and ready to scale new heights.

NBFCs play an important role in economic growth and financial inclusion. As India's economy grows, the requirement for credit will rise more than proportionately. NBFCs will take the benefit of the market opportunity.

The focus, in the immediate future, would be more on collections and recoveries, as well as on pending disbursements, to clear the backlog of the past year. Going forward, we see business picking up in the segments and markets of our presence.

Scenario of your Company:

Your Company has been largely affected with the brunt of pandemic. Your Company focuses on raising performance and achieve the lost business, even in volatile environment

In view of the severe impact of covid 19 your Company has recorded downfall in the business. The total income for the financial year ended March 31, 2022 has reduced to Rs. 24.92 Crores from Rs. 27.77 Crores. The Profit before Depreciation & Tax (PBDT) of the Company has reduced to Rs. 4.10 Crores from 4.73 Crores. The AUM of the company has also recorded downfall from Rs. 181 Crore as on 31.03.2021 to Rs. 170 Crore as on 31.03.2022.

The company has increased focus on collections and a reduced disbursement rate have helped the company in maintaining its asset quality. The Gross NPA amount was Rs. 79 Lacs and the Net NPA amount was Rs. 51 Lacs as on 31.3.2022.

The company will continue its thrust in financing personal loan and MSME loans. Since our company is engaged in small value loan and delivering credit to the last mile borrower, there is enormous opportunity to grow.

Financial Results:

I am happy to share that the Company could not only achieve the desired objective in terms of Assets under Management and profitability with impeccable quality, but grew immensely in confidence, that the strategy followed over the years has the strength to navigate through tough environment.

Through a very prudent liability management, we could very successfully navigate the situation without any negative impact on the profitability of the Company.

Dividend:

Since, the Company has been making profit, the board has decided to reward the shareholders with a token dividend of 5%. The board has decided to conserve the cash and therefore, proposed minimum payment of dividend.

Awards & Recognition

In recognition of our contribution as a part of CSR activity to TCL, the Cricket League Event, 2021, we were awarded a Trophy by TCL India, Kolkata in Media Partnership with The Telegraph.

Team DCCL's Joy of Performing:

As an Organisation we have been constantly evolving challenging ourselves to raise the bar on innovation and strengthening our core to transform into a more agile and future-ready Organisation. We have been working towards our goal to deliver distinctive and world-class customer experience through an optimal mix of human touch and technology.

Appreciation:

I would like to thank our regulators, Members of the Board, RBI, BSE, and our Bankers, NCD Holders and all stakeholders for their support in our journey. I would also like to thank all members of the DCCL family, who have partnered us in our journey at all times.

I also thank our customers for their sustained trust and confidence in the Company. I am confident that together, we shall continue to chart new frontiers of progress.

Looking Ahead

We have a strong commitment to our mission of "We make Life Simple" and we are aware of the fact that we have miles to go and promises to keep and I trust together we can and we will.

Thank You,
With best wishes,

Ramesh Kumar Vijay
Chairman

Mission:

- To make the lives of the customers easy and happy by mitigating financial distress through provision of a range efficient financial services.

Vision:

- To provide professional financial services to low Income customers particularly in small towns, lacking access to such services from formal financial institutions and to emerge as a financially strong, ethical and socially inclined small loan finance institution.

Our Philosophy & Principles:

- Our customers are of paramount importance.
- Our Reputation must not be compromised.
- We care for our customers; we treat them as we wish to be treated.
- The quality of our services should be par excellence.
- We retain complete confidentiality and secrecy of our customers financial affairs.
- We maintain the highest professional standards and integrity.
- The Preservation of our stability is essential.
- We emphasize on fairness and transparency towards all stakeholders.

Every customer has to have total confidence in “**DAR CREDIT**” because, without that there would be no customers and our raison D’etre would disappear.

Ramesh Kumar Vijay
Chairman

Snapshot of the Key Financial Parameters for FY 21-22



Directors' Report

To,
The Members,

Your director's have pleasure in presenting their Twenty Eighth Annual Report on the Business and Operations of the Company and the accounts for the financial year ended March 31st, 2022.

1. Financial Results

<u>Particular</u>	Standalone		Consolidated	
	Year Ended	Year Ended	Year Ended	Year Ended
	31.03.2022 (In Rs.)	31.03.2021 (In Rs.)	31.03.2022 (In Rs.)	31.03.2021 (In Rs.)
Total Income	24,92,34,567	27,77,96,208	25,16,52,111	28,04,87,391
Profit before Depreciation & Tax (PBDT)	4,09,94,619	4,73,88,763	4,09,94,619	4,76,75,534
Less: Depreciation	55,03,830	55,04,251	55,03,830	55,04,251
Profit Before Tax (PBT)	3,54,90,789	4,18,84,512	3,54,90,789	4,21,71,283
Less: Provision for Tax	81,86,550	1,04,71,128	81,86,550	1,05,42,821
Less: Deferred Tax	14,74,482	(28,26,197)	14,74,482	(28,26,197)
Profit after Tax (PAT)	2,58,29,758	3,42,39,581	2,58,29,758	3,44,54,659
SURPLUS AVAILABLE FOR APPROPRIATIONS	2,58,29,758	3,42,39,581	2,58,29,758	3,44,54,659
APPROPRIATIONS				
Transfer to Reserve Fund (Under RBI Act,)	51,65,952	68,47,916	51,65,952	68,90,932
Transfer to General Reserve	10,000,000	20,000,000	10,000,000	2,00,00,000
Balance Carried Forward	10,663,806	7,391,664	10,663,806	75,63,727
	2,58,29,758	3,42,39,581	2,58,29,758	3,44,54,659

2. Dividend

The board has decided to propose a dividend @ 5%.

3. Reserves

The Board has decided to transfer a sum of Rs. 100 Lakh to General Reserves and a sum of Rs. 51.65 lakh to statutory Reserve Fund maintained as per RBI guidelines.

4. Brief Description of The Company's Operation

In view of the severe impact of covid 19, The Company's total income for the financial year ended March 31, 2022 has reduced to Rs. 24.92 Crores from Rs. 27.78 Crores. The Profit before Depreciation & Tax (PBDT) of the Company has reduced to Rs. 4.09 Crores from Rs. 4.73 Crores. During the year under review an amount of Rs. 51.65 lakh was transferred to Statutory Reserve Fund pursuant to Section 45-IC of the Reserve Bank of India Act, 1934, and an amount of Rs. 1.00 Crores was transferred to General Reserve. The Company's Net Worth as on March 31, 2022 stood at Rs. 61.54 Crores as against Rs. 60.64 Crores, in the last year. The Company has continued its thrust in financing Personal Loan/MSME Loans. In the current year, focus is continued to be given to Financing Personal Loan in rural and semi-urban areas and MSME loans.

Since your company is engaged in the small value loan and delivering credit to the last mile borrower, there is enormous opportunity to grow.

5. Resources

State Bank of India our main lender in banking has continued to support company's lending programs.

During the year under review, other Banks & NBFCs have also supported company's lending program.

6. Rating

To scale up the resource base of the company and to take bank loan, the company had applied for credit rating of bank /NBFC loan limit for up to Rs. 120 Crores to Credit Analysis & Research Ltd. (CARE), who have maintained the investment grade rating of the company - “BBB-” (stable outlook).

7. NPA

COVID -19 did pose a significant challenge to the entire economy and more specifically to small NBFCs. DCCL has managed the crisis astutely and ensured the COVID crisis had minimal impact on its portfolio.

The percentage of gross non-performing assets (GNPA) as of March 31, 2022, stood at 0.70% as against 1.02% as of March 31, 2021. The percentage of net non-performing assets (NNPA) as of March 31, 2022, stood at 0.45% as against 0.73% as of March 31, 2021.

Gross NPA and Net NPA decreased on account of decline in loan portfolio.

8. Management Discussion & Analysis

Opportunities

In the present economic system of India, NBFCs have assumed a significant role in providing accessible and affordable financial services.

With the focus of NBFCs on segments traditionally neglected by banks (non-salaried professionals, individuals, traders and transporters), and with the ongoing stress on public-sector banks due to mounting bad debt, NBFCs have a lucrative opportunity to expand their presence in the Indian financial story.

The success of NBFCs can be clearly attributed to their ability to assess the credit worthiness of customers with informal income, superior product construct tailored to meet the needs of identified customer segment, excellent turn-around time (TAT) from lead to disbursement, wider and effective reach, strong risk management capabilities to check and control bad debts, and an overall better understanding of their customer segments.

Additionally, improving macroeconomic conditions, higher credit penetration, increased consumption and disruptive digital trends will allow NBFC's credit to grow at a healthy rate of 7-10% (real growth rate) over the next five years.

As the Indian customer evolves, NBFCs would need to leverage new technologies to improve the customer experience. Increasingly, financial transactions are conducted through electronic banking. As the consumer acceptance of e KYC and biometric authentication increases, fingerprint recognition has the potential of becoming the most commonly used technology for customer interactions. Adoption of the emerging and new technology would result in faster loan approvals and enrich customer experience.

Threat:

India's financial sector is facing considerable challenges. High non-performing assets especially of the Public Sector Banks, and the slow deleveraging and repair of corporate balance sheets are testing the resilience of the banking system, holding back investment and growth.

There has been explosive growth in the financial services sector in the recent few years. The advent of the new generation banks, full services banks, small finance banks and payment banks has opened multiple opportunities for the available talent. Ensuring that the available talent remains committed with the Company, providing adequate career opportunities to existing talent pool and continuously building back up talent pool would be another key challenge for the industry.

The COVID-19 pandemic has severely affected global economies and has had a significant effect on the financial sectors worldwide, including the Indian financial sector. The wildfire spread of the coronavirus across the world and the following lockdowns and travel advisories have resulted in grave cash flow issues for many business sectors in India, including the Non-Banking Financial Company (NBFC) sector.

The impact of COVID-19 on NBFC sector has created numerous issues for the private lenders and other non-banking institutions in India. The problems faced by the NBFCs have resulted from the highly unpredictable market that has been created due to the halt in the Indian economy.

The current global crisis of COVID-19 has created an array of problems for all kinds of businesses. The novel coronavirus has posed various challenges to the NBFC sector, which was recovering from the liquidity crisis in India.

Business Outlook

The Non-Banking Financial Company (NBFC) segment is expected to gain positive momentum in coming future. The growth of many NBFCs in India had been driven by higher-than-expected investment banking revenues and interest income. NBFCs had also mobilized their on-ground recovery staff to ramp up their collection efforts. NBFCs with a niche presence and strong pricing power are likely to witness margin expansion in the years ahead.

NBFC segment has entered into a new business landscape wherein it needs to continuously strive to innovate and add new products to its toolkit. Core strength of NBFCs include customer base; strong distribution and servicing reach; higher risk appetite; flexible business model and faster scale-up and scale-down capability. The NBFCs have also been fast in adopting newer technology led processes. Leveraging the above, product providers like NBFCs can consider expanding into marketplace driven platforms to serve a customer with multitude of products and services while ensuring customer protection.

9. Change in the Nature of Business, if any

There has been no change in the nature of business of the Company.

10. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

No material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

11. Details of significant and material orders passed by the Regulators or courts or tribunals impacting the going concern status and company's operations in future

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

12. Deposits

Your company does not accept deposits from the public.

13. Statutory Auditors

At the twenty-seventh AGM held on 20th July, 2021, the Members approved appointment of M/s K A S G & Co., Chartered Accountants (Firm Registration No. 002228C) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the thirty-first AGM, subject to ratification of their appointment by Members at every AGM, if so, required under the Act.

14. Auditors' Report

The observations of Auditors in their report read with notes to the accounts are self-explanatory and do not call for any further explanation.

15. Internal Auditors

The Board approved appointment of M/s B Chatterjee & Co., Chartered Accountants as Internal Auditor of the Company to conduct audit for FY 2021-22.

16. Share Capital

There is no change in the share capital of the Company.

17. Extract of The Annual Return

Extract of annual return as on the financial year ended on 31.03.2022 pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 is attached herewith **Form No. MGT - 9 as Annexure I.**

18. Conservation of Energy and Technology Absorption

Since your company renders financial services, the disclosure relating to conservation of energy and technology absorption is not applicable.

19. Foreign Exchange Earnings and Outgo

There have been no Foreign Exchange earnings and outgo during the year under review.

20. Corporate Social Responsibility (CSR)

Your company has taken appropriate steps to comply with the CSR norms in the financial year 2021-22. The company has framed its CSR Policy in Compliance of Section 135 of the Companies Act, 2013 and in consonance of Schedule VII of the Companies Act, 2013. The company has taken up various activities as its CSR activities as given in Schedule VII of the Companies Act, 2013.

The company has spent a sum of Rs. 11.96 lakhs during the financial year 2021-22. A report containing details of the CSR activities undertaken by the company and amount spent during the financial year is prepared by the Company Secretary and is annexed with this Report as ***"Annexure - II"***.

21. Number of meetings of the Board

Name	Designation	Date of Board Meeting	No. of Board Meeting	Board Meeting Attended	Venue of Board Meeting	AGM Attended
Mr. Ramesh Kumar Vijay	Chairman	23.06.2021 31.08.2021 02.11.2021 11.02.2022	4	4	Kolkata	Yes
Mr. Umesh Khemka	Director	-Do-	4	4	Kolkata	Yes
Mr. Rajkumar Vijay	Director	-Do-	4	4	Kolkata	Yes
Mr. Saswata Chaudhuri	Independent Director	-Do-	4	4	Kolkata	Yes
Ms. Neha Baid	Independent Woman Director	-Do-	4	4	Kolkata	Yes

#Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA, all Board meetings in FY 2021 were held through Video Conferencing.

22. Changes in Directors and Key Managerial Personnel

Mr. Raj Kumar Vijay, Director, retires from office by rotation in accordance with the requirements of the Companies Act, 2013 and the provision of the Articles of Association of the Company, and being eligible, offers, himself for re-appointment.

Mrs. Kashish Arora was appointed as Company Secretary of the Company w.e.f. 16.05.2022 in place of Mrs. Aradhana Nathany.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them met the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder.

23.Information on Committees of Board:

Following is the details of various committees and its members. The committee meetings were held periodically and were attended by the respective members. The Finance Management Committee (Formerly known as Borrowing Committee) meetings took place as and when fresh/new loans were availed by the company.

A. Credit and Risk Management Committee:

Sl. No.	Name of the Member	Category of Member
1.	Mr. Ramesh Kumar Vijay,	Chairman
2.	Mr. Umesh Khemka	Member
3.	Mr. Rajkumar Vijay	Member

B. Sexual Harassment Committee:

Sl. No.	Name of the Member	Category of Member
1.	Mrs. Rakshita Vijay	Chairperson
2.	Ms. Swati Maheshwari	Committee Member
3.	Mr. Umesh Khemka	Committee Member
4.	Ms. Prachi Jain (External Person)	Committee Member

C. Asset and Liability Management Committee:

Sl. No.	Name of the Member	Category of Member
1.	Mr. Ramesh Kumar Vijay	Chairman
2.	Mr. Umesh Khemka	Member
3.	Mrs. Megha Saraf	Member

D. Finance Management Committee :

Sl. No.	Name of the Member	Category of Member
1.	Mr. Ramesh Kumar Vijay	Chairman
2.	Mr. Umesh Khemka	Member
3.	Mr. Rajkumar Vijay	Member

E. Audit Committee:

Sl. No.	Name of the Member	Category of Member
1.	Mr. Saswata Chaudhuri	Chairman
2.	Mr. Ramesh Kumar Vijay	Member
3.	Mr. Umesh Khemka	Member

F. Nomination & Remuneration Committee:

Sl. No.	Name of the Member	Category of Member
1.	Ms. Neha Baid	Chairperson
2.	Saswata Chaudhuri	Member
3.	Mr. Ramesh Kumar Vijay	Member

24.General Body Meeting

	2020-21 27th AGM
Date	20/07/2021
Time	03:00 P.M.
Venue	Kolkata, (Meeting conducted through VC / OAVM pursuant to the MCA Circular)

25.Particulars of Loans, Guarantees or Investments Under Section 186

The disclosure under section 186 of Companies Act, 2013 is not applicable since your company is a Non-Banking Finance Company.

26.Risk Management Policy

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Company has adopted strict measures towards formulating an effective operational risk management strategy which involves identification, assessment, review, control and reporting of key operational risks. The Company has built into its operational process proper segregation of functions, clear reporting structures, well-defined processes, operating manuals, staff training, verification of high value transactions and strong audit trails to control and mitigate operational risks. New product and activity notes prepared by business units are reviewed by all concerned departments including compliance, risk management and legal. Measurement and reporting is also achieved through the various management information systems, providing easily retrievable information, intertwined with each operational process which are generated and monitored regularly. All concerned departments coordinate and discuss key operational risk issues involving people, process, and technology, external factors, among others, so as to minimize them or ensure adequate controls over them. Risk registers across various processes are assessed for likelihood and vulnerability of threats, and their acceptability evaluated based on existing controls. The Company has set up a centralized control mechanism for better deployment and management of resources. The Company has also put in place a rigorous surveillance and classification of information system to ensure robust information technology risk management. The Company has a well-designed business continuity plan, whose effectiveness is gauged by proper testing mechanisms and which ensures continuity of business in the unlikely event of business disruption. In order to provide continued and uninterrupted service even during natural disasters, a disaster recovery site is in place. To further enhance the standard operating procedures and various technological functions, the Company is has been investing so as to keep its technological systems constantly updated across the various domain functions. In addition, to manage operational risk prudently, know your customer and anti-money laundering policy are in place. The Company's risk management framework emphasises on analysing and understanding the underlying risks before undertaking any transactions and changing or implementing processes and systems. This is facilitated by a robust governance structure, which includes multi-tiered approval levels for all transactions and processes. This mechanism is aided by a regular review of the portfolio and control mechanisms, undertaking self-assessment programmes and monitoring of key risk indicators.

27.Particulars of Contract or Arrangement with Related Parties

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2021-22 and hence does not form part of this report.

28.Details of Subsidiary, Joint Venture or Associates

The Company has only one subsidiary company i.e. Dar Credit Microfinance Pvt Ltd. Pursuant to the provision of Section 129(3) of the Companies Act, 2013, the performance and financial position of Subsidiaries, Associates and Joint Venture companies are described in Form AOC-1 which is annexed herewith as "*Annexure - III*". Further the Company does not have any Joint Venture or Associate Company.

29.Adequacy of Internal Financial Control

The company has in place adequate financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

30.Obligation of Company Under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Company has adopted a policy for prevention of sexual harassment of women at workplace and has set up committee for implementation of said policy. During the year, company has not received any complaint of harassment.

31.Secretarial Audit:

The Secretarial Audit was carried out by M/s. Jayashri Tulsyan & Associate, Company Secretaries for the financial year ended on 31st March, 2022. The Report given by the Secretarial Auditors is annexed as "*Annexure IV*" and forms integral part of this Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

32.RBI Guidelines

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India as applicable to it. Special Auditor's Report issued by the Auditor to the Board in terms of the requirement of the Reserve Bank of India is annexed herewith and marked as "*Annexure V*".

33.Governance

Your Company is committed to adhere to the best practice of governance it is always ensured, that the practices being followed by the Company are in alignment with its philosophy towards Corporate Governance. Your Company believes that the Corporate Governance is all about effective management of relationship among constituents of the system and always works towards strengthening this relationship through corporate fairness, transparency and accountability. In your Company, prime importance is given to reliable financial information, integrity, transparency, fairness, empowerment and compliance with law in letter and spirit. Your Company proactively follows Government principles and practices as to meet the business and regulatory needs, which has enabled it to emerge as one of the best corporate governed companies.

34. Directors' Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, it is hereby confirmed that;

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The directors 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 the profit of the company for that period;
- (c) The directors 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;
- (d) The directors have prepared the annual accounts on a going concern basis; and

(e) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

35.Acknowledgements

The Board of Directors wishes to place on record its appreciation for the commitment, dedication and hard work done by the employees of the Company and the co-operation extended by Banks, Government Authorities, Customers, Shareholders and employees of the Company and looks forward to a continued mutual support and co-operation.

**For and on behalf of the Board
DAR CREDIT & CAPITAL LTD.**

**Ramesh Kumar Vijay
Chairman
DIN: 00658473**

Place: Kolkata

Date: 25th May, 2022

(ANNEXURE I AS REFERRED TO IN THE BOARD OF DIRECTORS REPORT)

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2022**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

I)	CIN	U65999WB1994PLC064438
II)	REGISTRATION DATE	10.08.1994
III)	NAME OF THE COMPANY	DAR CREDIT & CAPITAL LTD.
IV)	CATEGORY / SUB-CATEGORY OF THE COMPANY	Non-Banking Finance Company
V)	ADDRESS OF THE REGD. OFFICE AND CONTACT DETAILS	206 A.J.C Bose Road Unit-6B, Floor-6 th , Kolkata-17 (West - Bengal)
VI)	WHETHER LISTED COMPANY	Shares are not Listed. (Non- Convertible Debentures listed in debt segment with BSE)
VII)	NAME, ADDRESS & CONTACT DETAILS OF REGISTRAR AND TRANSFER	KFIN Technologies Pvt Ltd Address: Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Contact Details: (040)67162222

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated: -

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product/ Service	% to total Turnover of the Company
1	Non-Banking Finance Company	64990	100% from the NBFC

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Dar Credit Microfinance Private Limited Business Towers, 206, AJC Bose Road, Unit-6B, 6 th Floor, Kolkata-700017	U65999WB2019PTC234788	Subsidiary	100	Section 2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)

i) Category-wise Share Holding

[illegible]

a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.									
e) Venture Capital Funds									
f) Insurance Co.									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-Total (B)(1): -									
2. Non- Institutions									
a) Bodies Corporates									
i) Indian	-								
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1125667		1125667	11.26	525667		525667	5.26	
c) Others (specify)									
Sub-Total (B)(2):-	1125667		1125667	11.26	525667		525667	5.26	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1125667		1125667	11.26	525667		525667	5.26	
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	10000000		10000000	100.00	10000000		10000000	100.00	

(ii) *Shareholding of Promoters*

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged /encumbered to total shares	
1	RAMESH KUMAR VIJAY	19,50,866	19.51	NIL	19,50,866	19.51	NIL	0.00
2	RAJ KUMAR VIJAY	322,133	3.22	NIL	322,133	3.22	NIL	0.00
3	RAKSHITA VIJAY	9,85,066	9.85	NIL	9,85,066	9.85	NIL	0.00
4	KUSUM VIJAY	106,456	1.06	NIL	106,456	1.06	NIL	0.00
5	NIKITA VIJAY	568,728	5.69	NIL	868,728	8.69	NIL	3.00
6	TANVEE VIJAY	568,450	5.68	NIL	868,450	8.68	NIL	3.00
7	RAMESH KUMAR VIJAY (HUF)	880,400	8.80	NIL	880,400	8.80	NIL	0.00
8	KARAN VIJAY	985,456	9.85	NIL	985,456	9.85	NIL	0.00
9	KAMALA VIJAY	466,667	4.67	NIL	466,667	4.67	NIL	0.00
10	VITIKA VIJAY	222,222	2.22	NIL	222,222	2.22	NIL	0.00
11	TANAY VIJAY	55,556	0.56	NIL	55,556	0.56	NIL	0.00
12	R R FAMILY TRUST	933,333	9.33	NIL	933,333	9.33	NIL	0.00
13	PRIMEROSE FOUNDATION	829,000	8.29	NIL	829,000	8.29	NIL	0.00
		8874333	88.74	NIL	9474333	94.74	NIL	6.00

(iii) *Change in Promoters' Shareholding (please specify, if there is no change)*

Sl.No	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason for increase/decrease	Cumulative Shareholding during the year (1.4.21) to (31.3.22)	
		No. of shares at the beginning	% of total shares of the company				No. of shares	% of total shares of the company
1	RAMESH KUMAR VIJAY	1,950,866	19.51	NO CHANGE			1,950,866	19.51
2	RAJ KUMAR VIJAY	322,133	3.22	NO CHANGE			322,133	3.22
3	RAKSHITA VIJAY	9,85,066	9.85	01.07.21	Decrease	Transfer	985,066	9.85
				06.07.21	Increase	Transfer		
4	KUSUM VIJAY	106,456	1.06	NO CHANGE			106,456	1.06
5	NIKITA VIJAY	568,728	5.69	01.07.21	Increase	Transfer	868,728	8.69
6	TANVEE VIJAY	568,450	5.68	01.07.21	Increase	Transfer	868,450	8.68
7	RAMESH KUMAR VIJAY (HUF)	880,400	8.8	NO CHANGE			880,400	8.80
8	KARAN VIJAY	985,456	9.85	NO CHANGE			985,456	9.85
9	KAMALA VIJAY	466,667	4.67	NO CHANGE			466,667	4.67
10	VITIKA VIJAY	222,222	2.22	NO CHANGE			222,222	2.22
11	TANAY VIJAY	55,556	0.56	NO CHANGE			55,556	0.56
12	R R FAMILY TRUST	933,333	9.33	NO CHANGE			933,333	9.33
13	PRIMEROSE FOUNDATION	829,000	8.29	NO CHANGE			829,000	8.29

(iv) *Share holding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):*

Sl.No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason for increase/decrease	Cumulative Shareholding during the year (1.4.21) to (31.3.22)	
		No. of shares at the beginning	% of total shares of the company				No. of shares	% of total shares of the company
1	ASHOK KUMAR GANDHI	111,122	1.11	Nil	Nil	Nil	111,122	1.11
2	MANJU VIJAY	77,778	0.78	Nil	Nil	Nil	77,778	0.78
3	ASHISH VIJAY	72,222	0.72	06.07.21	Increase	Transfer	122,222	1.22
4	NIRANJAN LAL VIJAY	391,667	3.92	06.07.21	Decrease	Transfer	1,667	0.02
5	MOHINI DEVI VIJAY	0	0	Nil	Nil	Nil	0	0
6	VIJENDRA KUMAR VIJAY	142,323	1.42	06.07.21	Decrease	Transfer	32,323	0.32
7	SHELANDRA VIJAY	108,333	2.08	06.07.21	Decrease	Transfer	8,333	0.08
8	GARIMA VIJAYVERGIYA	222,222	2.22	06.07.21	Decrease	Transfer	172,222	1.72
9	SARITA VIJAY	0	0	Nil	Nil	Nil	0	0

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ramesh Kumar Vijay				
	At the beginning of the year	19,50,866	19.51	19,50,866	19.51
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	NO CHANGE			
	At the End of the year	19,50,866	19.51	19,50,866	19.51
2	Rajkumar Vijay				
	At the beginning of the year	322,133	3.22	322,133	3.22
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	NO CHANGE			
	At the End of the year	322,133	3.22	322,133	3.22

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured	Deposits	Total
		Loans		Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,16,00,19,732	25,207,237		1,18,52,26,969
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	5,537,885	2,649,890		8,187,775
Total (i+ii+iii)	1,165,557,617	27,857,127		1,19,34,14,744
Change in Indebtedness during the financial year				
· Addition	-	-		-
· Reduction	103,042,139	15,774,890		118,817,029
Net Change Indebtedness at the end of the financial year				
i) Principal Amount	1,05,55,96,756	12,082,237		1,067,678.993
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	69,18,722	-		69,18,722
Total (i+ii+iii)	1,062,515,478	12,082,237		1,074,597,715

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Ramesh Kumar Vijay	Raj Kumar Vijay	Umesh Khemka	
1.	Gross salary	14,68,538	8,40,000	7,29,000	30,37,538
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of Profit	-	-	-	
	- others, (specify)	-	-	-	
5.	Others, please specify	-	-	-	-
	Total (A)	14,68,538	8,40,000	7,29,000	30,37,538

B. Remuneration to other directors:

B. Remuneration to other directors:				
Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
1.	Independent Directors	Saswata Chaudhuri	Neha Baid	
	a) Fee for attending board/committee meetings	45,000	25,000	70,000
	b) Commission	-	-	-
	c) Others, please specify	-	-	-
	Total (1)	45,000	25,000	70,000
2.	Other Non-Executive Directors	-	-	-
	a) Fee for attending board/ committee meetings	-	-	-
	b) Commission	-	-	-
	c) Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)= (1+2)	45,000	25,000	70,000
	Total Managerial Remuneration Remuneration	31,07,538		
	Overall Ceiling as per the Act	39,03,987		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

Sl. No.	Particulars of Remuneration			
1.	Gross salary	Company Secretary	CFO	Total
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,02,730	7,21,836	12,24,566
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	5,02,730	7,21,836	12,24,566

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Details of Description	Details of Penalty/Punishment/Compounding imposed	Authority [RD/NCLT made/Court]	Appeal if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company

The Board of Directors (the "Board") of Dar Credit & Capital Ltd. have adopted the CSR policy which undertakes CSR related activities for promoting:

- 1) **Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care** and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and **making available safe drinking water**.
- 2) **Education**, including **special education** and **employment enhancing vocation skills especially among children, women, elderly** and the differently abled and livelihood enhancement projects.
- 3) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, **animal welfare**, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- 4) Promoting gender equality, **empowering women**, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- 5) Other Activities covered under Schedule VII

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013.

2. Composition of the CSR committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year
1	Mr. Ramesh Kumar Vijay	Chairman, Non-independent Executive Director	Since the committee is dissolved no meeting was required to be held.
2	Mr. Saswata Chaudhuri	Member, Independent, Non-Executive Director	Since the committee is dissolved no meeting was required to be held.
3	Mr. Umesh Khemka	Member, Non-Independent, Executive Director	Since the committee is dissolved no meeting was required to be held.

3. Provide the web-link where CSR Policy approved by the board is disclosed on the website of the Company :

www.darcredit.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable – Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in `)	Amount required to be setoff for the financial year, if any (in `)
NIL			

6. Average net profit of the Company as per Section 135(5): Rs. 573.09 lacs

7. a) Two percent of average net profit of the Company as per section 135(5) : Rs. 11.46 lacs

- d) Total CSR obligation for the financial year (7a+7b-7c) : Rs. 11.46 Lacs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ lacs)	Amount Unspent (₹ lacs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
11.96	NIL	-	-	NIL	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in `)	Amount spent in the current financial Year (in `)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in `)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NIL												

c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project		(6) Amount spent for the project (In lacs)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Education and skill building projects	(ii)	Yes	West Bengal, Kolkata & nearby areas		2.10	Yes	-	-
						0.50	Yes	-	-
2	Making available safe drinking water	(i)	Yes	Rajasthan, Jaipur		0.41	Yes	-	-
3	Measures for reducing inequalities faced by socially and economically backward groups	(iii)	Yes	West Bengal, Kolkata & nearby areas		0.50	No	Milico Foundation	CSR00000330
4	Animal Welfare	(iv)	Yes	Rajasthan, Jaipur		0.55	Yes	-	-
5	Promoting health care including preventive health care	(i)	Yes	Rajasthan, Jaipur West Bengal, Kolkata		5.35	No	Milico Foundation	CSR00000330
6	Eradicating hunger, poverty and malnutrition	(i)	Yes	Rajasthan, Jaipur West Bengal, Kolkata		2.55	No	Milico Foundation	CSR00000330

Details of Implementing Agency:

Dar Credit & Capital Ltd. has partnered with Milico Foundation almost a decade old non-profit organization to leverage Upon their collective expertise, to implement its CSR programmes. Milico Foundation works towards social development Activities in the areas of education, health, skilled development, sports promotion, medical, women empowerment and help Differently abled child and widows. The Managing trustee of the said foundation is Mr. Ramesh Kumar Vijay, the Promoter Director of the company.

d) Amount spent in Administrative Overheads: NIL

e) Amount spent on Impact Assessment, if applicable: Not Applicable

f) Total amount spent for the Financial Year (8b+8c+8d+8e) : 11.96 Lacs

g) Excess amount for set off, if any

Sr. No.	Particular	Amount (In lacs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	11.46
(ii)	Total amount spent for the Financial Year	11.96
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL

(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (In lacs)	Amount spent in the reporting Financial Year (In lacs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (In Lacs)
				Name of the Fund	Amount (In lacs)	Date of transfer	
1	-	NIL	NIL	-	NIL	-	NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (In lacs)	Amount spent on the project in the reporting Financial Year (In lacs)	Cumulative amount spent at the end of reporting Financial Year (In lacs)	Status of the project - Completed/ Ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

- (a) Date of creation or acquisition of the capital asset(s) : None
- (b) Amount of CSR spent for creation or acquisition of capital asset : NIL
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : Not Applicable

Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) : Not Applicable

Ramesh Kumar Vijay
Chairman, Corporate Social
Responsibility Committee

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	DAR CREDIT MICROFINANCE PRIVATE LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2022
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
4.	Share capital	5,00,00,000
5.	Reserves & surplus	4,25,750
6.	Total assets	5,10,31,762
7.	Total Liabilities	6,06,012
8.	Investments	NIL
9.	Turnover	24,17,544
10.	Profit before taxation	NIL
11.	Provision for taxation	NIL
12.	Profit after taxation	NIL
13.	Proposed Dividend	NIL
14.	% of shareholding	100

On behalf of the Board

Date: 25.05.2022

Place: Kolkata

**Ramesh Kumar Vijay
Rajkumar Vijay
Megha Saraf
Kashish Arora**

**Chairman
Director & CEO
Chief Financial Officer
Company Secretary**



**(ANNEXURE IV AS REFERRED TO IN THE BOARD OF
DIRECTORS REPORT PARA NO.31)**

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
DAR CREDIT & CAPITAL LTD
Business Tower, 206 AJC Bose Road,
6th Floor, Unit No. 6B
Kolkata – 700017
CIN U65999WB1994PLC064438

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dar Credit & Capital Ltd** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books and Papers, Minutes books, Forms and Returns filed and other records maintained by the Company **Dar Credit & Capital Ltd**, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

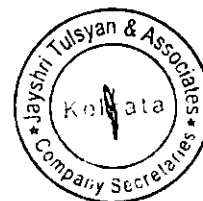
We have examined the Books and Papers, Minute Books, Forms and Returns filed and other records maintained by **Dar Credit & Capital Ltd** for the financial year ended on 31st March, 2021 to the extent applicable:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under - **Not Applicable during the year under review.**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:-

Sidheswari Market, Birla Mandir Road, 3rd Floor, Above Central Bank, Patna - 800 004



- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not Applicable during the year under review.**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: - **Not Applicable during the year under review.**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992: - **Not Applicable during the year under review.**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: - **Not Applicable during the year under review.**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 to the extent applicable - **Not Applicable during the year under review.**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable during the year under review.**
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; -
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: - **Not Applicable during the year under review.**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: - **Not Applicable during the year under review.**
 - (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018: -



We further report that after considering the Compliance system prevailing in the Company and after verification of relevant records and documents maintained by the Company and as confirmed by the management vide its management representation letter, it has complied with following laws that are applicable specifically to the Company:

1. The Reserve Bank of India Act, 1934.
2. Master Direction - Non-Banking Financial Company - Non-Deposit taking Company (Reserve Bank) Directions, 2016.

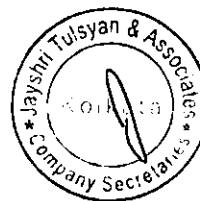
We have also examined compliance with the applicable clauses of the following:

3. Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

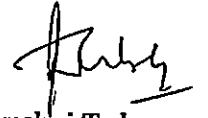
1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all Directors for scheduled Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision of the Board and Committee Meetings are carried through, while the dissenting members' views, if any are captured and recorded as part of the minutes.



JAYSHRI TULSYAN & ASSOCIATES
FIRM OF COMPANY SECRETARIES

On the basis of information provided to us, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Jayshri Tulsyan & Associates
Company Secretaries



Jayshri Tulsyan

(Proprietor)

M. No. - 7725

C.O.P. No. - 8096

UDIN: F007725D000388050



Date : 25.05.22

Place : Kolkata

**(ANNEXURE V AS REFERRED TO IN THE BOARD OF DIRECTORS
REPORT PARA NO. 32)
SPECIAL AUDITOR'S REPORT**

(Under Section 451(F) of the Reserve Bank of India Act, 1934 (2 of 1934)
In terms of Paragraph 2 of Notification No. DNBS.201/DG(VL)-2008. Dated September 18, 2008)

To The Board of Directors of Dar Credit & Capital Ltd.

We have audited the attached Standalone Balance Sheet of Dar Credit & Capital Ltd. as at 31st, March, 2022, the Statement of Profit & Loss Account and the Cash flow statement for the year ended 31st March, 2022 and forward a Special Audit Report on the matter specified in Para 3 and 4 of Reserve Bank of India Notification No. DNBS.201/DG(VL)-2008. Dated September 18, 2008, and report as under to the extent applicable to the Company that: I.PARA- 3:

(A) In the case of all Non-Banking Financial Companies:

(i) The Company was incorporated on 10th August, 1994 and had Certificate of Registration as provided in Section 45I(A) of the Reserve Bank of India Act, 1934 (2 of 1934), Calcutta on 7th July, 1997 and the Company has been granted Certificate of Registration No.-05.03000 dated 17th November, 1998 from Reserve Bank of India, department of Non-Banking Supervision Calcutta Regional Office.

(ii) We certify that the Company is entitled to continue to hold Certificate of Registration (CoR) in terms of its asset/Income pattern as on 31st March, 2022.

**(B) In the case of Non-Banking Financial Company accepting / holding public Deposits:
NOT APPLICABLE**

(C) In the case of a Non-Banking Financial Company not accepting public Deposits:

(i) The Board of Director has passed a resolution for the non-acceptance of any public deposits, on 23rd June, 2021.

(ii) The Company has not accepted any public deposit during the year, and

(iii) The company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it.

**(D) In the case of Non-Banking Financial Company which is an investment Company not accepting public deposit and which has invested not less than 90 percent of its assets in the securities of its group / holding / subsidiary companies as long-term investment:
NOT APPLICABLE**



Place: Kolkata
Date: 25th May, 2022

For KASG & Co.
Chartered Accountants
Firm Registration No: 002228C)

Roshan Kumar Bajaj
(PARTNER)
Membership No. - 068523
UDIN - 22068523AJQKZG5836

INDEPENDENT AUDITORS' REPORT

To,
The Members of Dar Credit & Capital Ltd.
Report on the Audit of the Standalone Financial Statements.

Opinion

We have audited the accompanying standalone financial statements of **Dar Credit & Capital Ltd.** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act read with the rule of the Companies Accounts Rule 2014, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and the profit and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone financial statements of the current period. Those matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters. We have determined that there are no reportable key audit matters.

Information other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance.

Management's responsibility for the Standalone financial statements

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

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

The Board of Directors are responsible for overseeing the Company's financial reporting process

Auditor's responsibilities for the audit of the Standalone Financial Statements

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



they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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



Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Companies Act, 2013, we give in **"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, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Standalone financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the **Companies (Accounts) Rules, 2014**;
 - (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 are 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

(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:

a. The Company does not have any pending litigations which would impact its financial position except the one already mentioned in Para 3(vii) to Annexure-1 of Independent Auditor's Report;

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

c. There was no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

d. The **management has represented** that other than those disclosed in the notes to accounts:

i. 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;

ii. 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;

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



e. The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

For KASG & Co.
Chartered Accountants
Firm Registration No: 002228C)



Place: Kolkata
Date: 25th May, 2022

Roshan Kumar Bajaj
(PARTNER)
Membership No. - 068523
UDIN - 22068523AJQKZG5836

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF
M/S. DAR CREDIT & CAPITAL LIMITED
(Referred to in our Report of even date for FY 2021-22)

(i)	(a)	(A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and equipment. (B) The company has not owned any intangible assets, It has not maintained any record of intangible assets.
	(b)	The Company follows a Physical Verification program so as to verify all the verifiable fixed assets within a period of 3 years. The management has conducted PV in accordance with the program and no material deviations have been noted there in.
	(c)	According to the information and explanations given to us, the records of the company examined by us and based on the details of buildings furnished to us by the company, the title deeds of immovable properties are held in the name of the Company
	(d)	The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
	(e)	According to the information and explanations given to us, No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
(ii)		The Company is a Non-Banking Finance Company and does not hold any inventory during the period under audit. Accordingly, the reporting requirement under clause (ii) of paragraph 3 of the Order is not applicable
(iii)		The company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties,
	(a)	The principle business of company is to give loans hence this clause is not applicable.
	(b)	The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
	(c)	In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular;
	(d)	According to the information and explanation given to us, no amount of loan and advances are overdue.
	(e)	The principle business of company is to give loans hence this clause is not applicable.
	(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
(iv)		There are no loans, investments, guarantees and security given by the company requiring the compliance of provisions of Section 185 and 186 of the Companies Act, 2013.



(v)		The Company has not accepted any deposits from the public during the year which attract the directives issued by the Reserve Bank of India. Being a Non Banking Finance Company , the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder regarding acceptance of deposits are not applicable. Therefore, the reporting requirement under clause (v) of paragraph 3 of the Order is not applicable.										
(vi)		To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the company.										
(vii)	(a)	The company is regular in depositing undisputed statutory dues with the appropriate authorities. Based on our audit verification and according to the information and explanations given to us, there are no arrears of statutory dues which has remained outstanding as at 31st March,2022 for a period of more than six months from the date they became payable.										
	(b)	According to the information and explanation given to us, there are no dues of income-tax, sales-tax, duty of customs, duty of excise, and cess which have not been deposited on account of any dispute except the following: <table><tr><td>Nature of Statute</td><td>Nature of Dues</td><td>Amount (Rs. In Lakhs)</td><td>Forum where dispute is pending.</td><td>Year to which the amount is related.</td></tr><tr><td>Income Tax Act 1961</td><td>Income Tax</td><td>591.7</td><td>CIT (A)-III/KOLKATA</td><td>AY 2017-2018</td></tr></table>	Nature of Statute	Nature of Dues	Amount (Rs. In Lakhs)	Forum where dispute is pending.	Year to which the amount is related.	Income Tax Act 1961	Income Tax	591.7	CIT (A)-III/KOLKATA	AY 2017-2018
Nature of Statute	Nature of Dues	Amount (Rs. In Lakhs)	Forum where dispute is pending.	Year to which the amount is related.								
Income Tax Act 1961	Income Tax	591.7	CIT (A)-III/KOLKATA	AY 2017-2018								
(viii)		According to the information and explanation given to us, there exists no transactions which are not recorded in the accounts and have been disclosed or surrendered before the tax authorities as income during the year.										
(ix)	(a)	Based on our audit procedures and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.										
	(b)	According to the information and explanation given to us, company is not a declared wilful defaulter by any bank or financial institution or other lender;										
	(c)	Based on our audit procedures and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.										
	(d)	According to the information and explanation given to us, no funds raised on short term basis has been applied on long term purposes.										
	(e)	According to the information and explanation given to us, the company has not taken any funds from any person or entity on account of or to meet the obligations of its subsidiaries, associates or joint ventures.										
	(f)	According to the information and explanation given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.										



(x)	(a)	The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
	(b)	The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year
(xi)	(a)	During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, there is no instances of fraud by the company or any fraud on the company has been noticed or reported during the year.
	(b)	Based on the documents examined, information and explanation provided to us, there was no report filed under section 143(12) of the companies act, 2013 by the auditors with the central government.
	(c)	There were no whistle-blower complaints received during the year by the company.
(xii)		The company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.
(xiii)		According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
(xiv)	(a)	The company is not required to have an internal audit system commensurate with the size and nature of its business
(xv)		The company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.
(xvi)	(a)	The company is a Non-Banking Finance Company and requires to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been duly obtained.
	(b)	According to the information & explanations given to us, The company has not conducted any Non-banking financial activities without a valid Certificate of registration from the RBI as per the RBI Act, 1934.
	(c)	The company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Hence, sub-clauses (c) & (d) are not applicable.
(xvii)		According to the information and explanations given to us and the records of the Company examined by us, the company has not incurred any cash losses in the financial year and the immediately preceding financial year.
(xviii)		According to the information and explanations given to us, there has not been any resignation by the statutory auditors of the company during the year.
(xix)		According to the information and explanations given to us and the records of the Company examined by us, there exists no material uncertainty on company ability to meet its liabilities as and when they are due on the date of audit report on an evaluation of - the ageing report, financial ratios and expected dates of realization of financial assets and payment of financial liabilities.



(xx)	According to the information and explanations given to us and the records of the Company examined by us, with respect to obligations under Corporate Social Responsibility, the company does not have any unspent amount against CSR activities. Hence, sub-clauses (a) & (b) are not applicable.
(xxi)	According to the information and explanations given to us and the records of the Company examined by us, there have not been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For KASG & Co.
Chartered Accountants
Firm Registration No: 002228C)



Roshan Kumar Bajaj
(PARTNER)
Membership No. - 068523
UDIN - 22068523AJQKZG5836

Place: Kolkata
Date: 25th May, 2022

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN
DATE ON THE FINANCIAL STATEMENTS OF M/S. DAR CREDIT &
CAPITAL LIMITED**

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

To,

The Members of Dar Credit & Capital Ltd.

We have audited the internal financial controls over financial reporting of Dar Credit & Capital Ltd. ("the Company") as of March 31st, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitation of Internal Financial Controls over Financial Reporting.

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kolkata
Date: 25th May, 2022



For KASG & Co.
Chartered Accountants
Firm Registration No: 002228C)

Roshan Kumar Bajaj
(PARTNER)
Membership No. - 068523
UDIN - 22068523AJQKZG5836

DAR CREDIT & CAPITAL LTD.
CIN : U65999WB1994PLC064438
Standalone Balance Sheet as at 31st March 2022

Sr. No.	Particulars	Note No.	As at 31st March	
			2022	2021
I.	EQUITY AND LIABILITIES			
	<u>(1) Shareholders' Funds</u>			
	(a) Share Capital	2	10,00,00,000	10,00,00,000
	(b) Reserves and Surplus	3	51,52,15,057	50,64,63,120
	<u>(2) Non-Current Liabilities</u>			
	(a) Long-Term Borrowings	4	48,77,27,427	48,03,77,449
	(b) Long-term provisions	5	8,01,876	5,31,417
	<u>(3) Current Liabilities</u>			
	(a) Short-Term Borrowings	6	57,99,51,566	70,48,49,521
	(b) Trade Payables	7	69,18,722	81,87,775
	(c) Other Current Liabilities	8	29,43,310	34,32,611
	(d) Short-Term Provisions	9	1,09,50,430	1,18,07,983
	Total Equity & Liabilities		1,70,45,08,389	1,81,56,49,875
II.	ASSETS			
	<u>(1) Non-Current Assets</u>			
	(a) Plant Property and Equipment	10	8,57,61,529	8,48,51,890
	(b) Non-Current Investments	11	5,00,84,000	5,00,84,000
	(c) Deferred Tax Assets (Net)	12	66,00,561	80,75,043
	(d) Long-Term Loans and Advances	13	74,06,37,157	88,62,52,719
	(e) Other Non-current assets	14	12,93,71,717	10,59,20,490
	<u>(2) Current Assets</u>			
	(a) Current Investments	15	11,95,06,213	3,84,77,096
	(b) Cash and Cash Equivalents	16	15,67,33,257	19,86,03,816
	(c) Short-Term Loans and Advances	17	39,74,09,588	39,92,80,435
	(d) Other Current Assets	18	1,84,04,367	4,41,04,385
	Total Assets		1,70,45,08,389	1,81,56,49,875

Significant Accounting Policies	1
Additional Notes to Financial Statements	25
Additional Particulars as per RBI Regulation	26

As per our report of even date attached

For KASG & Co.

Chartered Accountants

Firm Regn. No.: 002228C

Roshan Kumar Bajaj


Roshan Kumar Bajaj

Membership No.: 068523

Place: Kolkata

Date: 25.05.2022

For and on behalf of the Board

DAR Credit and Capital Limited

Chairman

DIN: 00658473

Director & CEO

DIN: 00946879

CFO

Company Secretary

Udayan Arora

DAR CREDIT & CAPITAL LTD.
CIN : U65999WB1994PLC064438
Standalone Statement of Profit and Loss for the year ended 31st March, 2022

Sr. No.	Particulars	Note No.	For the year ended 31st March	
			2022	2021
1	Revenue from Operations	19	242,266,073	273,330,601
2	Other Income	20	6,968,495	4,465,607
3	Total Income (1+2)		249,234,567	277,796,208
4	Expenses:			
	(a) Employee Benefits Expense	21	36,982,029	35,973,943
	(b) Finance Costs	22	121,266,316	145,410,638
	(c) Depreciation and Amortization Expense	11	5,503,830	5,504,251
	(d) Provisions	23	1,874,034	989,700
	(e) Other Expenses	24	48,117,569	48,033,164
	Total Expenses		213,743,778	235,911,696
5	Profit before exceptional and extraordinary items and tax (3-4)		35,490,789	41,884,512
6	Exceptional Items		-	-
7	Profit before extraordinary items and tax (5-6)		35,490,789	41,884,512
8	Extraordinary Items		-	-
9	Profit Before Tax (7-8)		35,490,789	41,884,512
10	Tax Expense:			
	(a) Current tax		(8,439,989)	(10,471,128)
	(b) Deferred tax		(1,474,482)	2,826,197
15	Profit for the year		25,576,319	34,239,580
16	Earnings per equity share:			
	(a) Basic		2.56	3.42
	(b) Diluted		2.56	3.42

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As per our report of even date attached
for KASG & Co.
Chartered Accountants
Firm Regn. No. 002228C

Roshan Kumar Bajaj
Membership No. 068523
Place: Kolkata
Date: 25.05.2022



For and on behalf of the Board
DAR Credit and Capital Limited

Chairman 12
DIN: 00658473
Director & CEO
DIN: 00946879

CFO

Company Secretary

Kashish Arora

DAR CREDIT & CAPITAL LTD.
CIN : U65999WB1994PLC064438
Standalone Cash Flow Statement for the year ended 31st March, 2022

Particulars	For the year ended 31st March	
	2022	2021
Cash Flow from Operating activity:-		
Net Profit/(Loss) before Tax and Extraordinary Items	35,490,789	41,884,512
Adjustments for Non Cash and Non Operating Items:-		
Depreciation	5,503,830	5,504,251
Interest paid on borrowings	121,266,316	143,098,457
Profit on sale of securities	(31,125)	(2,491,687)
Loss on Sale of Securities	3,736	2,310
Profit on sale of property, plant & equipment	(301,753)	(991,586)
Rent received	(757,456)	(424,756)
Dividend Received	-	(164,769)
Operating Profit before changes in working capital	161,174,336	186,416,732
Adjustment for Changes in Working Capital		
Increase/(Decrease) in Other Current Liabilities and Provisions	(2,345,447)	(7,557,061)
Increase/(Decrease) in Loans and Advances	181,658,158	877,142,071
Proceeds from / (Repayment of) Borrowings, net	(117,547,977)	(855,270,757)
Interest paid on borrowings	(121,266,316)	(146,691,434)
Increase/(Decrease) in Other current assets	24,397,856	(716,199)
Cash Generated from Operating activities	126,070,611	53,323,351
Direct Taxes Paid	(18,962,205)	(8,010,000)
Net Cash Flow from / (used in) Operating Activities (A)	107,108,406	45,313,351
Cash Flow from Investing activities:-		
Proceeds from Sale of Property, Plant & Equipment	959,808	4,050,000
Payment for Purchase of Property, Plant & Equipment	(7,071,523)	(2,800,000)
Increase/(Decrease) in other Non-current assets	(23,451,227)	12,116,175
Proceeds/(Purchase) of Shares and Mutual Funds	(81,001,727)	8,961,581
Investment in various instruments	-	(18,040,326)
Rent Received	757,456	424,756
Dividend Received	-	164,769
Net Cash Flow from / (used in) Investing activities (B), net	(109,807,213)	4,876,955
Cash Flow from Financing Activities:-		
Dividend Paid for earlier years	(5,000,004)	(5,000,000)
Net Cash from / (used in) Financing activities (C)	(5,000,004)	(5,000,000)
Net Increase in Cash and Cash Equivalents (A+B+C)	(7,698,812)	45,190,306
Cash and Cash Equivalents at the beginning of Period	148,645,973	103,455,668
Cash and Cash Equivalents at the end of Period	140,947,162	148,645,973

Note:

Particulars	As on 31st March	
	2022	2021
Cash and Cash Equivalents at the year end comprise		
Cash & Bank Balances	71,130,965	148,512,921
Fixed Deposits (Maturity within 3 months from Balance sheet date)	69,816,197	133,052
Total	140,947,162	148,645,973

As per our report of even date attached
for KASG & Co.
Chartered Accountants
Firm Regn. No. 002228C

Roshan Kumar Bajaj
Membership No. 068523
Place Kolkata
Date 25.05.2022



For and on behalf of the Board
DAR Credit and Capital Limited

Chairman
DIN: 00658473
Director & CEO
DIN: 00946879

CFO
Company Secretary

Umesh Anand

DAR CREDIT & CAPITAL LTD.

CIN : U65999WB1994PLC064438

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

Note 1 (A) : Corporate Information

Dar Credit & Capital Ltd., the Holding Company is Non-Banking Finance Company (NBFC) and its principal place of business is at Kolkata & Jaipur. The company provides professional financial services to low income customers particularly in small towns, lacking access to such services from formal financial institutions and to emerge as a financially strong, ethical and socially inclined small loan finance institution.

Note 1 (B) : Significant Accounting Policies :-**1 Basis of Accounting**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2 Use of Estimates

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

3 Reserves and Surplus

Pursuant to section 45-IC of the Reserve Bank of India Act, 1934 NBFCs must transfer at least 20% of net profit every year to reserve fund. This fund should not be appropriated except for purpose specified by RBI. Any appropriation must be reported to RBI within 21 days.

3 Plant, property and Equipment

Property, Plant and equipment, Capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the 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. All other repair and maintenance costs are recognized in profit or loss as incurred. Any trade discounts, rebates and refundable taxes including GST credit are deducted in arriving at the purchase cost.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized. The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

4 Depreciation

Depreciation is provided on Straight-Line Basis at rates specified in Schedule II of the Companies Act, 2013 based on useful life of the assets.

5 Investments

(a) Long term investments are carried at cost after deducting provision, in case where the fall in market value has been considered of permanent nature.

(b) Current investments are valued at lower of cost or market value.

(c) Govt. Securities are valued at lower of cost or redemption price.

6 Loans

Loans are valued at Principal Amount.

7 Recognition of Income & Expenditure

Income and Expenditures are recognised on accrual basis except income from Non - performing Asset(s) which is accounted for on actual receipt basis as prescribed by the Prudential Norms for Non - Banking Financial Companies issued by Reserve Bank of India.

8 Contingent Liabilities

Claims against the company are either paid or treated as liability if accepted by the company and are treated as contingent liability if disputed by the company.

9 Retirement Benefit

The gratuity liability has been determined based on the provision of Gratuity Act, 1972 and charged to Statement of Profit and Loss. Contribution payable to the recognised provident fund which is defined contribution schemes, is charged to Profit and loss account.

10 Borrowing Costs

Borrowing costs are recognized as an expense in the period in which these are incurred. borrowing costs directly attributable to the acquisition, construction or production of a 'qualifying asset' (one that necessarily takes a substantial period of time to get ready for its intended use or sale) are included in the cost of the asset.

11 Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

DAR CREDIT & CAPITAL LTD.

CIN : U65999WB1994PLC064438

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

12	<u>Earning per share</u>	:	Basic earnings per equity share is computed by dividing profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.
13	<u>Taxes</u>	:	<u>Current Tax</u> The current charge for income is calculated in accordance with relevant tax regulations applicable to the company. <u>Deferred Tax</u> Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably/virtually certain to be realised.
14	<u>Intangible assets and amortisation thereof</u>	:	Costs relating to acquisition and development of computer software are capitalised in accordance with the AS-26 'Intangible Assets' and are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life.
15	<u>Provision for Standard / Sub-Standard / Doubtful / Loss Assets</u>	:	Provision for Standard Assets / Substandard Assets / Doubtful Assets / Loss Assets has been made in compliance with the directions of Reserve Bank of India. As per the RBI Master Direction No. DNBR.PD.008/03.10.19/2016-17 dated 1st September, 2016 Company has made general provision of 0.25% of Standard Assets. Other directives of Reserve Bank of India have been duly complied with.

DAR CREDIT & CAPITAL LTD.**CIN : U65999WB1994PLC064438****Notes to standalone financial statements for the year ended 31st March, 2022****i. Note 2 : Share Capital**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number	Amount in Rs.	Number	Amount in Rs.
Authorised				
Equity shares of Rs.10 each	1,25,00,000	12,50,00,000	1,25,00,000	12,50,00,000
Issued, Subscribed & Fully paid up				
Equity shares of Rs.10 each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000

Rights of Shareholders

The company has one class of Equity shares having a face value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The equity shares of the company rank pari-passu in all respects including voting rights and entitlement to dividend.

ii. Details of the Shareholders holding more than 5% of Equity Shares of the Company

Name of Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares held	% Holding	No. of Shares held	% Holding
Ramesh Kumar Vijay	19,50,866	19.51	19,50,866	19.51
Rakshita Vijay	9,85,066	9.85	9,85,066	9.85
Ramesh Kumar Vijay and others(HUF)	8,80,400	8.80	8,80,400	8.80
Karan Vijay	9,85,456	9.85	9,85,456	9.85
Nikita Vijay	8,68,728	8.69	5,68,728	5.69
Tanvee Vijay	8,68,450	8.68	5,68,450	5.68
R R Family Trust	9,33,333	9.33	9,33,333	9.33
Primeroose Foundation	8,29,000	8.29	8,29,000	8.29

DAR CREDIT & CAPITAL LTD.**CIN : U65999WB1994PLC064438****Notes to standalone financial statements for the year ended 31st March, 2022****iii. Reconciliation of shares outstanding at the beginning of the year and at the end of the year**

Equity Shares	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.
At the beginning of the year	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Add: Issued during the year	-	-		
Outstanding at the end of the year	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000

iii. Reconciliation of shares held by promoters

Shares held by promoters at the end of the year			% change during the year
Promoter name	No. of shares	% of total shares	
Ramesh Kumar Vijay	19,50,866	19.51%	-
Raj Kumar Vijay	3,22,133	3.22%	-
Rakshita Vijay	9,85,066	9.85%	-
Kusum Vijay	1,06,456	1.06%	-
Nikita Vijay	8,68,728	8.69%	3%
Tanvee Vijay	8,68,450	8.68%	3%
Ramesh Kumar Vijay and others(HUF)	8,80,400	8.80%	-
Karan Vijay	9,85,456	9.85%	-
Kamala Vijay	4,66,667	4.67%	-
Vitika Vijay	2,22,222	2.22%	-
Tanay Vijay	55,556	0.56%	-
R R Family Trust	9,33,333	9.33%	-
Primerose Foundation	8,29,000	8.29%	-
Total	94,74,333	94.74%	-

DAR CREDIT & CAPITAL LTD.
CIN : U65999WB1994PLC064438
Notes to standalone financial statements for the year ended 31st March, 2022

Note 3 : Reserves and Surplus

Particulars	As at 31st March	
	2022	2021
Securities Premium Reserve	30,80,00,000	30,80,00,000
General Reserve		
Balance at the beginning of the year	11,79,65,000	9,79,65,000
Additions: Transferred from from P&L	1,00,00,000	2,00,00,000
Balance at the closing of the of the year	12,79,65,000	11,79,65,000
Reserve Fund (As per RBI Act)		
Balance at the beginning of the year	4,11,00,554	3,42,52,638
Additions: Transferred from from P&L	51,15,264	68,47,916
	4,62,15,818	4,11,00,554
Amalgamation Reserve	84,94,394	84,94,394
Balance of Statement of Profit and Loss A/c.		
Balance at the beginning of the year	3,09,03,171	2,85,11,507
Additions: Profit during the year	1,04,61,055	73,91,664
Less: Payment of Dividend	50,00,003	50,00,000
Less: taxes of earlier years	1,18,24,378	-
Balance at the closing of the of the year	2,45,39,845	3,09,03,171
Total	51,52,15,057	50,64,63,120

Note:

1. In Companies Act, 1956, it was mandatory to transfer the profit to general reserve before declaring dividend but first proviso to section – 123(1) of Companies Act, 2013 provides that it is the discretion of the company to transfer the profits to reserve at such rate as it deems fit before declaring dividend. (In PY, 31st March, 2021, Rs. 2 crores, was transferred to General Reserve), Rs 1 Crore was transferred to General reserve in FY 2021-22.

2. Dividend proposed for the FY 2020-21 and paid in the FY 2021-22 Rs. 0.50 per equity share, totalling to Rs. 50 Lakhs.

Note 4 : Long Term Borrowings

Particulars	As at 31st March	
	2022	2021
Secured :		
(a) Term Loan		
(I) From Banks- Vehicle Loan		
HDFC Bank Ltd.	30,08,565	17,91,589
State Bank of India	10,98,711	14,28,863
Axis bank	31,37,023	40,59,853
Total (A)	72,44,299	73,30,305
(II) From Banks		
Bandhan Bank Ltd.	5,58,93,510	9,35,96,981
AU Small Finance Bank	2,36,92,842	3,18,79,386
Punjab National Bank (erstwhile UBI)	6,50,00,000	8,50,00,000
SIDBI	5,00,00,000	60,00,000
CSB Bank	2,62,49,938	5,00,00,000
ESAF Small Finance Bank	5,00,00,000	-
State Bank of India	12,95,10,563	5,00,00,000
Total (B)	40,03,46,853	31,64,76,367
(III) From Others		
Total (C)	36,36,95,364	41,65,30,410
	77,12,86,517	74,03,37,082
Less: Current maturities of Long-term borrowings	41,54,81,059	38,49,59,633
(b) Debentures		
Total (D)	13,19,21,970	12,50,00,000
Total (a+b)	48,77,27,427	48,03,77,449

DAR CREDIT & CAPITAL LTD.
CIN : U65999WB1994PLC064438
Notes to standalone financial statements for the year ended 31st March, 2022

Note:

Secured

1. Term Loans from Banks

a) For purchase of vehicles

The loans has been secured by hypothecation of assets acquired out of the proceeds of loan. The payment is made on EMI and average interest rate on such loan is 10% p.a. The loan in this category shall be repaid in full by the end of year 2025.

b) Others

The loans has been secured by hypothecation of Debtors and Personal Guarantees. The payment is made on EMI and average interest rate on such loans is 12.25% p.a. Most of the loan in this category shall be repaid in full by the end of year 2023 except for loan with Punjab National Bank (United Bank of India) which shall be repaid in full by the end of year 2025.

2. Term Loans from Others

The loans has been secured by hypothecation of Debtors and Personal Guarantees. The payment is made on EMI and average interest rate on such loans is 14.76% p.a. Most of the loan in this category shall be repaid in full by the end of year 2023.

3. Secured redeemable Debentures against Book debt. (Face value Rs. 5 Lakhs per unit)

Particulars	Date of Issue	Date of Redemption	Amount in Rs.
3 Years, 12.25% Cumulative redeemable debentures	Feb' 2021	Jan' 2024	2,00,00,000
3 Years, 12.00% Non-cumulative redeemable debentures	Feb' 2021	Jan' 2024	3,20,00,000
5 Years, 12.25% Cumulative redeemable debentures	Feb' 2021	Jan' 2026	2,75,00,000
5 Years, 12.00% Non-cumulative redeemable debentures	Feb' 2021	Jan' 2026	4,55,00,000
Total			12,50,00,000

DAR CREDIT & CAPITAL LTD.
CIN : U65999WB1994PLC064438
Notes to standalone financial statements for the year ended 31st March, 2022

Note 5: Long-term provisions

Particulars	As at 31st March	
	2022	2021
Provision for gratuity	-	-
Non-current Defined Benefit Obligation	8,01,876	5,31,417
Total	8,01,876	5,31,417

Note 6 : Short Term Borrowings

Particulars	As at 31st March	
	2022	2021
(a) Secured		
Cash Credit :		
State Bank of India	14,23,71,565	24,57,53,330
Bandhan Bank	-	98,99,554
AU Small Finance Bank	-	1,99,22,802
Bank Overdraft :		
Punjab National Bank	1,00,16,705	1,01,06,965
State Bank of India	-	90,00,000
	15,23,88,270	29,46,82,651
(b) Unsecured :		
From Inter Corporates	1,20,82,237	2,52,07,237
	1,20,82,237	2,52,07,237
(c) Current maturities of long term borrowings:	41,54,81,059	38,49,59,633
Total (a+b+c)	57,99,51,566	70,48,49,521

Note:

Secured

1. Cash credit

The loan has been secured by hypothecation of Book Debts, Immovable Assets & FD. An average interest rate charged by bank on such loan is 10.64% p.a.

2. Bank Overdraft

The loan has been secured by hypothecation of FD. An average interest rate charged by bank on such loan is 7.09% p.a.

Note 7: Trade Payables

Particulars	As at 31st March	
	2022	2021
Sundry Creditors for Goods & services		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	69,18,722	81,87,775
Total	69,18,722	81,87,775

DAR CREDIT & CAPITAL LTD.
CIN : U65999WB1994PLC064438
Notes to standalone financial statements for the year ended 31st March, 2022

Trade Payables ageing schedule

Particulars	Outstanding for following period from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	51,93,242	17,25,480	-	-	69,18,722
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note 8: Other Current Liabilities

Particulars	As at 31st March	
	2022	2021
Other Payables		
Audit Fees	-	3,80,659
Statutory dues payable	9,88,261	8,76,486
Salary Payable	15,27,987	14,54,323
Others	4,27,063	7,21,143
Total	29,43,310	34,32,611

Note 9: Short Term Provisions

Particulars	As at 31st March	
	2022	2021
Provision for Gratuity		
Current Defined Benefit Obligation	4,713	1,138
	4,713	1,138
Provision for Bad & Doubtful Debts	53,34,609	37,34,609
Contingent Provisions against Standard Assets (As per RBI Rules)	56,11,108	56,11,108
Provision for Tax (net of Advance tax of Current year)	-	24,61,128
Total	1,09,50,430	1,18,07,983

Note-11: Non Current Investments

Particulars	As at 31st March	
	2022	2021
Un-Quoted Equity Shares valued at Cost:		
In wholly owned subsidiary		
Dar Credit Micro Finance Pvt. Ltd.	5,00,00,000	5,00,00,000
50 Lakhs shares of Rs 10 each		-
Other Investments		
ARCL Organics Ltd.	84,000	84,000
8400 shares of Rs 10 each		
Total	5,00,84,000	5,00,84,000

1. Equity shares are carried at cost having face value of Rs 10 each

Note 12: Deferred Tax Asset (Net)

Particulars	As at 31st March	
	2022	2021
Opening Deferred Tax Asset	80,75,043	52,48,846
Add/(Less): Deferred Tax Asset created/(reversed) during the year	(14,74,482)	28,26,197
Closing Deferred Tax Asset	66,00,561	80,75,043

DAR CREDIT & CAPITAL LTD.

CIN : U65999WB1994PLC064438

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

Note 10: Property, Plant and Equipment

Particulars	Balance as at 1st April, 2021	Gross Block		Balance as at 31st March, 2022	Balance as at 1st April, 2021	Accumulated Depreciation		Balance as at 31st March, 2022	Net Block Balance as at 31st March, 2022	Balance as at 31st March, 2021
		Additions	Disposals			Depreciation for the year	On disposals			
Property, Plant and Equipment										
Buildings	2,27,29,121	-	-	2,27,29,121	23,90,408	3,59,120	-	27,49,528	1,99,79,593	2,03,38,713
Office Building	3,70,06,556	48,78,100	-	4,18,84,656	16,39,704	5,84,704	-	22,24,407	3,96,60,249	3,53,66,852
Furniture and Fixtures	1,89,71,672	-	-	1,89,71,672	33,28,776	17,92,292	-	51,21,068	1,38,50,604	1,56,42,896
Vehicles	2,11,59,647	21,57,562	33,09,148	2,00,08,061	87,52,299	22,74,109	26,51,093	83,75,314	1,16,32,747	1,24,07,348
Office Equipment	20,15,255	-	-	20,15,255	13,24,366	3,11,006	-	16,35,373	3,79,882	6,90,889
Air Conditioner	7,00,234	-	-	7,00,234	5,59,347	56,498	-	6,15,846	84,389	1,40,887
Computer	17,24,164	35,861	-	17,60,025	14,59,858	1,26,101	-	15,85,959	1,74,066	2,64,306
Total	10,43,06,649	70,71,523	33,09,148	10,80,69,024	1,94,54,759	55,03,830	26,51,093	2,23,07,495	8,57,61,529	8,48,51,890

Previous Year	10,47,90,972	28,00,000	32,84,323	10,43,06,649	1,41,76,417	55,04,251	2,25,909	1,94,54,759	8,48,51,890
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DAR CREDIT & CAPITAL LTD.
CIN : U65999WB1994PLC064438
Notes to standalone financial statements for the year ended 31st March, 2022

Note 13 : Long Term Loans and Advances

Particulars	As at 31st March	
	2022	2021
Unsecured, considered good Loans (other than related parties)	74,06,37,157	88,62,52,719
Total	74,06,37,157	88,62,52,719

Note 14: Other Non-current assets

Particulars	As at 31st March	
	2022	2021
Security Deposit (Maturing after 12 months from Balance Sheet date) (In Lien with Bank)	12,93,71,717	10,59,20,490
Total	12,93,71,717	10,59,20,490

Note 15: Current Investments

Particulars	As at 31st March	
	2022	2021
(a) Quoted Mutual Fund valued at Cost:	8,61,12,309	1,00,00,000
Aggregate NAV of Mutual Fund	8,61,12,309	1,00,00,000
(b) In Debentures	2,84,86,320	2,31,56,000
(c) In Real Estate Venture Capital Fund	49,07,584	53,21,096
Total (a+b+c)	11,95,06,213	3,84,77,096

Note- 16.1 :Cash and Cash Equivalents

Particulars	As at 31st March	
	2022	2021
(a) Balances with Banks		
On Current Accounts	7,00,69,797	14,80,02,458
Fixed Deposits (Maturing within 3 months from BS date) (In Lien with Bank)	6,98,16,197	1,33,052
	13,98,85,994	14,81,35,510
(b) Cash-in Hand		
Cash Balances	10,61,168	5,10,463
Total (a+b)	14,09,47,162	14,86,45,973

DAR CREDIT & CAPITAL LTD.
CIN : U65999WB1994PLC064438
Notes to standalone financial statements for the year ended 31st March, 2022

Note- 16.2 :Bank balances other than Cash and Cash Equivalents

Particulars	As at 31st March	
	2022	2021
Fixed deposits with banks (maturing after period of 3 months)	15,786,095	49,957,843
Total	15,786,095	49,957,843

Note- 17: Short-Term Loans and Advances

Particulars	As at 31st March	
	2022	2021
Other Loans and Advances :		
A. Unsecured, Considered good		
(a) Loans :		
To Individuals	355,447,756	343,095,697
To Inter Corporates	36,939,367	47,724,365
	392,387,123	390,820,062
(b) Advances :		
Advances recoverable in cash or in kind or for value to be received	5,022,465	8,460,373
	5,022,465	8,460,373
Total	397,409,588	399,280,435

Note- 18: Other Current Assets

Particulars	As at 31st March	
	2022	2021
Unsecured, considered good		
Advance tax net of provision for tax	9,350,538	-
Interest receivable	5,978,362	26,897,576
Other Balances with Revenue Authorities	3,075,468	17,206,810
Total	18,404,367	44,104,385

Note- Other Balances with Revenue authorities include Input Tax Credit balances of GST.

DAR CREDIT & CAPITAL LTD.

CIN : U65999WB1994PLC064438

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

Note- 19 - Revenue from Operations

Particulars	For the year ended 31st March	
	2022	2021
Interest		
Interest on Loan	22,36,21,421	23,68,38,469
Overdue Interest	64,63,877	33,46,552
	23,00,85,298	24,01,85,021
Other Financial Services		
Credit Facilitation income	-	1,94,29,838
Interest on Fixed Deposit with Bank	49,32,919	48,75,342
Interest on Other Deposit	42,99,914	44,14,869
Processing Fee	29,47,943	43,38,531
Prepayment Charges	-	87,000
	1,21,80,775	3,31,45,580
Total	24,22,66,073	27,33,30,601

Note- 20 - Other Income

Particulars	For the year ended 31st March	
	2022	2021
Dividend Income	-	1,64,769
Rent Received	7,57,456	4,24,756
Interest Income	54,42,629	-
Profit On sale of securities	31,125	24,91,687
Profit on Sale of Assets	3,01,753	9,91,586
Miscellaneous Receipts	4,35,531	3,92,809
Total	69,68,495	44,65,607

Note -21 - Employee Benefit Expenses

Particulars	For the year ended 31st March	
	2022	2021
Salaries,wages and Bonus	2,77,97,411	2,67,51,000
Contribution to provident & other funds	15,09,203	13,87,646
Directors Remuneration	31,07,539	33,26,909
Staff Welfare Expenses	45,67,876	45,08,388
Total	3,69,82,029	3,59,73,943

Note -22 - Finance Cost

Particulars	For the year ended 31st March	
	2022	2021
Interest on Cash Credit	2,05,57,946	1,83,24,274
Interest on Term Loan	8,28,42,008	10,61,86,864
Interest on Loan - Against Vehicle	5,27,197	6,94,099
Interest on Debentures	1,57,13,567	19,60,232
Interest on Bank Overdraft	2,10,856	1,05,385
Interest on unsecured loan	3,00,000	1,58,27,603
Bank Charges	11,14,742	23,12,181
Total	12,12,66,316	14,54,10,638

DAR CREDIT & CAPITAL LTD.**CIN : U65999WB1994PLC064438****Notes to standalone financial statements for the year ended 31st March, 2022****Note -23 - Provisions and Contingencies**

Particulars	For the year ended 31st March	
	2022	2021
Provision for Bad & Doubtful Debts (As per RBI Rules)	16,00,000	8,08,136
Provisions for Gratuity (As per Actuarial Valuation)	2,74,034	1,81,564
Total	18,74,034	9,89,700

Note 24 - Other Expenses

Particulars	For the year ended 31st March	
	2022	2021
Advertisement	1,18,182	12,000
Audit Fees	5,00,000	5,00,000
Collection Charges	20,45,710	30,26,869
Business Procurement Expenses	33,21,465	42,37,895
Commission and Brokerage	19,01,200	22,46,850
Computer Hire & Maintenance Charges	8,74,050	9,95,335
CSR Expenditure	11,96,343	12,42,169
Consultancy Fee	12,48,574	3,00,000
Business Development and Promotion Exp.	31,75,874	38,17,487
Camp Office Expenses	61,42,510	65,96,386
Electricity & Water	4,26,225	4,65,959
Entertainment	9,25,267	14,48,517
Insurance	1,77,877	3,36,845
Training and Probation	6,64,696	8,09,003
Loss On sale of securities	3,736	2,310
GST Late Fee	40,437	-
Market Survey Expenses	7,34,212	18,83,485
Office Maintenance	75,05,337	46,74,481
Rent	15,52,726	15,37,059
Printing & Stationery	2,20,264	6,03,393
Membership & subscriptions	2,17,478	5,48,621
Rating Expenses	3,52,275	3,10,000
Postage & courier	74,151	82,051
Software Charges	7,60,107	9,35,766
Telephone & Fax	2,39,246	4,37,866
Travelling & Conveyance expense	21,80,269	26,78,725
Vehicle Maintenance	35,35,783	37,79,094
Professional Fees	31,58,162	10,59,500
Processing Fees	37,35,000	20,70,084
Rates & Taxes	5,26,737	5,46,188
Donation	-	7,700
Miscellaneous Expenses	5,63,677	8,41,527
Total	4,81,17,569	4,80,33,164

Audit Fees:		
Statutory audit	2,50,000	2,50,000
Tax audit	50,000	50,000
For other services	2,00,000	2,00,000
	5,00,000	5,00,000

DAR CREDIT & CAPITAL LTD.
CIN : U65999WB1994PLC064438
Notes to standalone financial statements for the year ended 31st March, 2022

Note 25: Additional Notes to Financial Statements:

1. Directions of Reserve bank of India

The Company has followed the directions prescribed by Reserve Bank of India for Non-Banking Financial Companies

2. Segment Reporting:

The Company is engaged mainly in the business of financing. Since all activities are related to the main activity, there are no reportable segments as per Accounting Standard on Segment Reporting (AS-17).

3. Related Party Disclosures as per AS – 18 are as follow:

(a) Name of the related parties with relationship:

- i) Mr. Ramesh Kumar Vijay, Chairman - Key Management Personnel
- ii) Mr. Rajkumar Vijay, Director – Key Management Personnel
- iii) Mrs. Rakshita Vijay - Relative of Key Management Personnel
- iv) Mrs. Kusum Vijay - Relative of Key Management Personnel
- v) Mrs. Nikita Vijay - Relative of Key Management Personnel
- vi) Mrs. Sushma Khemka - Relative of Director
- vii) Mr. Umesh Khemka- Director

(b) i) Transactions during the year in the ordinary course of business.

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	(KMP)	(Relative of KMP)	(KMP)	(Relative of KMP)
Director's Remuneration	31,07,539	-	31,24,509	-
Salary	-	21,18,331	-	30,83,952
Total	31,07,538.82	21,18,331.00	31,24,509.00	30,83,952.00

(b) ii) Amount outstanding at the end of the year.

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	(KMP)	(Relative of KMP)	(KMP)	(Relative of KMP)
Director's Remuneration	60,000	-	60,000.00	-
Salary	-	40,000	-	40,000.00
Total				

4. Earning Per Share:

Sr. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
(a)	Net profit attributable to the shareholders	2,55,76,319	3,42,39,580
(b)	Weighted average no. of equity share of face value of ₹ 10/- each	1,00,00,000	1,00,00,000
	Basic Earnings per Share/ Diluted Earning Per Share	2.56	3.42

5. Contingent Liabilities:

Claim against the company not acknowledged as debt.

In Income Tax, an appeal has been filed by the Company against the Assessment Order of the Company for the A/Y 2017-18 amounting to Rs. 5,91,70,832/- which is pending before Commissioner (Appeal- III).

DAR CREDIT & CAPITAL LTD.
CIN : U65999WB1994PLC064438
Notes to standalone financial statements for the year ended 31st March, 2022

6. Disclosure pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6th August 2020 and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated 5th May, 2021

	(Rs. in lakhs)				
Type of borrower	(A) Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at 30 September, 2021	(B) Of (A), aggregate debt that slipped into NPA during the half year ended 31st March, 2022	(C) Of (A) amount written off during the half year ended 31st March, 2022	(D) Of (A) amount paid by the borrowers during the half year ended 31st March, 2022	(E) Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at 31st March, 2022
Personal Loans					
Corporate persons*	765.67	20.71	-	217.80	527.16
Of which, MSMEs					
Others					
Total	765.67	20.71	-	217.80	527.16

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

7. Disclosure pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24th September, 2021

- (a) The company has not transferred through assignment any loans (not in default) in respect of financial year ended 31st March, 2022.
(b) If the company has acquired any loans through assignment during the year ended 31st March, 2022
(c) The company has not transferred any stressed loans during the Financial year 2021-22
(d) The company has not acquired any stressed loans during the Financial year 2021-22

8. Note on Corporate Social Responsibility

- (i) The amount required to be spent by the company during the financial year 2021-22 in accordance with the provisions of section 135 of Companies Act, 2013 is Rs 11,46,190.
(ii) The amount of expenditure actually incurred by the company in respect to Corporate Social Responsibility during the financial year 2021-22 was Rs 11,96,343.
(iii) There was no shortfall in respect of CSR expenditure by the company during the financial year.
(iv) There was no shortfall in CSR expenditure in respect of previous financial years by the company.
(v) The company for the purpose of expenditure for CSR has engaged itself in the following activities -

Education and skill building projects, making available safe drinking water, measures for reducing inequalities faced by socially and economically backward groups, animal welfare, promoting healthcare including preventive healthcare, eradicating hunger, poverty and malnutrition.

9. Ind AS note:

During the year 2020-21, the Company issued Redeemable Non-Convertible Debentures of face value of Rs. 5 Lakh each on private placement basis aggregating to a base issue size of Rs. 12.50 Crores and listed these securities on Debt Market (DM) of Bombay Stock Exchange (BSE). Refer Note 4 - Long Term Borrowings for details. In relation to the same, the Company has taken note of Rule 2A as inserted by "Companies (Specification of definition details) Second Amendment Rules, 2021" dated 19th February 2021 effective 1st April 2021, which states that "Private companies which have listed their non-convertible debt securities on private placement basis on a recognized stock exchange in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008" shall not be regarded as listed companies. Considering the fact that the Company has no other securities listed except the aforementioned debt securities, and the relaxation provided by Ministry of Corporate Affairs (MCA) to such Companies, the Company has decided not to apply IndAS and rather continue using existing Accounting Standards while preparing its standalone/ consolidated financial statements.

10. Additional Regulatory Information (Ratios)

Ratio	Numerator	Denominator	Current Year	Previous Year
(a) Current Ratio	Total Current assets	Total Current liabilities	1.15	0.93
(b) Debt-Equity Ratio	Total borrowings	Shareholders funds	1.74	1.95
(c) Debt service coverage Ratio	Earnings available for debt service	Debt service	0.30	0.37
(d) Return on Equity Ratio (in %)	Profit for the Year	Average Shareholders funds	4%	6%
(e) Net capital turnover Ratio	Revenue from operations	Average working capital	11.14	12.57
(f) Net Profit Ratio (in %)	Net Profit	Revenue from operations	11%	13%
(g) Return on Capital employed (in %)	Earnings before Interest & Tax	Capital Employed	10%	11%
(h) Return on Investment (in %)	Net Profit	Capital Employed	2%	2%

11. Previous Year's Figures:

Previous year's figure has been regrouped/rearranged/reclassified wherever considered necessary.

Signature to Notes "01" to "25"

For KASG & Co.
Chartered Accountants
Firm Regn. No.: 002228C

Roshan Kumar Bajaj
Membership No.: 068523

Place: Kolkata
Date: 25.05.2022



For and on behalf of the Board
DAR Credit and Capital Limited

Chairman
PIN: 00658473
Director & CEO
PIN: 00946879
CFO

Company Secretary

Handwritten signatures and initials of the Board members and Company Secretary.

Dar Credit & Capital Ltd.
CIN : U65999WB1994PLC064438
NOTE 26 - Schedule to the Balance Sheet of a Non-Banking Financial Company
(As required in terms of Para 18 of Chapter IV of Master Direction - Non -Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2016) Master Direction No.DNBS.PPD.02/66.15.001/2016-17 Dated September 01, 2016.

(Rs. In Lakhs)

Particulars	Amount Outstanding	Amount Overdue
--------------------	---------------------------	-----------------------

LIABILITIES SIDE :

(1) Loans and advances availed by NBFCs inclusive of interest accrued thereon but not paid		
(a) Debentures : Secured	1319.22	Nil
: Unsecured	Nil	Nil
(Other than falling within the meaning of public deposits)		
(b) Deferred Credits		
(c) Term Loans	7403.37	Nil
(d) Inter-corporate Loans and Borrowing	120.82	Nil
(e) Commercial Paper	Nil	Nil
(f) Public Deposits	Nil	Nil
(g) Other Loans (Specify Nature) From Bank	1523.88	Nil
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
(a) In the form of Unsecured debentures	Nil	Nil
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
(c) Other public deposits	Nil	Nil

Particulars	Amount Outstanding
--------------------	---------------------------

ASSETS SIDE :

(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
(a) Secured	Nil
(b) Unsecured	11380.47
(4) Break up of Leased Assets and Stock on hire and other assets counting towards AFC activities	
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial Lease	Nil
(b) Operating Lease	Nil
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on Hire	Nil
(b) Repossessed Assets	Nil
(iii) Other loan counting towards AFC activities	
(a) Loan where assets have been repossessed	Nil
(b) Loan other than (a) above	Nil
(5) Break-up of Investments :	
Current Investments	
I. Quoted	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (Please Specify)	Nil

Dar Credit & Capital Ltd.
CIN : U65999WB1994PLC064438
NOTE 26 - Schedule to the Balance Sheet of a Non-Banking Financial Company
(As required in terms of Para 18 of Chapter IV of Master Direction - Non -Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2016) Master Direction No.DNBS.PPD.02/66.15.001/2016-17 Dated September 01, 2016.

Dar Credit & Capital Ltd.

2. <u>Unquoted</u> (i) Shares : (a) Equity (b) Preference (ii) Debentures and bonds (iii) Unites of mutual funds (iv) Government Securities (v) Others (Please Specify) Long Term Investments 1. <u>Quoted</u> (i) Shares : (a) Equity (b) Preference (ii) Debentures and bonds (iii) Unites of mutual funds (iv) Government Securities (v) Others (Please Specify) 2. <u>Unquoted</u> (i) Shares : (a) Equity (b) Preference (ii) Debentures and bonds (iii) Unites of mutual funds (iv) Government Securities (v) Others (Please Specify)	Nil																															
	Nil																															
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	500.84																															
	Nil																															
	Nil																															
	Nil																															
	Nil																															
	Nil																															
(6) Borrower group-wise classification of assets financed as in (3) & (4) above :																																
<table><tr><th rowspan="2">Category</th><th colspan="3">Amount Net of Provisions</th></tr><tr><th>Secured</th><th>Unsecured</th><th>Total</th></tr><tr><td>1. Related Parties</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>(a) Subsidiaries</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>(b) Companies in the same group</td><td>Nil</td><td>Nil</td><td>Nil</td></tr><tr><td>(c) Other related parties</td><td>Nil</td><td>11380.47</td><td>11380.47</td></tr><tr><td>2. Other than related parties</td><td>Nil</td><td>11,380.47</td><td>11,380.47</td></tr><tr><td>Total</td><td>Nil</td><td>11,380.47</td><td>11,380.47</td></tr></table>		Category	Amount Net of Provisions			Secured	Unsecured	Total	1. Related Parties	Nil	Nil	Nil	(a) Subsidiaries	Nil	Nil	Nil	(b) Companies in the same group	Nil	Nil	Nil	(c) Other related parties	Nil	11380.47	11380.47	2. Other than related parties	Nil	11,380.47	11,380.47	Total	Nil	11,380.47	11,380.47
Category	Amount Net of Provisions																															
	Secured	Unsecured	Total																													
1. Related Parties	Nil	Nil	Nil																													
(a) Subsidiaries	Nil	Nil	Nil																													
(b) Companies in the same group	Nil	Nil	Nil																													
(c) Other related parties	Nil	11380.47	11380.47																													
2. Other than related parties	Nil	11,380.47	11,380.47																													
Total	Nil	11,380.47	11,380.47																													
(7) Investor group-wise classification of all investments (Current and long term) in shares and securities(both quoted and unquoted) :																																
<table><tr><th>Category</th><th>Market Value/ Break up or fair value or NAV</th><th>Book Value (Net of Provisions)</th></tr><tr><td>1. Related Parties</td><td>500.00</td><td>500.00</td></tr><tr><td>(a) Subsidiaries</td><td>Nil</td><td>Nil</td></tr><tr><td>(b) Companies in the same group</td><td>Nil</td><td>Nil</td></tr><tr><td>(c) Other related parties</td><td>1,195.90</td><td>1,195.90</td></tr><tr><td>2. Other than related parties</td><td>1,195.90</td><td>1,195.90</td></tr><tr><td>Total</td><td>1,195.90</td><td>1,195.90</td></tr></table>		Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)	1. Related Parties	500.00	500.00	(a) Subsidiaries	Nil	Nil	(b) Companies in the same group	Nil	Nil	(c) Other related parties	1,195.90	1,195.90	2. Other than related parties	1,195.90	1,195.90	Total	1,195.90	1,195.90										
Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)																														
1. Related Parties	500.00	500.00																														
(a) Subsidiaries	Nil	Nil																														
(b) Companies in the same group	Nil	Nil																														
(c) Other related parties	1,195.90	1,195.90																														
2. Other than related parties	1,195.90	1,195.90																														
Total	1,195.90	1,195.90																														

Dar Credit & Capital Ltd.
CIN : U65999WB1994PLC064438
NOTE 26 - Schedule to the Balance Sheet of a Non-Banking Financial Company
(As required in terms of Para 18 of Chapter IV of Master Direction - Non -Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2016) Master Direction No.DNBS.PPD.02/66.15.001/2016-17 Dated September 01, 2016.

Dar Credit & Capital Ltd.

(8)	Other information	
	Particulars	Amount
	(i) Gross Non-performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	79.43
	(ii) Net Non-performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	50.73
	(iii) Assets acquired in satisfaction of debt	Nil

Signature to Notes "01" to "26"

For KASG & Co.
Chartered Accountants
Firm Regn. No.: 002228C

Roshan Kumar Bajaj

Roshan Kumar Bajaj
Membership No.: 068523
Place: Kolkata
Date: 25.05.2022



For and on behalf of the Board
DAR Credit and Capital Limited

Chairman *R*
DIN: 00658473

Director & CEO *R. K. Nayak*
DIN: 00946879

CFO *M. Nayak*

Company Secretary *Kashish Roy*

INDEPENDENT AUDITORS' REPORT

To,
The Members of Dar Credit & Capital Ltd.
Report on the Audit of the Consolidated Financial Statements.

Opinion

We have audited the accompanying consolidated financial statements of **Dar Credit & Capital Ltd.** ("herein referred to as the Holding group"), and its subsidiary Dar Credit Microfinance Pvt Ltd (the Holding Group and its subsidiary together referred to as the Group) which comprise the consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, and the consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act read with the rule of the Companies Accounts Rule 2014, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and the profit and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. Those matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters. We have determined that there are no reportable key audit matters.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Companies Act, 2013, we give in "**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, based on our audit we report that:

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

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Statement of Cash Flows dealt with by this report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.;

(d) In our opinion, the aforesaid Consolidated financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the **Companies (Accounts) Rules, 2014**;



(e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**".

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

(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:

a. The group does not have any pending litigations which would impact its financial position except the one already mentioned in Para 3(vii) to Annexure-1 of Independent Auditor's Report;

b. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

c. There was no amount which were required to be transferred to the Investor Education and Protection Fund by the Holding company and subsidiary company.

d. The **management has represented** that other than those disclosed in the notes to accounts:

i. 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 group 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;

ii. No funds have been received by the group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group 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;



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

e. The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

For KASG & Co.
Chartered Accountants
Firm Registration No: 002228C)



Roshan Kumar Bajaj
(PARTNER)
Membership No. - 068523
UDIN - 22068523AJQMEL5048

Place: Kolkata
Date: 25th May, 2022

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN
DATE ON THE FINANCIAL STATEMENTS OF M/S. DAR CREDIT &
CAPITAL LIMITED**

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

To,

The Members of Dar Credit & Capital Ltd.

We have audited the internal financial controls over financial reporting of Dar Credit & Capital Ltd. ("herein referred to as the group") as of March 31st, 2022 in conjunction with our audit of the financial statements of the group for the year ended on 31st March, 2022.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitation of Internal Financial Controls over Financial Reporting.

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

Opinion

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KASG & Co.
Chartered Accountants
Firm Registration No: 002228C)



Roshan Kumar Bajaj
(PARTNER)
Membership No. - 068523
UDIN - 22068523AJQMEL5048

Place: Kolkata
Date: 25th May, 2022

DAR CREDIT & CAPITAL LTD.
CIN : U65999WB1994PLC064438
Consolidated Balance Sheet as at 31st March 2022

Sr. No.	Particulars	Note No.	As at 31st March	
			2022	2021
I.	EQUITY AND LIABILITIES			
	(1) Shareholders' Funds			
	(a) Share Capital	2	10,00,00,000	10,00,00,000
	(b) Reserves and Surplus	3	51,56,40,809	50,68,88,871
	(2) Non-Current Liabilities			
	(a) Long-Term Borrowings	4	48,77,27,427	48,03,77,449
	(b) Long-term provisions	5	8,01,876	5,31,417
	(3) Current Liabilities			
	(a) Short-Term Borrowings	6	57,99,51,566	70,48,49,521
	(b) Trade Payables	7	69,18,722	81,87,775
	(c) Other Current Liabilities	8	29,43,310	37,61,818
	(d) Short-Term Provisions	9	1,09,50,430	1,17,38,341
	Total Equity & Liabilities		1,70,49,34,141	1,81,63,35,191
II.	ASSETS			
	(1) Non-Current Assets			
	(a) Plant Property and Equipment	10	8,57,61,529	8,48,51,890
	(b) Non-Current Investments	11	84,000	84,000
	(c) Deferred Tax Assets (Net)	12	66,00,561	80,75,043
	(d) Long-Term Loans and Advances	13	74,06,37,157	88,62,52,719
	(e) Other Non-current assets	14	12,93,71,717	15,59,20,490
	(2) Current Assets			
	(a) Current Investments	15	11,95,06,214	3,84,77,096
	(b) Cash and Cash Equivalents	16	20,70,16,860	19,86,03,816
	(c) Short-Term Loans and Advances	17	39,68,03,576	39,92,80,436
	(d) Other Current Assets	18	1,91,52,527	4,47,89,701
	Total Assets		1,70,49,34,141	1,81,63,35,191

Significant Accounting Policies	1
Additional Notes to Financial Statements	25

As per our report of even date attached

For KASG & Co.

Chartered Accountants

Firm Regn. No.: 002228C

Roshan Kumar Bajaj


Roshan Kumar Bajaj

Membership No.: 068523

Place: Kolkata

Date: 25.05.2022

For and on behalf of the Board

DAR Credit and Capital Limited

Chairman

DIN: 00658473

Director & CEO

DIN: 00946879

CFO

Company Secretary

Umesh Arora

DAR CREDIT & CAPITAL LTD.
CIN : U65999WB1994PLC064438
Consolidated Statement of Profit and Loss for the year ended 31st March, 2022

Sr. No.	Particulars	Note No.	For the year ended 31st March	
			2022	2021
1	Revenue from Operations	19	24,46,83,617	27,33,30,601
2	Other Income	20	69,68,495	71,56,790
3	Total Income (1+2)		25,16,52,111	28,04,87,391
4	Expenses:			
	(a) Employee Benefits Expense	21	3,85,62,029	3,77,23,943
	(b) Finance Costs	22	12,13,57,055	14,54,10,637
	(c) Depreciation and Amortization Expense	10	55,03,830	55,04,251
	(d) Provisions	23	18,74,034	9,89,700
	(e) Other Expenses	24	4,88,64,374	4,86,87,576
	Total Expenses		21,61,61,322	23,83,16,107
5	Profit before exceptional and extraordinary items and tax (3-4)		3,54,90,789	4,21,71,284
6	Exceptional Items		-	-
7	Profit before extraordinary items and tax (5-6)		3,54,90,789	4,21,71,284
8	Extraordinary Items		-	-
9	Profit Before Tax (7- 8)		3,54,90,789	4,21,71,284
10	Tax Expense:			
	(a) Current tax		(84,39,989)	(1,05,42,821)
	(b) Deferred tax		(14,74,482)	28,26,197
15	Profit for the year		2,55,76,319	3,44,54,660
16	Earnings per equity share:			
	(a) Basic		2.56	3.45
	(b) Diluted		2.56	3.45

Significant Accounting Policies
Additional Notes to Financial Statements

1
25

As per our report of even date attached
for KASG & Co.

Chartered Accountants
Firm Regn. No.: 002228C

Roshan Kumar Bajaj
Membership No.: 068523
Place: Kolkata
Date: 25.05.2022



For and on behalf of the Board
DAR Credit and Capital Limited

Chairman 12
DIN: 00658473
Director & CEO 12-12-2021
DIN: 00946879

CFO

Company Secretary Washim Arora

DAR CREDIT & CAPITAL LTD.
CIN : U65999WB1994PLC064438
Consolidated Cash Flow Statement for the year ended 31st March, 2022

Particulars	For the year ended 31st March	
	2022	2021
Cash Flow from Operating activity:-		
Net Profit/(Loss) before Tax and Extraordinary Items	35,490,789	42,171,284
Adjustments for Non Cash and Non Operating Items:-		
Depreciation	5,503,830	5,504,251
Interest paid on borrowings	121,357,055	143,098,457
Profit on sale of securities	(31,125)	(2,491,687)
Loss on Sale of Securities	3,736	2,310
Profit on sale of property, plant & equipment	(301,753)	(991,586)
Rent received	(757,456)	(424,756)
Dividend Received	-	(164,769)
Operating Profit Before changes in working capital	161,265,075	186,703,504
Adjustment for Changes in Working Capital		
Increase/(Decrease) in Other Current Liabilities and Provisions	(2,605,012)	(8,257,255)
Increase/(Decrease) in Loans and Advances	182,264,171	939,378,794
Proceeds from / (Repayment of) Borrowings, net	(117,547,977)	(855,270,757)
Interest paid on borrowings	(121,357,055)	(146,691,435)
Increase/(Decrease) in Other current assets	24,335,012	(2,991,861)
Cash Generated from Operating activities	126,334,215	112,870,989
Direct Taxes Paid	(18,962,205)	(8,132,648)
Net Cash Flow from / (used in) Operating Activities (A)	107,392,009	104,738,341
Cash Flow from Investing activities:-		
Proceeds from Sale of Property, Plant & Equipment	959,808	4,050,000
Payment for Purchase of Property, Plant & Equipment	(7,071,523)	(2,800,000)
Increase/(Decrease) in other Non-current assets	26,548,773	(47,308,815)
Proceeds/(Purchase) of Shares and Mutual Funds	(81,001,728)	8,961,581
Investment in various instruments	-	(18,040,326)
Rent Received	757,456	424,756
Dividend Received	-	164,769
Net Cash Flow from / (used in) Investing activities (B), net	(59,807,214)	(54,548,035)
Cash Flow from Financing Activities:-		
Dividend Paid for earlier years	(5,000,004)	(5,000,000)
Net Cash from / (used in) Financing activities (C)	(5,000,004)	(5,000,000)
Net Increase in Cash and Cash Equivalents (A+B+C)	42,584,791	45,190,306
Cash and Cash Equivalents at the beginning of Period	148,645,973	103,455,668
Cash and Cash Equivalents at the end of Period	191,230,764	148,645,973

Note

Particulars	As on 31st March	
	2022	2021
Cash and Cash Equivalents at the year end comprise		
Cash & Bank Balances	71,414,568	148,512,921
Fixed Deposits (Maturity within 3 months from Balance sheet date)	119,816,197	133,052
Total	191,230,765	148,645,973

As per our report of even date attached
for KASG & Co.
Chartered Accountants
Firm Regn. No. 902228C

Roshan Kumar Bajaj
Membership No.: 968523
Place: Kolkata

Date: 25.05.2022



For and on behalf of the Board
DAR Credit and Capital Limited

Chairman
DIN: 00658472
Director & CEO
DIN: 00946879

CFO

Company Secretary

Kashish Anand

DAR CREDIT & CAPITAL LTD.

CIN : U65999WB1994PLC064438

Notes to consolidated financial statements for the year ended 31st March, 2022**Note 1 (A) : Corporate Information**

Dar Credit & Capital Ltd., the Holding Company is Non-Banking Finance Company (NBFC) and its principal place of business is at Kolkata & Jaipur. The company provides professional financial services to low income customers particularly in small towns, lacking access to such services from formal financial institutions and to emerge as a financially strong, ethical and socially inclined small loan finance institution.

Note 1 (B) : Significant Accounting Policies :-

1	<u>Basis of Accounting</u>	:	The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.
2	<u>Use of Estimates</u>	:	The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.
3	<u>Reserves and Surplus</u>	:	Pursuant to section 45-IC of the Reserve Bank of India Act, 1934 NBFCs must transfer at least 20% of net profit every year to reserve fund. This fund should not be appropriated except for purpose specified by RBI. Any appropriation must be reported to RBI within 21 days.
3	<u>Plant, property and Equipment</u>	:	Property, Plant and equipment, Capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the 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. All other repair and maintenance costs are recognized in profit or loss as incurred. Any trade discounts, rebates and refundable taxes including GST credit are deducted in arriving at the purchase cost. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized. The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.
4	<u>Depreciation</u>	:	Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.
5	<u>Investments</u>	:	Depreciation is provided on Straight-Line Basis at rates specified in Schedule II of the Companies Act, 2013 based on useful life of the assets. (a) Long term investments are carried at cost after deducting provision, in case where the fall in market value has been considered of permanent nature. (b) Current investments are valued at lower of cost or market value. (c) Govt. Securities are valued at lower of cost or redemption price.
6	<u>Loans</u>	:	Loans are valued at Principal Amount.
7	<u>Recognition of Income & Expenditure</u>	:	Income and Expenditures are recognised on accrual basis except income from Non - performing Asset(s) which is accounted for on actual receipt basis as prescribed by the Prudential Norms for Non - Banking Financial Companies issued by Reserve Bank of India.
8	<u>Contingent Liabilities</u>	:	Claims against the company are either paid or treated as liability if accepted by the company and are treated as contingent liability if disputed by the company.
9	<u>Retirement Benefit</u>	:	The gratuity liability has been determined based on the provision of Gratuity Act, 1972 and charged to Statement of Profit and Loss. Contribution payable to the recognised provident fund which is defined contribution schemes, is charged to Profit and loss account.
10	<u>Borrowing Costs</u>	:	Borrowing costs are recognized as an expense in the period in which these are incurred. borrowing costs directly attributable to the acquisition, construction or production of a 'qualifying asset' (one that necessarily takes a substantial period of time to get ready for its intended use or sale) are included in the cost of the asset.
11	<u>Provisions</u>	:	A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

DAR CREDIT & CAPITAL LTD.

CIN : U65999WB1994PLC064438

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

12	<u>Earning per share</u>	:	Basic earnings per equity share is computed by dividing profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.
			<u>Current Tax</u> The current charge for income is calculated in accordance with relevant tax regulations applicable to the company.
			<u>Deferred Tax</u>
13	<u>Taxes</u>	:	Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent the is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain to be realised.
14	<u>Intangible assets and amortisation thereof</u>	:	Costs relating to acquisition and development of computer software are capitalised in accordance with the AS-26 'Intangible Assets' and are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life.
15	<u>Provision for Standard / Sub-Standard / Doubtful / Loss Assets</u>	:	Provision for Standard Assets / Substandard Assets / Doubtful Assets / Loss Assets has been made in compliance with the directions of Reserve Bank of India. As per the RBI Master Direction No. DNBR.PD.008/03.10.19/2016-17 dated 1st September, 2016 Company has made general provision of 0.25% of Standard Assets. Other directives of Reserve Bank of India have been duly complied with.

DAR CREDIT & CAPITAL LTD.
CIN : U65999WB1994PLC064438
Notes to consolidated financial statements for the year ended 31st March, 2022

i. Note 2 : Share Capital

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number	Amount in Rs.	Number	Amount in Rs.
Authorised				
Equity shares of Rs.10 each	1,25,00,000	12,50,00,000	1,25,00,000	12,50,00,000
Issued, Subscribed & Fully paid up				
Equity shares of Rs.10 each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000

Rights of Shareholders

The company has one class of Equity shares having a face value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The equity shares of the company rank pari-passu in all respects including voting rights and entitlement to dividend.

ii. Details of the Shareholders holding more than 5% of Equity Shares of the Company

Name of Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares held	% Holding	No. of Shares held	% Holding
Ramesh Kumar Vijay	19,50,866	19.51	19,50,866	19.51
Rakshita Vijay	9,85,066	9.85	9,85,066	9.85
Ramesh Kumar Vijay and others(HUF)	8,80,400	8.80	8,80,400	8.80
Karan Vijay	9,85,456	9.85	9,85,456	9.85
Nikita Vijay	8,68,728	8.69	5,68,728	5.69
Tanvee Vijay	8,68,450	8.68	5,68,450	5.68
R R Family Trust	9,33,333	9.33	9,33,333	9.33
Primerose Foundation	8,29,000	8.29	8,29,000	8.29

DAR CREDIT & CAPITAL LTD.
CIN : U65999WB1994PLC064438
Notes to consolidated financial statements for the year ended 31st March, 2022

iii. Reconciliation of shares outstanding at the beginning of the year and at the end of the year

Equity Shares	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.
At the beginning of the year	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000

iii. Reconciliation of shares held by promoters

Shares held by promoters at the end of the year			% change during the year
Promoter name	No. of shares	% of total shares	
Ramesh Kumar Vijay	19,50,866	19.51%	-
Raj Kumar Vijay	3,22,133	3.22%	-
Rakshita Vijay	9,85,066	9.85%	-
Kusum Vijay	1,06,456	1.06%	-
Nikita Vijay	8,68,728	8.69%	3%
Tanvee Vijay	8,68,450	8.68%	3%
Ramesh Kumar Vijay and others(HUF)	8,80,400	8.80%	-
Karan Vijay	9,85,456	9.85%	-
Kamala Vijay	4,66,667	4.67%	-
Vitika Vijay	2,22,222	2.22%	-
Tanay Vijay	55,556	0.56%	-
R R Family Trust	9,33,333	9.33%	-
Primerose Foundation	8,29,000	8.29%	-
Total	94,74,333	94.74%	-

DAR CREDIT & CAPITAL LTD.

CIN : U65999WB1994PLC064438

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

Note 3 : Reserves and Surplus

Particulars	As at 31st March	
	2022	2021
Securities Premium Reserve	30,80,00,000	30,80,00,000
General Reserve		
Balance at the beginning of the year	11,79,65,000	9,79,65,000
Additions: Transferred from from P&L	1,00,00,000	2,00,00,000
Balance at the closing of the of the year	12,79,65,000	11,79,65,000
Reserve Fund (As per RBI Act)		
Balance at the beginning of the year	4,11,43,570	3,42,52,638
Additions: Transferred from from P&L	51,15,264	68,90,932
	4,62,58,834	4,11,43,570
Amalgamation Reserve	84,94,394	84,94,394
Balance of Statement of Profit and Loss A/c.		
Balance at the beginning of the year	3,12,85,907	2,87,22,179
Additions: Profit during the year	1,04,61,055	75,63,728
Less: Payment of Dividend	50,00,003	50,00,000
Less: taxes of earlier years	1,18,24,378	-
Balance at the closing of the of the year	2,49,22,581	3,12,85,907
Total	51,56,40,809	50,68,88,871

Note:

1. In Companies Act, 1956, it was mandatory to transfer the profit to general reserve before declaring dividend but first proviso to section – 123(1) of Companies Act, 2013 provides that it is the discretion of the company to transfer the profits to reserve at such rate as it deems fit before declaring dividend. (In PY, 31st March, 2021, Rs. 2 crores, was transferred to General Reserve), Rs 1 Crore was transferred to General reserve in FY 2021-22.

2. Dividend proposed for the FY 2020-21 and paid in the FY 2021-22 Rs. 0.50 per equity share, totalling to Rs. 50 Lakhs.

Note 4 : Long Term Borrowings

Particulars	As at 31st March	
	2022	2021
Secured :		
(a) Term Loan		
(I) From Banks- Vehicle Loan		
HDFC Bank Ltd.	30,08,565	17,91,589
State Bank of India	10,98,711	14,78,863
Axis bank	31,37,023	40,59,853
Total (A)	72,44,299	73,30,305
(II) From Banks		
Bandhan Bank Ltd.	5,58,93,510	9,35,96,981
AU Small Finance Bank	2,36,92,842	3,18,79,386
Punjab National Bank (erstwhile UBI)	6,50,00,000	8,50,00,000
SIDBI	5,00,00,000	60,00,000
CSB Bank	2,62,49,938	5,00,00,000
ESAF Small Finance Bank	5,00,00,000	-
State Bank of India	12,95,10,563	5,00,00,000
Total (B)	40,03,46,853	31,64,76,367
(III) From Others	Total (C)	
	36,36,95,364	41,65,30,410
	77,12,86,517	74,03,37,082
Less: Current maturities of Long-term borrowings	41,54,81,059	38,49,59,633
(b) Debentures	Total (D)	
	13,19,21,970	12,50,00,000
Total (a+b)	48,77,27,427	48,03,77,449

DAR CREDIT & CAPITAL LTD.
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Notes to consolidated financial statements for the year ended 31st March, 2022

Note:

Secured

1. Term Loans from Banks

a) For purchase of vehicles

The loans has been secured by hypothecation of assets acquired out of the proceeds of loan. The payment is made on EMI and average interest rate on such loan is 10% p.a. The loan in this category shall be repaid in full by the end of year 2025.

b) Others

The loans has been secured by hypothecation of Debtors and Personal Guarantees. The payment is made on EMI and average interest rate on such loans is 12.25% p.a. Most of the loan in this category shall be repaid in full by the end of year 2023 except for loan with Punjab National Bank (United Bank of India) which shall be repaid in full by the end of year 2025.

2. Term Loans from Others

The loans has been secured by hypothecation of Debtors and Personal Guarantees. The payment is made on EMI and average interest rate on such loans is 14.76% p.a. Most of the loan in this category shall be repaid in full by the end of year 2023.

3. Secured redeemable Debentures against Book debt. (Face value Rs. 5 Lakhs per unit)

Particulars	Date of Issue	Date of Redemption	Amount in Rs.
3 Years, 12.25% Cumulative redeemable debentures	Feb' 2021	Jan' 2024	2,00,00,000
3 Years, 12.00% Non-cumulative redeemable debentures	Feb' 2021	Jan' 2024	3,20,00,000
5 Years, 12.25% Cumulative redeemable debentures	Feb' 2021	Jan' 2026	2,75,00,000
5 Years, 12.00% Non-cumulative redeemable debentures	Feb' 2021	Jan' 2026	4,55,00,000
Total			12,50,00,000

DAR CREDIT & CAPITAL LTD.
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Notes to consolidated financial statements for the year ended 31st March, 2022

Note 5: Long-term provisions

Particulars	As at 31st March	
	2022	2021
Provision for gratuity	-	-
Non-current Defined Benefit Obligation	8,01,876	5,31,417
Total	8,01,876	5,31,417

Note 6 : Short Term Borrowings

Particulars	As at 31st March	
	2022	2021
(a) Secured		
Cash Credit :		
State Bank of India	14,23,71,565	24,57,53,330
Bandhan Bank	-	98,99,554
AU Small Finance Bank	-	1,99,22,802
Bank Overdraft :		
Punjab National Bank	1,00,16,705	1,01,06,965
State Bank of India	-	90,00,000
	15,23,88,270	29,46,82,651
(b) Unsecured :		
From Inter Corporates	1,20,82,237	2,52,07,237
	1,20,82,237	2,52,07,237
(c) Current maturities of long term borrowings:	41,54,81,059	38,49,59,633
Total (a+b+c)	57,99,51,566	70,48,49,521

Note:

Secured

1. Cash credit

The loan has been secured by hypothecation of Book Debts, Immovable Assets & FD. An average interest rate charged by bank on such loan is 10.64% p.a.

2. Bank Overdraft

The loan has been secured by hypothecation of FD. An average interest rate charged by bank on such loan is 7.09% p.a.

Note 7: Trade Payables

Particulars	As at 31st March	
	2022	2021
Sundry Creditors for Goods & services		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	69,18,722	81,87,775
Total	69,18,722	81,87,775

DAR CREDIT & CAPITAL LTD.
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Notes to consolidated financial statements for the year ended 31st March, 2022

Trade Payables ageing schedule

Particulars	Outstanding for following period from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	51,93,242	17,25,480	-	-	69,18,722
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note 8: Other Current Liabilities

Particulars	As at 31st March	
	2022	2021
Other Payables		
Audit Fees	-	3,90,659
Statutory dues payable	9,88,261	8,76,486
Salary Payable	15,27,987	16,04,323
Others	4,27,063	8,90,350
Total	29,43,310	37,61,818

Note 9: Short Term Provisions

Particulars	As at 31st March	
	2022	2021
Provision for Gratuity		
Current Defined Benefit Obligation	4,713	1,138
	4,713	1,138
Provision for Bad & Doubtful Debts	53,34,609	37,34,609
Contingent Provisions against Standard Assets (As per RBI Rules)	56,11,108	56,11,108
Provision for Tax (net of Advance tax of Current year)	-	23,91,486
Total	1,09,50,430	1,17,38,341

Note 11: Non Current Investments

Particulars	As at 31st March	
	2022	2021
Un-Quoted Equity Shares valued at Cost:		
Other Investments		
ARCL Organics Ltd.	84,000	84,000
8400 shares of Rs 10 each		
Total	84,000	84,000

1. Equity shares are carried at cost having face value of Rs 10 each

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

Note 10: Property, Plant and Equipment

Particulars	Gross Block		Accumulated Depreciation		Net Block	
	Balance as at 1st April, 2021	Disposals	Balance as at 31st March, 2022	On disposals	Balance as at 31st March, 2022	Balance as at 31st March, 2021
Property, Plant and Equipment						
Buildings	2,27,29,121	-	2,27,29,121	-	1,99,79,593	2,03,38,713
Office Building	3,70,06,556	-	4,18,84,656	-	3,96,60,249	3,53,66,852
Furniture and Fixtures	1,89,71,672	-	1,89,71,672	-	1,38,50,604	1,56,42,896
Vehicles	2,11,59,647	33,09,148	2,00,08,061	26,51,093	1,16,32,747	1,24,07,348
Office Equipment	20,15,255	-	20,15,255	-	3,79,882	6,90,889
Air Conditioner	7,00,234	-	7,00,234	-	84,389	1,40,887
Computer	17,24,164	35,861	17,60,025	-	1,74,066	2,64,306
Total	10,43,06,649	33,09,148	10,80,69,024	26,51,093	8,57,61,529	8,48,51,890
Previous Year	10,47,90,972	28,00,000	10,43,06,649	2,25,909	1,94,54,759	8,48,51,890

DAR CREDIT & CAPITAL LTD.

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

Note 12: Deferred Tax Asset (Net)

Particulars	As at 31st March	
	2022	2021
Opening Deferred Tax Asset	80,75,043	52,48,846
Add/(Less): Deferred Tax Asset created/(reversed) during the year	(14,74,482)	28,26,197
Closing Deferred Tax Asset	66,00,561	80,75,043

Note 13 : Long Term Loans and Advances

Particulars	As at 31st March	
	2022	2021
Unsecured, considered good Loans (other than related parties)	74,06,37,157	88,62,52,719
Total	74,06,37,157	88,62,52,719

Note 14: Other Non-current assets

Particulars	As at 31st March	
	2022	2021
Security Deposit (Maturing after 12 months from Balance Sheet date) (In Lien with Bank)	12,93,71,717	15,59,20,490
Total	12,93,71,717	15,59,20,490

Note 15: Current Investments

Particulars	As at 31st March	
	2022	2021
(a) Quoted Mutual Fund valued at Cost:	8,61,12,310	1,00,00,000
Aggregate NAV of Mutual Fund	8,61,12,310	1,00,00,000
(b) Debentures	2,84,86,320	2,31,56,000
(c) In Real Estate Venture Capital Fund	49,07,584	53,21,096
Total (a+b+c)	11,95,06,214	3,84,77,096

Note- 16.1 :Cash and Cash Equivalents

Particulars	As at 31st March	
	2022	2021
(a) Balances with Banks		
On Current Accounts	7,03,53,400	14,80,02,458
Fixed Deposits (Maturing within 3 months from BS date) (In Lien with Bank)	11,98,16,197	1,33,052
	19,01,69,597	14,81,35,510
(b) Cash-in Hand		
Cash Balances	10,61,168	5,10,463
Total (a+b)	19,12,30,765	14,86,45,973

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

Note- 16.2 :Bank balances other than Cash and Cash Equivalents

Particulars	As at 31st March	
	2022	2021
Fixed deposits with banks (maturing after period of 3 months)	15,786,095	49,957,843
Total	15,786,095	49,957,843

Note- 17: Short-Term Loans and Advances

Particulars	As at 31st March	
	2022	2021
Other Loans and Advances :		
A. Unsecured, Considered good		
(a) Loans :		
To Individuals	355,447,756	343,095,697
To Inter Corporates	36,939,367	47,724,365
	392,387,123	390,820,062
(b) Advances :		
Advances recoverable in cash or in kind or for value to be received	4,416,453	8,460,373
	4,416,453	8,460,373
Total (A+B)	396,803,576	399,280,436

Note- 18: Other Current Assets

Particulars	As at 31st March	
	2022	2021
Unsecured, considered good		
Advance tax net of provision for tax	9,459,813	-
Interest receivable	6,609,321	27,582,891
Other Balances with Revenue Authorities	3,083,393	17,206,810
Total	19,152,527	44,789,701

Note- Other Balances with Revenue authorities include Input Tax Credit balances of GST.

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

Note- 19 - Revenue from Operations

Particulars	For the year ended 31st March	
	2022	2021
Interest		
Interest on Loan	22,36,21,421	23,68,38,469
Overdue Interest	64,63,877	33,46,552
	23,00,85,298	24,01,85,021
Other Financial Services		
Credit Facilitation income	-	1,94,29,838
Interest on Fixed Deposit with Bank	73,50,463	48,75,342
Interest on Other Deposit	42,99,914	44,14,869
Processing Fee	29,47,943	43,38,531
Prepayment Charges	-	87,000
	1,45,98,319	3,31,45,580
Total	24,46,83,617	27,33,30,601

Note- 20 - Other Income

Particulars	For the year ended 31st March	
	2022	2021
Dividend Income	-	1,64,769
Rent Received	7,57,456	4,24,756
Interest Income	54,42,629	26,91,183
Profit On sale of securities	31,125	24,91,687
Profit on Sale of Assets	3,01,753	9,91,586
Miscellaneous Receipts	4,35,531	3,92,809
Total	69,68,495	71,56,790

Note -21 - Employee Benefit Expenses

Particulars	For the year ended 31st March	
	2022	2021
Salaries,wages and Bonus	2,93,77,411	2,85,01,000
Contribution to provident & other funds	15,09,203	13,87,646
Directors Remuneration	31,07,539	33,26,909
Staff Welfare Expenses	45,67,876	45,08,388
Total	3,85,62,029	3,77,23,943

Note -22 - Finance Cost

Particulars	For the year ended 31st March	
	2022	2021
Interest on Cash Credit	2,05,57,946	1,83,24,274
Interest on Term Loan	8,28,42,008	10,61,86,864
Interest on Loan - Against Vehicle	5,27,197	6,94,099
Interest on Debentures	1,57,13,567	19,60,232
Interest on Bank Overdraft	2,10,856	1,05,385
Interest on unsecured loan	3,00,000	1,58,27,603
Bank Charges	12,05,481	23,12,181
Total	12,13,57,055	14,54,10,637

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

Note -23 - Provisions and Contingencies

Particulars	For the year ended 31st March	
	2022	2021
Provision for Bad & Doubtful Debts (As per RBI Rules)	16,00,000	8,08,136
Provisions for Gratuity (As per Actuarial Valuation)	2,74,034	1,81,564
Total	18,74,034	9,89,700

Note 24 - Other Expenses

Particulars	For the year ended 31st March	
	2022	2021
Advertisement	1,18,182	12,000
Audit Fees	5,10,000	5,10,000
Collection Charges	20,45,710	30,26,869
Business Procurement Expenses	33,21,465	42,37,895
Commission and Brokerage	19,01,200	22,46,850
Computer Hire & Maintenance Charges	8,74,050	9,95,335
CSR Expenditure	11,96,343	12,42,169
Consultancy Fee	12,48,574	3,00,000
Business Development and Promotion Exp.	31,75,874	38,17,487
Camp Office Expenses	61,42,510	65,96,386
Electricity & Water	4,26,225	4,65,959
Entertainment	9,25,267	14,48,517
Insurance	1,77,877	3,36,845
Training and Probation	6,64,696	8,09,003
Loss On sale of securities	3,736	2,310
GST Late Fee	40,437	-
Market Survey Expenses	7,34,212	18,83,485
Office Maintenance	75,05,337	46,74,481
Rent	15,52,726	15,37,059
Printing & Stationery	2,20,264	6,03,393
Membership & subscriptions	2,17,478	5,48,621
Rating Expenses	3,52,275	3,10,000
Postage & courier	74,151	82,051
Software Charges	7,60,107	9,35,766
Telephone & Fax	2,39,246	4,37,866
Travelling & Conveyance expense	23,80,519	28,03,819
Vehicle Maintenance	35,35,783	37,79,094
Professional Fees	31,58,162	10,59,500
Processing Fees	37,35,000	20,70,084
Rates & Taxes	5,26,737	5,46,188
Donation	-	7,700
Miscellaneous Expenses	11,00,232	13,60,845
Total	4,88,64,374	4,86,87,576

Audit Fees:		
Statutory audit	2,60,000	2,60,000
Tax audit	50,000	50,000
For other services	2,00,000	2,00,000
	5,10,000	5,10,000

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

Note 25: Additional Notes to Financial Statements:

1. Directions of Reserve bank of India

The Company has followed the directions prescribed by Reserve Bank of India for Non-Banking Financial Companies

2. Segment Reporting:

The Company is engaged mainly in the business of financing. Since all activities are related to the main activity, there are no reportable segments as per Accounting Standard on Segment Reporting (AS-17).

3. Related Party Disclosures as per AS – 18 are as follow:

(a) Name of the related parties with relationship:

- i) Mr. Ramesh Kumar Vijay, Chairman - Key Management Personnel
- ii) Mr. Rajkumar Vijay, Director – Key Management Personnel
- iii) Mrs. Rakshita Vijay - Relative of Key Management Personnel
- iv) Mrs. Kusum Vijay - Relative of Key Management Personnel
- v) Mrs. Nikita Vijay - Relative of Key Management Personnel
- vi) Mrs Sushma Khemka - Relative of Director
- vii) Mr. Umesh Khemka- Director

(b) i) Transactions during the year in the ordinary course of business.

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	(KMP)	(Relative of KMP)	(KMP)	(Relative of KMP)
Director's Remuneration	31,07,539	-	31,24,509	
Salary	-	21,18,331		30,83,952
Total	31,07,538.82	21,18,331.00	31,24,509.00	30,83,952.00

(b) ii) Amount outstanding at the end of the year.

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	(KMP)	(Relative of KMP)	(KMP)	(Relative of KMP)
Director's Remuneration	60,000	-	60,000.00	-
Salary	-	40,000	-	40,000.00
Total				

4. Earning Per Share:

Sr. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
(a)	Net profit attributable to the shareholders	2,55,76,319	3,44,54,660
(b)	Weighted average no. of equity share of face value of ` 10/- each	1,00,00,000	1,00,00,000
	Basic Earnings per Share/ Diluted Earning Per Share	2.56	3.45

5. Contingent Liabilities:

Claim against the company not acknowledged as debt.

In Income Tax, an appeal has been filed by the Company against the Assessment Order of the Company for the A/Y 2017-18 amounting to Rs. 5,91,70,832/- which is pending before Commissioner (Appeal- III).

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

6. Disclosure pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6th August 2020 and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated 5th May, 2021

Type of borrower	(Rs. In lakhs)				
	(A) Exposure to accounts classified as standard consequent to implementation of resolution plan- position as at 30 September, 2021	(B) Of (A), aggregate debt that slipped into NPA during the half year ended 31st March, 2022	(C) Of (A) amount written off during the half year ended 31st March, 2022	(D) Of (A) amount paid by the borrowers during the half year ended 31st March, 2022	(E) Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at 31st March, 2022
Personal Loans					
Corporate persons*	765.67	20.71	-	217.80	527.16
Of which, MSMEs					
Others					
Total	765.67	20.71	-	217.80	527.16

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.

7. Disclosure pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24th September, 2021

- The company has not transferred through assignment any loans (not in default) in respect of financial year ended 31st March, 2022.
- If the company has acquired any loans through assignment during the year ended 31st March, 2022
- The company has not transferred any stressed loans during the Financial year 2021-22
- The company has not acquired any stressed loans during the Financial year 2021-22

8. Note on Corporate Social Responsibility

- The amount required to be spent by the company during the financial year 2021-22 in accordance with the provisions of section 135 of Companies Act, 2013 is Rs 11,46,190.
- The amount of expenditure actually incurred by the company in respect to Corporate Social Responsibility during the financial year 2021-22 was Rs 11,96,343.
- There was no shortfall in respect of CSR expenditure by the company during the financial year.
- There was no shortfall in CSR expenditure in respect of previous financial years by the company.
- The company for the purpose of expenditure for CSR has engaged itself in the following activities -
Education and skill building projects, making available safe drinking water, measures for reducing inequalities faced by socially and economically backward groups, animal welfare, promoting healthcare including preventive healthcare, eradicating hunger, poverty and malnutrition.

9. Ind AS note:

During the year 2020-21, the Company issued Redeemable Non-Convertible Debentures of face value of Rs. 5 Lakh each on private placement basis aggregating to a base issue size of Rs. 12.50 Crores and listed these securities on Debt Market (DM) of Bombay Stock Exchange (BSE). Refer Note 4 - Long Term Borrowings for details. In relation to the same, the Company has taken note of Rule 2A as inserted by "Companies (Specification of definition details) Second Amendment Rules, 2021" dated 19th February 2021 effective 1st April 2021, which states that "Private companies which have listed their non-convertible debt securities on private placement basis on a recognized stock exchange in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008" shall not be regarded as listed companies. Considering the fact that the Company has no other securities listed except the aforementioned debt securities, and the relaxation provided by Ministry of Corporate Affairs (MCA) to such Companies, the Company has decided not to apply IndAS and rather continue using existing Accounting Standards while preparing its standalone/ consolidated financial statements.

10. Previous Year's Figures:

Previous year's figure has been regrouped/rearranged/reclassified wherever considered necessary.

DAR CREDIT & CAPITAL LTD.
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Notes to consolidated financial statements for the year ended 31st March, 2022

11. Additional information as required by paragraph 2 of the general instructions for the preparation of consolidated financial statement to schedule III of the Companies Act, 2013

Note (i): Analysis of Reserves and Surplus and of Dar Credit Microfinance Private Limited.

Particulars	Pre-acquisition	Post Acquisition
Profit and loss	-	4,25,750
Share Capital	5,00,00,000	-
Total	5,00,00,000	4,25,750
Holding Company "DCCL" @ 100%	5,00,00,000	4,25,750

Note (ii): Dar Credit & Capital Limited is holding 100% shares in Dar Credit Microfinance Private Limited, so there is no provision for Minority Interest.

Note (iii): Calculation of Cost of Control

Particulars	Amount in Rs.
Share Capital in DCM	5,00,00,000
Less: 100% holding in DCM	5,00,00,000

Note (iv): Calculation of Consolidated Profit and Loss Account

Particulars	Amount in Rs.
Profit of Dar Credit & Capital Ltd.	2,58,29,758
Add: Profit of Dar Credit Microfinance Private Limited	-
Total	2,58,29,758

Signature to Notes "01" to "25"

For KASG & Co.
Chartered Accountants
Firm Regn. No.: 002228C

Roshan Kumar Bajaj
Membership No.: 068523

Place: Kolkata.
Date: 25.05.2022



For and on behalf of the Board
DAR Credit and Capital Limited

Chairman
DIN: 00658473
Director & CEO
DIN: 00946879
CFO

Company Secretary *Nashin Arora*