

Notice is hereby given that the 37<sup>th</sup> Annual General Meeting (AGM) of the Members of **FINSTARS CAPITAL LIMITED** (“the Company”) shall be held on, 29<sup>th</sup> day of September 2025 at 05:00 p.m at the registered office of the Company situated at 701, 7th Floor, Pinnacle Business Park, Opp. Royal Orchid, Prahlad Nagar, Ahmedabad, Gujarat – 380015 to transact the following businesses:

**ORDINARY BUSINESSES:**

**1. Adoption of the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2025 and Reports of the Auditors and the Directors thereon:**

To receive, consider and adopt the Annual Audited Financial Statements of the Company including the Balance Sheet as on 31 March, 2025, and the Statement of Profit and Loss Account and Cash Flow Statement for the financial year ended 31 March, 2025 together with the Reports of the Board of Directors and Auditors thereon.

**2. Appointment of Director in place of Mr. Barun More (DIN: 07505258) Director, who retires by rotation, in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.**

**SPECIAL BUSINESS:**

**Item No. 3: Approval to advance any loan/give guarantee/provide security u/s 185 of the Companies Act, 2013:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions, if any of the Companies Act, 2013 (“Act”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution), for giving loan(s) in one or more tranches including loan represented by way of book debt (the “Loan”) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/to be taken by any entity which is a Subsidiary or Associate or Joint Venture or group entity of the Company or any other person in which any of the Directors of the Company is deemed to be interested as specified in the explanation to sub-section 2 of section 185 of the Act (collectively referred to as the “Entities”), of an aggregate amount not exceeding Rs. 250 Crores (Rupees Two hundred and fifty Crores Only) for the financial year 2025-26, in its absolute discretion deem beneficial and in the best interest of the Company.

**RESOLVED FURTHER THAT** the aforementioned loan(s) and/or guarantee(s) and/or security(ies) shall only be utilized by the borrower for the purpose of its principal business activities.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to negotiate, finalise and agree to the terms and conditions of the aforesaid Loans / Guarantees / Securities, and to take all necessary steps, to execute all such documents, instruments and writings and to do all

**Registered Office:**

**701,7<sup>th</sup> Floor, Pinnacle Business Park, Opp. Royal orchid, Prahlad Nagar, Auda Garden,  
Ahmedabad-380015 Mobile No: 9998001396 Phone No:  
+91 79 48472300/2/3/4/5 Fax No: +91 79 4030 3249  
Email Id: [cs@finstarscapital.com](mailto:cs@finstarscapital.com) CIN: U65100GJ1989PLC112111**

necessary acts, deeds and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.”

**Item No. 4: To approve related party transactions:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any of the Companies Act, 2013 (“Act”), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014) and Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), including any statutory modification(s) or re-enactment thereof for the time being in force and subject to such approvals, consents, sanctions and permissions as may be necessary, approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution) to enter into contract(s)/ arrangement(s)/ transaction(s) with parties as detailed in the table(s) forming part of the Explanatory Statement annexed to this notice with respect to sale, purchase or supply of goods or materials, leasing of property of any kind, availing or rendering of any services including the providing and/or receiving of loans or guarantees or securities or making investments, or any other transactions of whatever nature, notwithstanding that such transactions may exceed 10% of the Consolidated Turnover of the Company in any financial year or such other threshold limits as may be specified by the Listing Regulations from time to time, up to such extent and on such terms and conditions as the Board of Directors may deem fit, in the normal course of business and on arm’s length basis, within the aggregate limits and during the financial years as mentioned in the explanatory statement.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

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Prahlad Nagar, Ahmedabad, Gujarat – 380015

CIN: U65100GJ1989PLC112111

Tel/ Fax No.: + 91 79 - 40327415

Website:

[www.finstarscapital.com](http://www.finstarscapital.com)

Email:

[bm25121979@gmail.com](mailto:bm25121979@gmail.com)

September 26, 2025

Ahmedabad

By the Order of Board of Directors  
**For, Finstars Capital Limited**

**Barun  
More**

Digitally signed  
by Barun More  
Date: 2025.09.29  
14:46:17 +05'30'

**(Mr. Barun More) Chairman &  
Director, DIN: 07505258**

**Registered Office:**

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**Ahmedabad-380015 Mobile No: 9998001396 Phone No:**

**+91 79 48472300/2/3/4/5 Fax No: +91 79 4030 3249**

**Email Id: [cs@finstarscapital.com](mailto:cs@finstarscapital.com) CIN: U65100GJ1989PLC112111**

**NOTES:**

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a Member of the Company. The instrument of Proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the Meeting.
2. A person shall act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than Ten percent of the total Share Capital of the Company carrying voting rights. A Member holding more than Ten percent of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Member.
3. Proxy holder shall prove his/ her identity at the time of attending the Meeting. A Proxy Form which does not state the name of the Proxy shall be considered invalid.
4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of Companies Act, 2013 (“the Act”) are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. Proxy Form(s) and certified copy of Board resolution(s) authorizing representative(s) to attend and vote at the Meeting shall be sent to the Registered Office of the Company and addressed to the “Company Secretary & Compliance Officer”.
7. Members/ Proxies are requested to bring the Attendance Slips duly filled in for attending the Meeting. Members are requested to write their Folio Number in the attendance slip for attending the Meeting.
8. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Item No. 4 set out in the Notice is annexed hereto.
9. The Members are requested to notify immediately any change of address to the Company with a proof of new address i.e. Electricity Bill, Telephone Bill, Ration Card, Voter ID Card, Passport etc.
10. The route map to the venue of the Meeting is provided at the end of this Notice. The prominent landmark for the venue is “Opp. Apollo Pharmacy-Corporate Road”.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
12. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Annual General Meeting.
13. All documents specifically referred to in this Notice are opened for inspection at the Registered Office of the Company or through electronic mode at the request of the shareholder during normal business hour.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode.

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15. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to also avail of numerous benefits of dematerialization, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

18. Members may also note that the Notice of this AGM will be available on the website of the Company i.e <https://finstarscapital.com/>.

**EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No. 03**

The Company is expected to render support for the business requirements of other companies in the group, from time to time. However, inter-alia replacing the provisions Section 185 of Companies Act, 2013, the Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan to other entities in the group or give guarantee or provide security in respect of loans take by such entities, for their principal business activities. The members may note that board of directors would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources / accruals and / or any other appropriate sources, from time to time, only for principal business activities of the entities. Hence, in order to enable the company to advance loan to Managing Director/Whole Time Director/associates/ other Companies/ Firms in which Directors are interested directly or indirectly under Section 185 of the Companies Act, 2013 requires approval of members by a Special Resolution.

**Item No. 04**

Pursuant to the Companies Act, 2013, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company is required to obtain consent of Board of Directors and prior approval of the members by way of Ordinary Resolution, in case certain transactions with related parties exceeds such sum as is specified in the Rules made there under from time to time. The aforesaid provisions are not applicable in respect of transactions entered into by the Company in the ordinary course of business on an arm's length basis. However, pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members through Ordinary Resolution is required for related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis. For this purpose, a transaction is considered material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year exceeds Rupees 100 crores or 10% of annual the turnover of the Company, as per the last audited financial statements of the Company whichever is lower. All the Related Party Transactions entered / proposed to be entered into by the Company are at arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained, wherever required. The particulars of the contract / transactions with its related party are as under:

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<b>Name of the Related Party</b>	<b>Nature of Relationship</b>	<b>Nature of Transaction</b>
Sunrise Guilts Private Limited	A Body corporate in which Mr. Barun More is one of Director of the Company. Further Mr. Barun More holds 46% of Equity Shares Of Sunrise gilts private Limited.	Interest and loan taken and paid.
Mr Barun More and Mrs Nisha More	Directors and promoters of the Company	Remuneration

The Board of Directors recommend the special resolution for the approval by the members. Except Mr. Barun More and Mrs. Nisha More none of the Director, KMP and their relatives is in any way concerned or interested financially or otherwise in this resolution except to the extent of their shareholding.

By the Order of Board of Directors  
For, Finstars Capital Limited

**Barun  
More** Digitally signed  
by Barun More  
Date: 2025.09.29  
14:44:58 +05'30'

**(Mr. Barun More) Chairman &  
Director, DIN: 07505258**

September 26.2025  
Ahmedabad

## DIRECTORS REPORT

Dear Members,

### **Finstars Capital Limited**

Your directors have pleasure in presenting the 37<sup>th</sup> Annual Report together with the Audited Statement of Accounts of your Company for the financial Year ended March 31, 2025.

#### **1. FINANCIAL SUMMARY:**

The Company's financial performance for the financial year ended March 31, 2025:

Particulars	(Amount in Lakhs INR)	
	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from Operations	1875.92	1824.19
<b>Profit Before Tax</b>	255.98	412.22
Less: Current Tax	85.00	111.50
Deferred Tax	0	0
Prior Period Tax adjustment	0.38	0.71
<b>Profit after tax</b>	170.60	300.01
Total Comprehensive Income	170.60	300.01

#### **STATE OF AFFAIRS / HIGHLIGHTS:**

There has been no change in the business of the Company during the financial year ended March 31, 2025.

#### **WEB LINK OF ANNUAL RETURN, IF ANY:**

The Company is having website i.e. <https://finstarscapital.com> and annual return of Company has been published on such website. Link of the same is given below:

#### **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

As on the date of this report, the Board comprises following Directors; 1. Mr. Barun More (Chairman & Director) 2. Mrs. Nisha More Director 3. Mr. Umang Kumar Thakkar (Independent Director) 4. Mr. Ashishkumar Pancholi (Independent Director) 5. Miteshan Bindusagar Agrawal (Director). The composition of Board complies with the requirements of the Companies Act, 2013. Mr. Mitesh Champaneri is the Chief financial officer of the Company. Mrs. Anamika Jajoo is Company secretary of the company.

**Mr Miteshan Agarwal has resigned from the position of Director of the Company w.e.f 17<sup>th</sup> September, 2025.**

#### **MEETINGS OF BOARD OF DIRECTORS:**

Ten (10) Board Meetings were held during the Financial Year ended March 31, 2025 i.e. 06.05.2024, 02.08.2024, 30.08.2024, 22.09.2024, 24.09.2024, 26.09.2024, 03.10.2024, 14.11.2024, 24.01.2025, 13.02.2025

The maximum gap between any two Board Meetings was less than one Hundred and Twenty days.

The names of members of the Board, their attendance at the Board Meetings are as under:

<b>Name of Director</b>	Mr. Barun More	Ms. Nisha More	Mr. Umangkumar Thakkar	Mr. Ashishkumar Pancholi	Mr. Miteshan Agarwal
<b>No. of Board Meetings eligible to attend</b>	10	10	10	10	10
<b>No. of Board Meetings attended</b>	10	10	10	10	10
<b>Presence at the previous AGM</b>	Y	Y	Y	Y	Y

**DETAILS IN RESPECT OF FRAUD:**

During the year under review, the Statutory Auditor in their report have not reported any instances of frauds committed in the Company by its Officers or Employees under section 143(12) of the Companies Act, 2013.

**BOARD'S COMMENT ON THE AUDITORS' REPORT:**

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

OR

(Explanation or comment by the Board on every qualification, reservation, adverse remark or disclaimer made by the statutory auditor in his report and/or by the secretarial auditor in the secretarial Audit Report)

**Change of Credit Rating Agency**

From 1<sup>st</sup> July, 2024 the Company has changed the Credit Rating Agency from Acuite Ratings & Research Ltd to Informerics Valuation and Rating Private Limited, (SEBI Registered rating agency) for rating of the non-convertible debentures of the Company after obtaining prior approval of 75 % debenture holders of the Company.

**DIVIDEND:**

With a view to enlarge the business operations of the Company, the Board of Directors did not recommend any dividend for the year under review.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:**

The provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to your Company. However, your Company has been taking steps at all times for conservation of energy.

Foreign Exchange earnings & Outgo:

Foreign Exchange Earnings - Nil

Foreign Exchange Outgo – Nil

**RISK MANAGEMENT POLICY**

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which is reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process/measures have been formulated in the areas such as business, project execution, dg event, financial, human, environment and statutory compliance.

**PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE [“POSH”]:**

To foster a positive workplace environment, free from harassment of any nature, the Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the workplace, in line with the provisions of “Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013” and the Rules made thereunder. Further, the Company has not received any complaint of sexual harassment during the Financial Year 2024-25.

The Board of Directors in their meeting held on 25<sup>th</sup> April, 2024 reviewed the Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace (POSH Policy) and made the required changes.

**DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:**

As on March 31, 2025, Company doesn't have any Subsidiary & Joint Venture and Associate Companies at the end of the year.

**INTERNAL FINANCIAL CONTROL:**

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

## **AUDITOR:**

### **Statutory Auditors**

As per the provisions of Section 139, 141 of the Companies Act, 2013 and Rules made thereunder (hereinafter referred to as "The Act"), the Company at its 35<sup>th</sup> Annual General Meeting ('AGM') held on 30<sup>th</sup> September, 2023 approved the Re-appointment of M/s. KPSJ & Associates LLP, Chartered Accountants, having Firm Registration No. 124845W/W100209 as the Statutory Auditors for a period of 5 years commencing from the conclusion of 35<sup>th</sup> AGM till the conclusion of the 40<sup>th</sup> AGM to be held in the year 2028.

### **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Hardik Ratani & Associates, Company Secretaries (ACS 45766, CP No.16760) was appointed as the Secretarial Auditor of the Company to conduct Secretarial Audit of the Company for the FY 2024-25 to F.Y. 2028-29.

### **Cost Auditors**

In accordance with the provisions of Section 148 of the Act read with Companies (Audit & Auditors) Rules, 2014, Company is required to maintain cost records and accordingly, such accounts and records are maintained by the Company. Further, since the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for approval by members at the ensuing annual general meeting.

### **Internal Auditor**

The Board has considered and approved the Re-appointment of M/s Sorab S. Engineer & Co. Chartered Accountants, Ahmedabad as Internal Auditors of the Company, for the financial years 2024-25, 2025-26 and 2026-27 on such remuneration as may be decided by the Board of directors of the company from time to time.

## **DIRECTOR'S RESPONSIBILITY STATEMENT:**

The Directors would like to inform the Members that the Audited Accounts for the financial year ended March 31, 2025, are in full conformity with the requirement of the Companies Act, 2013. The Financial Accounts are audited by the Statutory Auditors, (Auditor/Auditor Firm Name along with FRN). The Directors further confirm that: -

- a) In the preparation of the annual accounts for the year ended March 31, 2024 the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.
- 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 as at March 31, 2024 and of the profit of the Company for the year ended on that date.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a 'going concern' basis.
- e) The Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company.

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

**DEPOSITS:**

Being a Non-Deposit taking, Non-Banking Financial Company, your Company has not accepted any deposits from the public. Your Company is registered with the Reserve Bank of India (RBI), as a non-deposit accepting NBFC under Section 45-IA of the RBI Act, 1934. Your Directors hereby report that the Company has not accepted any public deposits during the year under review and it continues to be a non-deposit taking Non-Banking Financial Company in conformity with the guidelines of the RBI.

**Share Capital:**

During the year under review, the Authorized Share Capital of the Company was Rs. 5,00,00,000. (Five Crore). The Paid-up Equity Share Capital as at March 31, 2024 stood at Rs. 3,05,31,360 (Three Crore Five Lakhs Thirty-One Thousand Three Hundred Sixty). The Company has further increased the paid-up share capital of the company by issuing additional shares 10,00,000 (face value) Rs 10/-each at premium of Rs 40 per share to Mr. Barun More, existing shareholder of the Company on the basis of right issue. As at 31<sup>st</sup> March, 2025 the paid-up share capital of the Company was 4,05,31,360 (Four Crore Five Lakhs Thirty-One Thousand Three Hundred Sixty).

**DEBENTURES**

ISIN	Name of Debenture Trustee	No. of Debentures	Amount (Rs. In lakh)	Listing Status
INE08XA07011	Beacon Trusteeship Limited	150	1500	Listed
INE08XA07029	Beacon Trusteeship Limited	100	1000	Listed
INE08XA07037	Beacon Trusteeship Limited	1000	1000	Listed
INE08XA07045	Beacon Trusteeship Limited	1500	1500	Listed

Details of Debenture Trustees of the Company are as follows:

Sr.No.	Name of the Debenture Trustee	Address	Contact Detail
1	Beacon Trusteeship Limited	4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra East (E), Mumbai - 400051	022-26558759 compliance1@beacontrustee.co.in

### **Committees of Board:**

During the year under review, the following Committees are applicable to the company:

- A) Audit Committee
- B) Nomination and Remuneration Committee
- C) Stakeholders Relationship Committee

We are committed to implementing these committees in line with SEBI guidelines. Our aim is to uphold the highest standards of corporate governance and ensure that the interests of our stakeholders are protected.

### **Particulars of Loans, Guarantees or Investments under Section 186:**

The Company is a Non-Banking Financial Companies classified as NBFC - Investment and Credit Company and the principal business of the Company is to provide loan. Hence, Section 186 will not be applicable to your Company. The Company has not entered into any such transaction as prohibited under section 186.

### **Internal Financial Controls**

The Company has devised a proper system of internal financial controls which is commensurate with size and nature of Business. The Board has appointed M/s. Sorab S. Engineer & Co. as an Internal Auditor of the Company pursuant to the provisions of Section 138 of the Companies Act, 2013 in order to ensure proper internal financial controls. The policies and procedures adopted by your Company take into account the design, implementation and maintenance of adequate internal financial controls, keeping in view the size and nature of the business. The internal financial controls ensure the orderly and efficient conduct of its business. The controls encompass safeguarding of your Company's assets, strict adherence to policies, and prevention and detection of frauds and errors against any unauthorized use or disposition of assets and misappropriation of funds. These controls help to keep a check on the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

### **Particulars of Employees' Remuneration:**

There was no employee drawing an annual salary of Rs. 102.00 lakhs or more where employed for full year or monthly salary of Rs. 8.50 Lakhs or more were employed for part of the year and therefore, information pursuant to the provisions of Rule 5 (2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is NIL.

### **COST RECORD:**

As per section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, your Company is not required to maintain cost records.

**STATEMENT ON DECLARATION FROM INDEPENDENT DIRECTORS:**

The Company has received necessary declarations from all Independent Directors of the Company in accordance with the provisions of Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

**ESTABLISHMENT OF VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

Pursuant to the provisions of section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its powers) Rules, 2014, the Company has adopted Whistle Blower Policy/Vigil Mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct. It also provides for adequate safeguards against victimization of directors /employees who avail of the Mechanism. Further, the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time.

**CORPORATE GOVERNANCE:**

The Corporate Governance philosophy at Finstars Capital Limited is to not only adhere to the statutory requirements in letter but also in spirit, in order to enhance and retain investors' trust. The Company is conscious and continues to voluntarily formulate and comply with the best governance principle to ensure creation of long-term value for its stakeholders on sustainable basis. The Company relentlessly strives to align its vision and business strategy with the welfare and best interests of all its stakeholders.

Your Company believes in the concept of good corporate governance involving transparency, empowerment, accountability, and integrity with a view to enhancing stakeholder's value. With this objective, the Company has put in place various policies, systems, and processes to achieve transparency, business ethics and compliance with applicable laws.

**FORMAL ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES & OF INDIVIDUAL DIRECTORS:**

The Board of Directors have evaluated the performance of all Independent Directors, Non-Independent Directors and its Committees. The Board deliberated on various evaluation attributes for all directors and after due deliberations made an objective assessment and evaluated that all the directors in the Board have adequate expertise drawn from diverse industries and business and bring specific competencies relevant to the Company's business and operations. The Board found that the performance of all the Directors was quite satisfactory.

The Board also noted that the term of reference and composition of the Committees was clearly defined. The Committee performed their duties diligently and contributed effectively to the decisions of the Board.

The functioning of the Board and its committees were quite effective. The Board evaluated its performance as a whole and was satisfied with its performance and composition of Independent and Non-Independent Directors.

**PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:**

There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

**DIFFERENCE IN VALUATION:**

The Company has not made any one-time settlement for loans taken from the Banks or Financial Institutions, and hence the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

**PUBLIC DEPOSITS**

Your Company is a Systemically Important Non-Deposit Accepting NBFC ND-SI- NBFC-MFI. The Company did not hold public deposits at the beginning of the year and it has not accepted any public deposit(s) during the year under review as defined under the Non-Banking Financial Companies acceptance of Public Deposits (Reserve Bank) Directions, 2016 during the Financial Year commenced April 1, 2024 to March 31, 2025 and further undertake that it shall not accept any public deposit(s) in the financial year commencing from April 01, 2025 and ending on March 31, 2026 without obtaining prior approval of the Reserve Bank of India in writing.

**ACKNOWLEDGMENT**

Your directors place on the record their appreciation of the Contribution made by employees, consultants at all levels, who with their competence, diligence, solidarity, co-operation and support have enabled the Company to achieve the desired results.

The board of Directors gratefully acknowledge the assistance and co-operation received from the Central and State Governments Departments, Shareholders and Stakeholders.

Registered Office:  
701, 7th Floor, Pinnacle Business Park,  
Opp. Royal Orchid, Prahladnagar,  
Ahmedabad, Gujarat – 380015  
CIN: U65100GJ1989PLC112111  
Tel/ Fax No.: + 91 79 - 40327415  
Website: [www.finstarscapital.com](http://www.finstarscapital.com)  
Email: [bm25121979@gmail.com](mailto:bm25121979@gmail.com)

By the Order of Board of Directors  
**For, Finstars Capital Limited**

Ms. Nisha More  
Director  
DIN: 02878931

Mr. Barun More  
Chairman & Director  
DIN: 07505258

September 26, 2025

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2025

**To,  
The Members,  
FINSTARS CAPITAL LIMITED  
CINNO. U65100GJ1989PLC112111  
701, 7th Floor, Pinnacle Business Park,  
Opp. Royal Orchid, Prahladnagar,  
Ahmedabad, Gujarat – 380015**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by FINSTARS CAPITAL LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the FINSTARS CAPITAL LIMITED (name of the company's) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2025 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by FINSTARS CAPITAL LIMITED ("the Company") for the financial year ended on 31<sup>st</sup> March, 2025 according to the provisions of:

- (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: This regulation is applicable to the company and has been complied as per requirement.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- (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 Audit period.

(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 to the Company during audit period)

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not Applicable to the Company during audit period)

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009: This regulation is applicable and has been complied properly.

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during audit period)

(e) The **Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008** : This regulation is applicable and has been complied with requirement.

(f) The **Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993** is applicable and complied as per requirement.

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not Applicable to the Company during audit period)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company as the Company during audit period)

(vi) Other Laws as are applicable to the Company as per representation made by the management.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable:- This is applicable to the company and has been complied with it.

We further report that the Company has, in my opinion, complied with the provisions of the Companies Act 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Article of Association of the Company, with regard to:

- i) Maintenance of various statutory registers and documents and making necessary entries therein.
- ii) Closure of register of members.
- iii) Forms, returns, documents and resolutions required to be filed with Registrar of Companies and the Central Government as and when required.
- iv) Service of the documents by the company on its members, auditors and the Registrar of Companies.
- v) Minutes of proceedings of General Meetings and of the Board Meetings;
- vi) Approvals of the Members, the Board of Directors and the government authorities, wherever required.
- vii) Constitution of the Board of Directors, appointment, retirement and reappointment of directors are as per companies act 2013 : Complied
- viii) Appointment and remuneration of auditors is done as per Companies act 2013: Complied
- ix) There is Transfers of shares and there are no transmissions of the Company's shares during the year.
- x) Declaration and payment of Dividends: Dividend has not been declared during audit period.
- xi) Transfer of certain amounts as required under the act to the investor education and protection fund and uploading of details of unpaid and unclaimed dividends on the websites of the company and Ministry of Corporate Affairs.-Not Applicable during Audit period
- xii) Borrowings and registration, modification and satisfaction of charges wherever applicable: All charges related forms have been filed during financial year.
- xiii) Forms of balance sheet as prescribed under part I, form of statement of profit and loss as prescribed under part II and General Instructions for preparation of the same as prescribed in schedule VI to the Act;
- xiv) Director's report
- xv) Contracts, Common seal, registered office and publication of name of the company; and
- xvi) Generally all other applicable provisions of the Act and rules made thereunder the act.

**The following Directions, Circulars and Guidelines prescribed by the Reserve Bank of India of India, inter alia, specifically applicable to the Company:**

- a) The Reserve Bank of India Act, 1934 (Chapter IIIB), Sec 45 IA
- b) Master Circular dated 1st July, 2015 on Know Your Customer (KYC) Guidelines – Anti Money Laundering Standards (AML) – Prevention of Money Laundering Act, 2002
- c) Master Circular dated 1st July, 2015 on Fair Practices Code
- d) Master Circular dated 1st July, 2015 on Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015
- e) Master Circular dated 1st July, 2015 on Miscellaneous Instructions to NBFC- ND-SI
- f) Issuance of Non-Convertible Debentures (Reserve Bank) (Amendment) Directions, 2010 read with Guidelines on Raising Money through Private Placement by NBFCs read with RBI's Circular dated 2 July, 2013 and 20 February, 2015
- g) Systemically Important Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015
- h) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
- i) Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.
- j) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016.
- k) Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.
- l) Master Direction on IT framework for NBFC sector, 2017.
- m) Master Direction on Know Your Customer (KYC), 2016.
- n) Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs
- o) Other Circulars/ Directions/ Guidelines issued by RBI in relation to Non-Banking Financial Companies, from time to time.

During the period under review and as per the explanations and clarifications given to us and the representations made by the management the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject matters.

**I/we further report that**

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.

Adequate notice is given to all directors to schedule the 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I 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.

**I/we further report that during** the audit period the company has taken following actions:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc. – No such actions done by the company
- (ii) Redemption / buy-back of securities: No such actions done by the company
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013: Complied
- (iv) Merger / amalgamation / reconstruction, etc.: No such actions done by the company
- (v) Foreign technical collaborations: No such actions done by the company.

Place: Ahmedabad

Date: 22/09/2025

**FOR, HARDIK RATANI & ASSOCIATES  
PRACTICING COMPANY SECRETARY**

**CS HARDIK RATANI  
M.NO.45766  
COP NO. 16760**

**UDIN: A045766G001305354**

**“Annexure A”**

(To the Secretarial Audit Report of M/s. FINSTARS CAPITAL LIMITED for the financial year ended 31/03/2025)

**TO,  
THE MEMBERS,  
FINSTARS CAPITAL LIMITED  
701, 7TH FLOOR, PINNACLE BUSINESS PARK,  
OPP. ROYAL ORCHID, PRAHLADNAGAR,  
AHMEDABAD, GUJARAT – 380015**

Our Secretarial Audit Report for the financial year ended 31/03/2025 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad

Date: 22/09/2025

**FOR, HARDIK RATANI & ASSOCIATES  
PRACTICING COMPANY SECRETARY**

**CS HARDIK RATANI**

**M.NO.45766**

**COP NO. 16760**

**UDIN: A045766G001305354**



## Independent Auditor's Report

To,  
**The Members of**  
**FINSTARS CAPITAL LIMITED**  
(CIN: U65100GJ1989PLC112111)

### **Report on the Audit of Financial Statements**

#### **Opinion**

1. We have audited the accompanying Ind AS financial statement of **FINSTARS CAPITAL LIMITED**, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2025, the Statement of Profit & Loss (including other comprehensive income) and Cash Flow Statement and statement of changes in equity for period ended on 31<sup>st</sup> March, 2025, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit 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 Ind AS financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS 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 code of ethics.

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



## Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>A.) Expected credit losses on loan assets:</b></p> <p>As at March 31, 2025, the Company has reported gross financial assets (loans) aggregating to ₹ 11,986.03 Lakhs against which provision for expected credit loss of ₹ 122.75 lakhs has been recorded as at reporting date in accordance with Ind AS 109 – Financial Instruments ('Ind AS 109'). The Company has written off ₹ 59.77 Lakhs during the current year.</p> <p>The calculation of expected credit loss on loans and write-offs is complex and requires significant management judgement and the use of different modelling techniques and assumptions which could have a material impact on reported profits.</p> <p>The Company has applied a three-stage approach based on changes in credit quality to measure expected credit loss on loans which is as follows:</p> <ul style="list-style-type: none"> <li>• If the loan is not credit-impaired on initial recognition, then it is classified in 'Stage 1' and its credit risk is continuously monitored by the Company i.e., the default in repayment is within 1 month.</li> <li>• If a significant increase in credit risk since initial recognition is identified, it is moved to 'Stage 2' but is not yet deemed to be credit-impaired i.e., the default in repayment is</li> </ul>	<p>Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions for calculation of expected credit losses;</li> <li>• Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculations, validation of data and monitoring of impairment loss recognized based on historical and external data. This also included testing performed by IT Specialists to test the data flows from source systems to spreadsheet-based models to test their completeness and accuracy.</li> <li>• Tested the modelling assumptions and inputs which are based on industry experience (new products) as collated by external credit bureau by benchmarking independently such inputs with data of other comparable companies to assess reasonability of such assumptions. While for remaining loan portfolio, since modelling assumptions and parameters are based on historical data, assessed whether historical experience was representative of current circumstances and was relevant in view of the</li> </ul>



within the range of 2 to 3 months.

- If the loan is credit-impaired, it is then moved to 'Stage 3' i.e., the default in repayment is more than 3 months.

The Expected Credit Loss ("ECL") is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets.

Calculation of ECL involves estimation of probability of default (PD) on loan portfolio over their life, loss given default (LGD) and exposure at default for each of the stages of loan portfolio. The management has calculated the PD and LGD as follows:

- For new products launched from time to time and where the Company does not have sufficient historical data to estimate PD, the Company has engaged external leading credit bureau and accordingly based on industry data sourced such information from the aforesaid credit bureau.

- For the remaining portfolio, the Company has continued to use their existing internally developed modelling techniques using historical observable data and inputs to estimate PD and LGD. Significant management judgement and assumptions are involved in measuring ECL which also includes management overlays especially while calculating the PD and LGD and involves the following critical factors which are applied to such modelling techniques:

- Segmentation of loan book
- Determination of exposure at default
- Loan staging criteria
- Consideration of probability weighted scenarios and forward looking macro-economic factors
- Criteria for a significant increase in credit

recent impairment losses incurred within the portfolios;

- Considered the Company's accounting policies for estimation of expected credit loss on loans and assessing compliance with the policies in terms of Ind AS 109;

- Tested the assumptions underlying the impairment identification and quantification including the forecast of future cash flows by corroborating it with the agreed repayment schedules of the borrowers;

- Further, challenged the aforesaid assumptions through our understanding of the risk profile of the customers of the Company and other publicly available relevant macro-economic factors used with the models;

- We have also examined, on a sample basis, data inputs to the discounted cash flow models, including the latest collateral valuations in supporting the estimation of future cash flows and present value;

- Evaluated the appropriateness of the Company's determination of significant increase in credit risk in accordance with the applicable accounting standards and the basis for classification of various exposures into various stages. For a sample of exposures, also tested the appropriateness of the Company's categorization across various stages;

- Assessed the critical assumptions and input data used in the estimation of expected credit loss models for specific key credit risk parameters, such as the transfer logic between stages, PD or LGD;

- Performed an assessment of the adequacy of the credit losses expected within 12 months by reference to credit losses actually incurred on similar portfolios historically;



<p>risk</p> <ul style="list-style-type: none"> <li>•Past experience and forecast data on customer behavior on repayments</li> <li>•Estimation of realizable value of underlying collaterals Considering the significance of the above matter to the financial statements, significant level of estimates and judgements involved in determination of ECL and write offs, this matter required our significant attention. Therefore, we have identified this as a key audit matter for current year audit.</li> </ul>	<ul style="list-style-type: none"> <li>•On test check basis, tested the reasonableness of estimates of expected realizable values of underlying collaterals;</li> <li>•Obtained the management’s rational for writing off the loans during the current year and tested for appropriate management approvals for the same;</li> <li>•Obtained written representations from management and those charged with governance on whether they believe significant assumptions used in calculation of expected credit losses are reasonable;</li> </ul>
<p><b>B.) Information Technology system for accounting and financial reporting process:</b></p> <p>The Company is highly dependent on its Information Technology (“IT”) systems for carrying on its operations which require large volume of transactions to be processed in numerous locations.</p> <p>Further, the Company’s accounting and financial reporting processes are dependent on automated controls enabled by IT systems which impacts key financial accounting and reporting items such as loans, interest income, impairment on loans amongst others.</p> <p>The Company has put in place IT General Controls and automated IT Controls to ensure the integrity, accuracy, completeness, validity and reliability of the information produced by the Company. Among other things, the management also uses the information produced by the Company’s IT systems for accounting and the preparation and presentation of the financial statements.</p> <p>The Company uses loan management system (LMS) for sourcing, processing, recording and management of loan database</p>	<p>Our key audit procedures with the involvement of our IT specialists included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>•Obtained an understanding of the Company’s IT systems, IT General Controls and automated IT controls and conducted risk assessment for identified IT applications, data bases and operating systems that are relevant to our audit;</li> <li>•Obtained an understanding of the changes/modifications that were made to the identified IT applications during the audit period and tested those changes that had a significant impact on financial reporting including management’s process for monitoring and authorization of such changes/modifications</li> <li>•Evaluated the appropriateness of controls for security governance to protect systems and data from unauthorized use, including logging of security events and procedures to identify vulnerabilities;</li> <li>•Tested segregations of duties controls around program maintenance, security administration and key business processes;</li> </ul>



<p>which is fully integrated with the financial accounting and reporting system. The Company has implemented necessary preventive and detective controls across critical IT applications and infrastructure, which are most relevant from the perspective of financial reporting. Our audit approach relies on the effectiveness of automated controls and controls around interface of different systems. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment.</p> <p>Further, we focused on key automated controls relevant for financial reporting.</p> <p>Accordingly, since our audit strategy included focus on key IT systems and controls relevant to our audit due to their pervasive impact on the financial statements, we have determined the use of IT systems for accounting and financial reporting as a key audit matter for current year audit.</p>	<ul style="list-style-type: none"> <li>• Tested IT General Controls particularly, logical access, change management and aspects of IT operational controls. Tested that request for access to systems were appropriately reviewed and authorized; tested controls around Company's periodic review of access rights; inspected requests of changes to systems for appropriate approval and authorization;</li> <li>• Tested related interfaces, configuration and other application layer controls identified during our audit and report logic for system generated reports relevant to the audit mainly for loans, interest income and impairment of loan assets for evaluating completeness and accuracy;</li> <li>• Tested the design and operating effectiveness of the Company's IT controls over the IT applications as identified above;</li> <li>• Where deficiencies were identified, tested compensating controls or performed alternative procedures;</li> <li>• Obtained written representations from management and those charged with governance on whether IT general controls and automated IT controls are designed and were operating effectively during the period covered by our audit.</li> </ul>
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### **Information Other than the Financial Statements and Auditor's Report Thereon**

1. The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.
2. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
3. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially



- inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
4. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Ind AS Financial Statements**

1. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
2. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.
3. The board of directors are also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Audit of the Financial Statements**

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



- are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.
  3. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, and we also:
    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error.
    - Obtain an understanding of the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
    - Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  4. 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.
  5. 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.



6. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order; and

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

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet and the Statement of Profit and Loss, Cash Flow Statement and statement of change in equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Financial Statement comply with the Ind Accounting Standards specified under section 133 of the Act, read with Rule 7 of Companies (Accounts) Rule, 2014.
- e) On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:




- i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements
- ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Company has neither declared nor paid any dividend during the year. Therefore, Section 123 of the Act is not applicable
- vi) As part of our audit process, we observed that the company has maintained in-adequate audit trails for its financial transactions and critical data changes. This in-adequacy impedes our ability to trace transactions back to their source documents and verify the



accuracy and completeness of the financial records. The absence of a robust audit trail not only undermines the integrity and transparency of the company's financial reporting but also exposes the company to increased risks of errors and fraudulent activities. Furthermore, it results in non-compliance with regulatory requirements under the Companies Act, which mandates the maintenance of proper books of accounts and records. We recommend the immediate implementation of comprehensive audit trail systems to ensure compliance, enhance internal controls, and improve the reliability of financial information.

**For, K P S J & ASSOCIATES LLP**  
**Chartered Accountants**  
**FRN: 124845W/W100209**



**CA Kedar Ram Laddha**

**(PARTNER)**

**Membership No.: 101886**

**UDIN: 25101886BMIEQG7930**

**Place: AHMEDABAD**

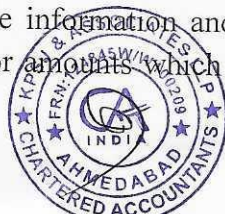
**Date : 28/05/2025**



**The Annexure - A referred to, in the Our Independent Auditor's Report of even date to the members of FINSTARS CAPITAL LIMITED on the accounts of the company for the period ended 31<sup>th</sup> March, 2025.**

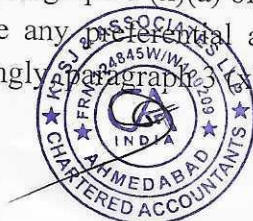
On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- 1) In respect of the Company's fixed assets:
  - a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
B. The Company does not have any Intangible Assets; hence no disclosure of Intangible Assets is to be given.
  - b) According to the information and explanations as given to us, physical verification of Property, Plant and Equipments has been carried on by the management during the year and no material discrepancies were noticed on such verification.
  - c) According to the information and explanations as given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.  
In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
  - d) According to the information and explanations as given to us, the Company has not revalued its Property, Plant & Equipment or Intangible Assets during the year, hence paragraph 3(i)(d) of the order is not applicable.
  - e) According to the information and explanations as given to us, no proceedings have been initiated against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- 2) The Company is a non-banking finance company and does not hold any inventories. Accordingly reporting under clause (ii) of the Order is not applicable.
- 3) The Company involved in the business of giving loans. According to information and explanation are given to us, the company has not 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 covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
- 4) In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied.
- 5) In our opinion and according to the information and explanations given to us, in respect of deposits accepted by the company or amounts which are deemed to be deposits, the directives



issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder, where applicable, have been complied with relevant provisions.

- 6) According to information and explanation are given to us, maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, are not applicable to the company. Hence para graph 3(vi) of the order is not applicable.
- 7) In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.
- According to the information and explanations are given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales- tax, service tax, goods and service tax, the duty of customs, the duty of excise, value-added tax, cess, and other material statutory dues were in arrears as at March 31, 2025, for a period of more than six months from the date they became payable.
- b) According to the information and explanations are given to us and the records of the company examined by us, there are no disputed dues of income-tax, sales- tax, service tax, goods and service tax, the duty of customs, the duty of excise, value-added tax and other statutory dues.
- 8) According to the information and explanations provided to us, the company has not surrendered or disclosed any income in the tax assessments under Income Tax Act, 1961, hence paragraph 3(viii) of the order is not applicable.
- 9) In our opinion and according to the information and explanations are given to us,
- a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lenders during the year.
- b) The company is not declared a willful defaulter by any bank or financial institution or other lender.
- c) All the term loans were applied for the purpose for which the loans were obtained.
- d) No funds raised on short term were utilized for long term purposes.
- e) The company do not have subsidiaries, associates or joint ventures; hence this clause is not applicable.
- 10) a) The Company has not raised any money by way of an initial public offer of any instruments during the year. Accordingly, paragraph 3 (x)(a) of the order is applicable.
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures. Accordingly paragraph 3 (b) of the order is not applicable.



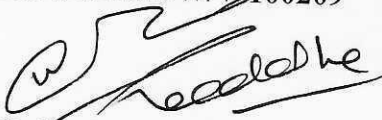
However, the company during the has issued 12.06% secured redeemable Non-Convertible Debenture as detailed in Note 12 of Financial Statements.

- 11) a) To the best of our knowledge and according to the information and explanations are given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.  
b) No report has been filed by us under 143(12) with the Central government.  
c) No whistle-blower complaints were received during the year.
- 12) The Company is not a Nidhi Company and accordingly, paragraph 3(xii) of the order is not applicable to the Company.
- 13) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 188 and 177 of The Companies Act. Where applicable, the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards and Companies Act 2013.
- 14) Based on our examination of the records of the company, the company has an internal audit system commensurate with the size and nature of its business.
- 15) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
- 16) In our opinion and according to the information and explanations given to us, The Company is registered under section 45-IA of the Reserve Bank of India Act 1934. According to the information and explanations as given to us and based on our examination of the records of the company,
  - (a) The company is registered under section 45-IA of the Reserve Bank of India Act 1934.
  - (b) The company has conducted Non-Banking Financial with a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
  - (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India; Hence, paragraph 3(xvi)(c) is not applicable.
- 17) According to the information and explanations are given to us and based on our examination of the records of the company, the company has not incurred cash losses in the financial year and immediately preceding financial year. Accordingly, paragraph 3(xvii) of the order is not applicable
- 18) There has been no change in the Statutory Auditors of the company. Accordingly, paragraph 3(xviii) of the order is not applicable.



- 19) According to the information and explanations given to us and based on our examination of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, no material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- 20) According to the information and explanations are given to us and based on our examination of the records of the company. Since the net worth, turnover and net profit are within the limits prescribed under section 135 of the Companies Act, 2013, Corporate Social Responsibility is not applicable. Accordingly, paragraph 3(xx) of the order is not applicable.
- 21) Based on our examination of the Companies (Auditor's Report) Order CARO reports for the holding/subsidiary/joint venture/associate companies is not applicable as the company does not have any holding/subsidiary/joint venture/associate companies. Accordingly, no comment has been included in respect of said clause under this report.

**For, K P S J & ASSOCIATES LLP**  
**Chartered Accountants**  
**FRN: 124845W/W100209**



**Kedar Ram Laddha**  
**(PARTNER)**  
**Membership No.: 101886**  
**UDIN: 25101886BMIEQG7930**  
**Place: AHMEDABAD**  
**Date: 28/05/2025**



**Annexure - B to the Auditors' Report to the independent auditor's report of even date to the members of FINSTARS CAPITAL LIMITED on the accounts of the company for the period ended 31th March, 2025.**

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

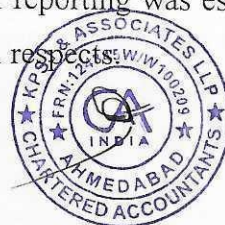
We have audited the internal financial controls over financial reporting of **FINSTARS CAPITAL LIMITED** as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended as at that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management are 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' 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, issued by ICAI and deemed to be prescribed 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 Limitations 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) 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 31st March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, K P S J & ASSOCIATES LLP**  
**Chartered Accountants**  
**FRN: 124845W/W100209**



**Kedar Ram Laddha**  
**(PARTNER)**  
**Membership No.: 101886**  
**UDIN: 25101886BMIEQG7930**  
**Place: AHMEDABAD**  
**Date: 28/05/2025**



FINSTARS CAPITAL LIMITED

701,7TH FLOOR, PINNACLE BUSINESS PARK, OPP. ROYAL ORCHID, PRAHLADNAGAR, AHMEDABAD, AHMEDABAD, GUJARAT, INDIA, 380015  
(CIN U65100GJ1989PLC112111)

Statement of Changes in Equity for the year ended 31st March, 2025 (SOCIE)

(Amount in Lacs Rs.)

A: Equity Share Capital

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	30,53,136	305.31	30,53,136	305.31
Shares Issued during the year	10,00,000	100.00	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	40,53,136	405.31	30,53,136	305.31

B: Other Equity :

Particulars	Other Equity				Total Other Equity [ a + b + c + d ]
	Retained earnings	Share Premium Capital Reserve	Statutory Reserve Net Surplus in the Reserve U/s 45IC of The RBI Act, 1934	Equity Instruments through Other Comprehensive Income	
	(a)	(b)	(c)	(d)	(e)
Balance as at 31st March, 2023	746.52	158.36	295.44	0.00	1200.33
Profit for the year ended 31 March, 24	300.01	0.00	0.00	0.00	300.01
Other comprehensive income for the year ended 31 March, 2024	0.00	0.00	0.00	0.00	0.00
Transfer to Statutory reserve	-(84.82)	0.00	84.82	0.00	0.00
Dividend Paid	0.00	0.00	0.00	0.00	0.00
Tax on Dividend Paid	0.00	0.00	0.00	0.00	0.00
Balance as at 31st March, 2024	961.70	158.36	380.27	0.00	1500.33
Profit for the year ended 31 March, 25	170.60	0.00	0.00	0.00	170.60
Other comprehensive income for the year ended 31st March, 2025	0.00	400.00	0.00	0.00	400.00
Transfer to Statutory reserve	-(65.79)	0.00	65.79	0.00	0.00
Dividend Paid	0.00	0.00	0.00	0.00	0.00
Tax on Dividend Paid	0.00	0.00	0.00	0.00	0.00
Balance as at 31st March, 2025	1066.51	558.36	446.06	0.00	2070.93

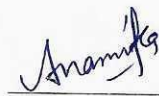
This is the Statement of Changes in Equity referred to in our report of even date.

For KPSJ & ASSOCIATES LLP  
Chartered Accountants  
FRN: 124845W/W100209



Kedar Ram Laddha  
(Partner)  
M No.101886  
Place : Ahmedabad  
Date : 28/05/2025  
UDIN: 25101886BMIEQG7930

For and on behalf of the Board of Directors  
FINSTARS CAPITAL LIMITED



Mrs. Anamika Jayoo  
(Company Secretary)  
(PAN:AOYPMS330H)  
Place : Ahmedabad  
Date : 28/05/2025



Mr. Mitesh Rajnikant  
Champaneri  
(Chief Financial  
Officer)  
(PAN:ADEPC0553F)  
Place : Ahmedabad  
Date : 28/05/2025



BARUN MORE  
(Director)  
(DIN-07505258)  
Place : Ahmedabad  
Date : 28/05/2025



SHASHI MORE  
(Director)  
(DIN-02878931)  
Place : Ahmedabad  
Date : 28/05/2025



**FINSTARS CAPITAL LIMITED**

701, 7TH FLOOR, PINNACLE BUSINESS PARK, OPP. ROYAL ORCHID, PRAHLADNAGAR, AHMEDABAD, GUJARAT, INDIA, 380015

(CIN:U65100GJ1989PLC112111)

**Statement of Assets and Liabilities for the year ended on 31st March, 2025**

(Amount in Lacs Rs.)

	Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
<b>(A)</b>	<b>ASSETS :</b>			
<b>[a]</b>	<b>Financial Assets</b>			
	(1) Cash and Cash Equivalents	(2)	5.99	15.38
	(2) Bank Balance other than Cash and Cash Equivalents above	(3)	78.60	17.03
	(3) Inventories	(4)	-	-
	(3) Trade Receivable	(5)	0.15	2.02
	(4) Loans -Advances	(6)	11863.28	10198.93
	(5) Other Financial Assets	(7)	75.10	113.63
	(6) Investments	(8)	-	-
	<b>Sub - Total : Financial Assets</b>		<b>12023.12</b>	<b>10346.99</b>
<b>[b]</b>	<b>Non Financial Assets</b>			
	1 Property , Plant & Equipments	(9)	78.86	113.39
	2 Other Non Financial Assets	(10)	106.10	42.84
	<b>Sub - Total : Non Financial Assets</b>		<b>184.96</b>	<b>156.23</b>
	<b>TOTAL ASSETS</b>		<b>12208.08</b>	<b>10503.22</b>
<b>(B)</b>	<b>LIABILITIES AND EQUITY :</b>			
<b>[a]</b>	<b>Financial Liabilities</b>			
	(1) Trade Payables	(11)	3.78	8.25
	(2) Debentures	(12)	5000.00	2500.00
	(3) Loans - Borrowings	(13)	4103.00	5757.67
	(4) Other Liabilities	(14)	309.38	229.31
	(5) Other Current Liabilities	(15)	135.57	77.06
	<b>Sub - Total : Financial Liabilities</b>		<b>9551.73</b>	<b>8572.29</b>
<b>[b]</b>	<b>Non-Financial Liabilities</b>			
	(1) Short-term provisions	(16)	180.12	110.40
	(2) Income tax Liabilities - ( Net )	(17)	-	14.90
	<b>Sub - Total : Non-Financial Liabilities</b>		<b>180.12</b>	<b>125.29</b>
<b>[c]</b>	<b>Equity</b>			
	(1) Equity Share Capital	(18)	405.31	305.31
	(2) Other Equity	(19)	2070.92	1500.33
	<b>Sub - Total : Shareholders' Funds</b>		<b>2476.23</b>	<b>1805.65</b>
	<b>TOTAL- EQUITY AND LIABILITIES</b>		<b>12208.08</b>	<b>10503.22</b>
	Summary of significant accounting policies followed by the Company. See accompanying notes forming part of the financial statements	(1)		

In terms of our report attached.

For KPSJ & ASSOCIATES LLP  
Chartered Accountants  
FRN: 124845W/W100209

For and on behalf of the Board of Directors  
FINSTARS CAPITAL LIMITED



*[Signature]*  
Kedar Ram Laddha  
(Partner)  
M No.101886  
Place : Ahmedabad  
Date : 28/05/2025  
UDIN:25101886BMIEQG7930

*[Signature]*  
Mrs. Anamika Jajoo

(Company Secretary)  
(PAN:AOYPM8330H)  
Place : Ahmedabad  
Date : 28/05/2025

*[Signature]*  
Mr. Mitesh Rajnikant Champaneri

(Chief Financial Officer)  
(PAN:ADEPC0553F)  
Place : Ahmedabad  
Date : 28/05/2025

*[Signature]*  
BARUN MORE

(Director)  
(DIN-07505258)  
Place : Ahmedabad  
Date : 28/05/2025

*[Signature]*  
NISHA MORE

(Director)  
(DIN-02878931)  
Place : Ahmedabad  
Date : 28/05/2025



**FINSTARS CAPITAL LIMITED**

701,7TH FLOOR, PINNACLE BUSINESS PARK, OPP. ROYAL ORCHID, PRAHLADNAGAR, AHMEDABAD, AHMEDABAD, GUJARAT, INDIA, 380015

(CIN:U65100GJ1989PLC112111)

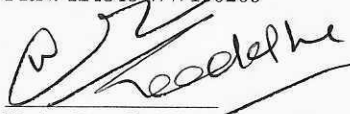
**Statement of Profit and Loss for the year ended on 31st March,2025**

(Amount in Lacs Rs. )


	Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
			Rs.	Rs.
<b>1</b>	Revenue from operations			
	Net Sales / Income from Operation	(20)	1683.68	1497.38
	Other Income	(21)	192.23	326.81
	<b>Sub - Total : Total Income from Operations</b>		<b>1875.92</b>	<b>1824.19</b>
<b>2</b>	Expenses			
	Employee Benefits Expenses	(22)	356.42	446.61
	Depreciation and Amortisation Expenses	(9)	34.63	52.55
	Financial Expenses	(23)	814.72	597.23
	Direct Expenses	(24)	100.39	100.84
	Other Expenses ( Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	(25)	240.80	202.84
	<b>Sub - Total : Expenses</b>		<b>1546.95</b>	<b>1400.08</b>
<b>3</b>	Profit / (Loss) before Provision & Tax (1 - 2)		328.97	424.12
	Provision for Standard Assets(Exp)		4.77	5.71
	Provision for NPA Assets(Exp)		68.22	6.20
	<b>Total : Provision</b>		<b>72.99</b>	<b>11.90</b>
<b>4</b>	Profit / (Loss) before Tax		255.98	412.22
	Current tax expense for current year		85.00	111.50
	Provision for Deferred tax		-	-
	Prior Period Tax Adjustment		0.38	0.71
	<b>Sub - Total : Tax Expenses</b>		<b>85.38</b>	<b>112.21</b>
<b>4</b>	Profit / (Loss) After Tax		170.60	300.01
<b>5</b>	Other Comprehensive Income			
	a Items that will not be reclassified subsequently to profit			
	1.Items that will not be reclassified subsequently to profit			
	2. Equity instruments through other comprehensive			
	b Items that will be reclassified subsequently to profit or			
	1.Fair value changes on derivatives designated as cash			
	2.Fair value changes on investments, net			
	3.Defined benefit recognised in comprehensive income			
	<b>Total Other Comprehensive Income ( Loss), Net of Tax</b>			
<b>6</b>	<b>Total Comprehensive Income</b>		<b>170.60</b>	<b>300.01</b>
<b>7</b>	Earnings per Equity share (Face value Rs.10/-each)			
	a Basic Earnings per share Rs.		4.38	9.83
	b Diluted Earnings per share Rs.		4.38	9.83
	Summary of significant accounting policies followed by the Company. See accompanying notes forming part of the financial statements	(1)		


In terms of our report attached.

For KPSJ & ASSOCIATES LLP  
Chartered Accountants  
FRN: 124845W/W100209


  
Kedar Ram Laddha  
(Partner)  
M No.101886  
Place : Ahmedabad  
Date : 28/05/2025  
UDIN:25101886BMIEQG7930

For and on behalf of the Board of Directors  
FINSTARS CAPITAL LIMITED

  
Mrs. Anamika Jajoo  
(Company Secretary)  
(PAN:AOPYMS830H)  
Place : Ahmedabad  
Date : 28/05/2025

  
Mr. Mitesh Rajnikant Champaneri  
(Chief Financial Officer)  
(PAN:ADEPC0558F)  
Place : Ahmedabad  
Date : 28/05/2025

  
BARUN MORE  
(Director)  
(DIN-07505256)  
Place : Ahmedabad  
Date : 28/05/2025

  
NISHA MORE  
(Director)  
(DIN-02878981)  
Place : Ahmedabad  
Date : 28/05/2025



FINSTARS CAPITAL LIMITED

701, 7TH FLOOR, PINNACLE BUSINESS PARK, OPP. ROYAL ORCHID, PRAHLADNAGAR, AHMEDABAD, AHMEDABAD, GUJARAT, INDIA, 380015

(CIN:U65100GJ1989PLC112111)

Cash Flow Statement for the year ended 31st March,2025

(Amount in Lacs Rs.)

Particulars	Year ended 31st March,2025	Year ended March 31,2024
<b>A Cash Flows From Operating Activities</b>		
Net Profit before Tax	328.97	424.11
Adjustments for :		
Depreciation & Amortiation	34.63	52.55
Financial cost	814.72	597.23
Interest Income	-(23.44)	-(8.76)
Dividend Income	-	0.00
Short Term Capital Gain on Sale Of Investment	-(0.93)	-(1.80)
Short Term Capital Gain on Sale of Assets	0.05	-
Operating Profit before Working Capital Changes	1153.99	1063.34
<u>Movement in Working Capital :</u>		
(Increase)/Decrease in Loan - Advances	-(1664.35)	-(4970.37)
(Increase)/Decrease in Other Financial Assets	38.54	-(52.48)
(Increase)/Decrease in Investments	-	-
(Increase)/Decrease in Trade Receivable	1.87	-(1.84)
Increase/(Decrease) in Trade Payables	-(4.47)	-(3.23)
Increase/(Decrease) in Other Current Liabilities	58.51	18.02
(Increase)/Decrease in Other Non Financial Assets	4.20	-(10.88)
Increase/(Decrease) in Other Liabilities	80.07	174.32
Increase/(Decrease) in Short Term Provisions	-(3.27)	1.61
Cash generated from/(used in) operations	-(334.91)	-(3781.52)
Direct taxes paid	-(168.55)	-(107.38)
Net cash flow from/(used in) operating activities	(A) - (503.46)	-(3888.90)
<b>B Cash Flows From Investments Activities</b>		
Purchase Of Fixed Assets	0.37	-(38.65)
Sale of Investment	4.60	5.86
Purchase of Investment	-(3.67)	-
Sale Of Fixed Assets	0.29	-
Dividend Income	-	0.00
Interest Received	23.44	8.76
Net cash flow from/(used in) investing activities	(B) 25.03	-(24.03)
<b>C Cash Flows From Financing Activities</b>		
Proceeds from increase of Share Capital	500.00	-
Proceeds from Borrowings	-(1654.67)	4156.74
Proceeds from issue of debenture	2500.00	-
Finance Cost	-(814.72)	-(597.23)
Net cash generated/ (used in) financing activities	(C) 530.61	3559.50
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 52.18	-(353.43)
Cash and cash equivalents at beginning of the year	32.41	385.83
<b>Cash and cash equivalents at end of the year</b>	84.59	32.41

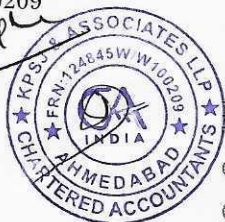
Notes:

- (i) The cash flow statement has been prepared under indirect method as set out in Accounting Standard -3 "Cash Flow Statement" specified u/s 133 of The Companies Act 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.
- (ii) Figures in brackets represent outflows. Previous year figures have been recast/restated wherever necessary. As per our report of even date

For KPSJ & ASSOCIATES LLP  
Chartered Accountants  
FRN: 124845W/W100209

For and on behalf of the Board of Directors  
FINSTARS CAPITAL LIMITED

Kedar Ram Laddha  
(Partner)  
M No.101886  
Place : Ahmedabad.  
Date : 28/05/2025  
UDIN:25101886BMIEQG7930



Mrs. Anamika Jajoo  
(Company Secretary)  
(PAN:AOPYM8330H)  
Place : Ahmedabad  
Date : 28/05/2025

Mr. Mitesh Rajnikant Champaneri  
(Chief Financial Officer)  
(PAN:ADEPC0553F)  
Place : Ahmedabad  
Date : 28/05/2025

BARUN MORE  
(Director)  
(DIN-07505258)  
Place : Ahmedabad  
Date : 28/05/2025

NEHA MORE  
(Director)  
(DIN-02878931)  
Place : Ahmedabad  
Date : 28/05/2025



**NOTE: 1 NOTES ON ACCOUNTS**

**Corporate Information:**

Finstars Capital Limited is incorporated in India on 17-02-1989 having CIN: U65100GJ1989PLC112111. The registered office of the company is located at 701, 7th Floor, Pinnacle Business Park, Opp Royal Orchid, Corporate Road, Prahaladnagar, Auda Garden, Ahmadabad 380015. The Company is engaged in activities of loan financing and treasury business.

**Significant accounting policies**

**A Basis of accounting and preparation of financial statements:**

These financial statements have been prepared by the Company in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standard) Rules, 2015 as amended by the Companies(Indian Accounting Standards) Amendment Rules, 2016 (as amended), the provisions of the Act (to the extent notified and applicable) and other applicable guidelines issued by the RBI and guidelines issued by the Securities and Exchange Board of India (SEBI). These financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

**B Use of estimates:**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.



**C Tangible Fixed Assets:**

Fixed assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

**D Depreciation & Amortization:**

Depreciation has been provided on the Basis of Useful Life of the Asset as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to assets during the year is provided on pro-rata basis.

**E Borrowing cost:**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

**F Impairment of Property, Plant and Equipment and Intangible Assets:**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer



exists or may have decreased such reversal of impairment loss is recognized in the statement of profit & Loss account.

**G Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investment are made, are classified as current investments. All other investments are classified as long-term investments.

**H Valuation of Inventories:**

The Company is involved in the business of rendering services. Therefore, there is no such Inventories.

**I Revenue recognition:**

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

- a) Revenue from sale is recognized at the time of confirmation of loan disbursement. All interest income is accounted on accrual basis, additional overdue interest/ penal charges etc., if any, are recognized only when it is reasonably certain that the ultimate collection will be made.
- b) Other Interest income is recognized on a time proportion basis, taking into account the amount outstanding and the rate applicable. Interest income is not booked on NPA account.
- c) Any other item of revenue is recognized on accrual basis, when there is certainty in the ultimate realization/collection, unless otherwise specifically mentioned.

**J Foreign currency transactions and balances**

Expenditure and Earning in Foreign currency transactions are NIL.



**K Employee benefits:**

Gratuity and leave encashment to Employee are Charged to Profit and Loss Account, on the basis of Actual payment, on a year-to-year basis.

**L Earnings per share:**

The Company reports basic and diluted Earnings per share (EPS) in accordance with IND AS 33 issued by the council of Institute of Chartered Accountants of India. Basic EPS is computed by dividing the net profit or loss for the year by weighted average number of Equity Shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are in anti-dilutive.

**M Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961

Deferred tax is recognized, subject to the consideration of prudence, on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are recognized only when there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets were recognized on the basis of virtual certainty explained by the management.

**N Provisions and contingencies:**

A provision is recognized when the Company has a present obligation as a result of past events and 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date.

A disclosure for a contingent liability is made when there is a possible



obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow or resources is remote, no provisions or disclosure is made.

No provision has been made for liabilities which are contingent in nature but if material, these are disclosed by way of note.

**O Policy on write off of loan assets**

Financial assets are fully provided for or written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in statement of profit or loss on actual realization from customer.

**P Additional Regulatory Information**

- The Company Has No Transactions with Companies, struck off under section 248 of the Companies Act 2013
- The Company has not disclosed or surrendered any income during the year in the Income tax assessments.
- All The Title Deeds of Immovable Property Are in The Name of The Company
- No Loans and Advances in the nature of loan have Been Granted to related parties or promoters
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The provisions of section 135 (Corporate Social Responsibility) of the Companies Act,2013 are not applicable to the company
- The Company has not revalued its fixed assets during the year.
- The Company does not have any intangible assets under development.



FINSTARS CAPITAL LIMITED

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- No proceedings have been initiated against the company for holding any Benami property.
- The Company is not declared a wilful Defaulter by any bank or financial institution.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not made investment in any company beyond the number of layers of company permitted.
- The Company has not advanced any loan or provided any guarantee or security to any person for the purpose of investing or granting loan to any other person (ultimate beneficiary)
- The Company has no Capital work in progress at the year end.
- The company, in respect of financial years commencing from 1st April 2024, has used such accounting software for maintaining its books of account which has a feature of recording Audit trail (edit log) facility and the same has not been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.
- Balances of Debtors, Creditors and unsecured Loans & advances are subject to confirmation / reconciliation.
- Cash Balances is taken, valued and certified by the management.
- Income from treasury operations is shown at net off.
- Figures have been rounded off to nearest multiple of rupee.
- Previous year's figures have been regrouped and reclassification wherever necessary to correspond with the current year's classification/disclosure.



**FINSTARS CAPITAL LIMITED**

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(CIN:U65100GJ1989PLC112111)

NOTES FORMING PARTS OF BALANCE SHEET FOR THE YEAR ENDED ON 31ST MARCH 2025.

(Amount In Lacs Rs. )

	As at 31st March, 2025	As at 31st March, 2024
	Amount	Amount

**Note 2 : Cash and Cash Equivalents**

Cash on hand		
	5.99	15.38
<b>Total</b>	<b>5.99</b>	<b>15.38</b>

**Note 3 : Bank Balance other than Cash and Cash Equivalents above**

Balances with banks		
	78.60	17.03
<b>Total</b>	<b>78.60</b>	<b>17.03</b>

**Note 4 : Inventories**

Closing Stock		
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 5 : Trade Receivable**

Unsecured		
Undisputed Trade receivables – considered good		
Trade Receivable Less than 6 months		2.02
Trade Receivable between 6 months - 1 Year	0.15	
Trade Receivable between 1 Year- 2 years	-	
Trade Receivable between 2 Year- 3 years	-	
Trade Receivable more than 3 years	-	
Secured		
Unbilled Dues		
Trade Receivable - Related parties		
	-	
<b>Total</b>	<b>0.15</b>	<b>2.02</b>

**Note 6 : Loans - Advances**

<b>Loan to Borrowers</b>		
Loan to Borrowers [ Long Term ]*		
Loan to Borrowers [ Short Term ]	11926.28	4729.32
Provision for Interest Income earned on advances	-	5401.99
<b>Total</b>	<b>72.27</b>	<b>132.17</b>
Less : Interest reversed on NPA A/c.	11998.55	10263.49
Less : Cheque Return Charges Not Received	-(112.71)	-(44.88)
Included NPA of Rs.224.90 Lacs (24.94 Lacs)	-(22.56)	-(19.67)
<b>Total</b>	<b>11863.28</b>	<b>10198.93</b>

\*During the financial year, the Company has undertaken securitization transactions by way of Direct Assignment (DA) of its loan portfolio, in accordance with the applicable guidelines issued by the Reserve Bank of India (RBI) under the Master Direction - Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021.

**Note 7 : Other Financial Assets**

Long Term		
Trade Deposits : Unsecured Considerable Good		
Deposit: FDR (At Cost)		
Security Deposit - Other Advances Unsecured and Considered Good	73.47	111.28
	1.63	2.36
<b>Total</b>	<b>75.10</b>	<b>113.63</b>

**Note 8 : Investments**

Long Term		
Trade Investment : Unsecured Considerable Good (At Cost)		
Investment_Equity : Quoted FMV Rs. 0.0 Lacs	-	-
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 10 : Other Current Assets**

Prepaid Expenses		
Balance with Govt. Authority	5.35	4.17
Advances to Sundry Creditors	-	0.01
Other Advances	0.89	0.92
Income Tax Refund	32.39	37.73
	67.47	-
<b>Total</b>	<b>106.10</b>	<b>42.84</b>

**Related Party Transaction as informed by the management**

Directors *		
Other officers of the Company *	12.50	15.00
Firm in which director is a partner *	-	-
Subsidiary Company	-	-
Private Company in which director is a member	-	-
	-	-
<b>Total</b>	<b>12.50</b>	<b>15.00</b>

\*Either severally or jointly



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**Note 09 : Property, Plant & Equipments**

( i ) Tangible Assets : Fixed Assets

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening Balance	Addition	(Deletion)	As on 31/03/2025	Opening Balance	During the Period	Deduction	As on 31/03/2025	As on 31/03/2025	As on 31/03/2024
	Property Shop A/c.	9.78	-	-	9.78	-	-	-	-	9.78
Data Processing Equipment	64.44	0.21	-	64.66	43.52	11.71	-	55.23	9.43	20.93
Vehicles	62.44	-	-	62.44	35.04	8.51	-	43.55	18.89	27.41
Office Equipments	49.76	0.05	-	49.81	24.91	6.55	-	31.46	18.35	24.85
Office Furniture	57.63	0.11	0.58	57.17	27.20	7.86	0.31	34.75	22.41	30.43
<b>TOTAL RS. ....</b>	<b>244.06</b>	<b>0.37</b>	<b>0.58</b>	<b>243.85</b>	<b>130.66</b>	<b>34.63</b>	<b>0.31</b>	<b>164.99</b>	<b>78.86</b>	<b>113.39</b>

( ii ) Intangible Assets : NIL

( iii ) Capital Work in Progress : NIL



## FINSTARS CAPITAL LIMITED

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(CIN:U65100GJ1989PLC112111)

NOTES FORMING PARTS OF BALANCE SHEET FOR THE YEAR ENDED ON 31ST MARCH 2025.

### Note 11: Trade Payables

Trade Payable Less than 1 Year		
Total outstanding dues of micro enterprises and small enterprises : Undisputed , Billed		
Creditors for Goods		
Creditors for Services	-	-
Total outstanding dues other than micro enterprises and small enterprises : Undisputed ,		
Creditors for Goods	-	-
Creditors for Services:*	-	-
*Trade Payable less than 6 months		
Trade Payable Between than 6 months -1 Year	3.78	8.25
Trade Payable Between than 1 -2 Years	-	-
Trade Payable Between than 2 -3 Years	-	-
Trade Payable more than 3 Years	-	-
Trade Payable : Unbilled Dues	-	-
Trade Payable in Foreign Currency	-	-
<b>Total</b>	<b>3.78</b>	<b>8.25</b>

### Note 12: Debentures

<b>Secured</b>		
150 ( 12.06% p.a.) Secured Redeemable Non- Convertible Redeemable Debenture of Rs. 10 Lacs each	1500.00	1500.00
100 ( 12.06% p.a.) Secured Redeemable Non- Convertible Redeemable Debenture of Rs. 10 Lacs each	1000.00	1000.00
1500( 12.06% p.a.) Secured Redeemable Non- Convertible Redeemable Debenture of Rs. 1 Lakh each	1500.00	-
1000( 12.06% p.a.) Secured Redeemable Non- Convertible Redeemable Debenture of Rs. 1 lakh each	1000.00	-
<b>Total</b>	<b>5000.00</b>	<b>2500.00</b>

#### Terms & Conditions of Debentures :-

The Company has made Series 1-2022-23\_ A of allotment of 12.06% secured redeemable Non Convertible Debenture 100 on 13/10/ 2022 annually interest payable , which will be redeemed on 13/10/2025 and the second Series 2-2022-23\_ B of allotment of 12.06% secured redeemable Non Convertible Debenture 150 on 13/10/ 2022 monthly interest payable , which will be redeemed on 13/10/2027 in both the cases, issued at Rs. 10 Lacs each

The Company has made Series 1-2024-25\_ A of allotment of 12.06% secured redeemable Non Convertible Debenture 1000 on 30/08/ 2024 Monthly interest payable , which will be redeemed on 30/08/2027 and the second Series 2-2024-25\_ B of allotment of 12.06% secured redeemable Non Convertible Debenture 1500 on 30/08/ 2024 monthly interest payable , which will be redeemed on 30/08/2029 in both the cases, issued at Rs. 1 Lakh each

#### Reconciliation of the number of Debentures outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	Number of Debentures	Amount	Number of Debentures	Amount
Debentures outstanding at the beginning of the year	250	2500.00	-	-
Debentures Issued during the year	2500	2500.00	-	-
Debentures redeemed during the year	-	-	250.00	2500.00
Debentures outstanding at the end of the year	2750	5000.00	250.00	2500.00

### Note 13: Loans :

<b>Secured Borrowings :</b>				
Secured Loan - Bank	Short Term	8.21		
Secured Loan - Bank	Long Term	0.00		
( Above all Four Secured loan against Car )			8.21	17.97
Secured Loan - Bank	Short Term	140.00		
Secured Loan - Bank	Long Term	331.09		
( Above Secured loan against Director personal Property & Borrowers Advances )			471.09	612.27
Secured Loan - NBFC	Short Term	160.15		
Secured Loan - NBFC	Long Term	109.18		
( Against borrowers advances )			269.33	818.64
<b>Unsecured Borrowings :</b>				
Loans: ICD	Long Term	3354.37		
<b>Total</b>			<b>3354.37</b>	<b>4308.80</b>
			<b>4103.00</b>	<b>5757.67</b>

### Note 14: Other Liabilities

Other Non-Current Financial Liabilities		309.38	229.31
<b>Total</b>		<b>309.38</b>	<b>229.31</b>



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NOTES FORMING PARTS OF BALANCE SHEET FOR THE YEAR ENDED ON 31ST MARCH 2025.

**Note 15 : Other Current Liabilities**

Creditors for Capital Goods		
Salary Payables	-	-
NCD Interest Payables	19.80	29.20
Statutory remittances	-	13.82
Other Current Liabilities	79.83	28.97
<b>Total</b>	<b>135.57</b>	<b>77.06</b>

**Note 16 : Short-term provisions**

Provision - Others:		
(i) Provision for Exp	57.37	60.64
(ii) Contigent Provision Against Standards Assets	29.38	24.60
(iii) Contigent Provision Against NPA	93.37	25.15
<b>Total</b>	<b>180.12</b>	<b>110.40</b>

**Note 17 : Income tax Liabilities - (Net)**

Provision for Income Tax		
Less :	85.00	111.50
Income Tax Paid :	152.47	96.60
<b>Total *</b>	<b>-(67.47)</b>	<b>14.90</b>

\*Negative Amount has been shown as Income tax Refund under Other Current Assets (Note 10) of Balance Sheet Statement

**Note 18 : Equity Share Capital**

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>				
Equity Shares of Rs.10 each	5000000	500.00	50,00,000.00	500.00
<b>Issued</b>				
Equity Shares of Rs. 10 each fully paid-up*	4053136	405.31	30,53,136.00	305.31
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs. 10 each fully paid-up	4053136	405.31	30,53,136.00	305.31
<b>Subscribed but not fully Paid up</b>	-	-	-	-
<b>Total</b>	<b>4053136</b>	<b>405.31</b>	<b>30,53,136.00</b>	<b>305.31</b>

\*The Company has an increase in their Paid up share Capital by way of Right Issue of Equity shares of 10,00,000 Equity Shares at a Right Issue price of Rs.50 (Face value of Rs.10/- each with Securities premium of Rs.40/- each).

**Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	3053136	305.31	30,53,136.00	305.31
Shares Issued during the year	1000000	100.00	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4053136	405.31	30,53,136.00	305.31



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NOTES FORMING PARTS OF BALANCE SHEET FOR THE YEAR ENDED ON 31ST MARCH 2025.

*Shares in the company held by each shareholder holding more than 5 percent shares*

Name of Shareholder	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Barun more	2431900	60%	18,31,900.00	60.00%
Nisha more	1621186	40%	12,21,186.00	40.00%
<b>Total</b>	<b>4053086</b>	<b>100%</b>	<b>30,53,086.00</b>	<b>100.00%</b>

*Shareholding of Promoters*

Promoters Name	As at 31st March, 2025		
	Number of shares held	% total shares	% Change during the year
<b>Equity shares with voting rights</b>			
Barun more	2431900	60.00%	0.00
Nisha more	1621186	40.00%	0.00

*Shareholding of Promoters*

Promoters Name	As at year ended 31st March, 2024		
	Number of shares held	% total shares	% Change during the year
<b>Equity shares with voting rights</b>			
Barun more	1831900	60.00%	0.00
Nisha more	1221186	40.00%	0.00

*Note 19: Other Equity:*

<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance		
Add: Profit / (Loss) during the year	961.70	746.52
Less: Transfer to Special Reserve	170.60	300.01
Balance as at the end of the year	-(65.79)	-(84.82)
	1066.51	961.70
<b>Securities Premium Account</b>		
Opening balance		
Add: On issue of Equity share during the year	158.36	158.36
Less: Expenses on increased of authorised capital	400.00	-
Balance as at the end of the year	-	-
	558.36	158.36
<b>Net Surplus in the Reserve U/s 45IC of The RBI Act, 1934</b>		
Opening balance		
Add: Transfer from Profit & loss Account	380.27	295.44
Balance as at the end of the year	65.79	84.82
	446.06	380.27
<b>Total</b>	<b>2070.92</b>	<b>1500.33</b>



**FINSTARS CAPITAL LIMITED**

701, 7TH FLOOR, PINNACLE BUSINESS PARK, OPP. ROYAL ORCHID, PRAHLADNAGAR, AHMEDABAD, AHMEDABAD,  
GUJARAT, INDIA, 380015  
(CIN:UG5100GJ1989PLC112111)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS ( PROFIT & LOSS ITEMS )

(Amount In Lacs Rs. )

As at 31st March, 2025	As at 31st March, 2024
Amount	Amount

**Note 20 : Net Sales / Income from Operation**

Income from operation	1611.57	1337.85
Other Business Income	72.11	159.54
<b>Total</b>	<b>1683.68</b>	<b>1497.38</b>

**Note 21: Other Income**

Revenue from Treasury Operation	167.86	316.25
Short Term Profit On Share	0.93	1.80
Dividend Income	-	0.00
Interest On Bond	16.85	4.12
Interest on FD	6.59	4.64
<b>Total</b>	<b>192.23</b>	<b>326.81</b>

**Note 22 : Employee Benefits Expenses**

<b>Salaries and wages &amp; Bonus</b>		
Arrear	0.13	0.06
HRA	52.74	80.42
Salary	143.28	187.24
Special Allowance	65.29	81.73
Statutory Bonus	1.68	3.44
Labour Welfare ( Employers )	0.00	0.05
Stipend Expenses	0.75	1.08
Director Remuneration	44.80	34.80
Director Sitting Fees	0.72	0.72
Incentive Exp (Training Exp)	22.53	18.86
Staff Welfare Exp.	5.68	10.51
EPF ( Employers )	17.63	25.69
ESIC ( Employers )	1.19	2.02
<b>Total</b>	<b>356.42</b>	<b>446.61</b>

**Note 23 : Financial Expenses**

Interest NCD	356.19	181.27
Interest On FCL NCD Yearly	120.60	120.60
Others Interest	337.93	295.36
<b>Total</b>	<b>814.72</b>	<b>597.23</b>

**Note 24 : Direct Expenses**

Brokerage & Commission Exp	28.01	10.79
Brokerage / Commission Exp ( Loan )	-	10.67
Credit Rating And Reporting Services	4.42	6.44
Legal Expense On Loan	9.54	3.04
Legal Technical Fees	19.49	28.94
Professional Fees / Loan	38.93	40.95
<b>Total</b>	<b>100.39</b>	<b>100.84</b>



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Note 25: Other Expenses

Audit Fee	0.40	0.40
Advertisement Charge	0.42	0.67
AMC charges	11.16	9.21
Account Charges	0.14	0.16
Bank charges	10.16	3.66
Annual Custody Fees	0.75	0.75
Computer Spare Part	0.04	0.09
Petrol Expense	2.12	3.02
Staff Conveyance Exps	15.76	8.60
Electric Charges	14.32	11.42
File Storage Charges	0.00	0.00
Digital Scanning Charges	1.28	1.37
Maintenance Box Charges	1.77	1.61
Insurance expenses	1.38	1.83
Other GST Exps	11.59	8.53
Office Expenses	44.35	44.32
Professional & Consultancy Fees	20.53	11.54
Business Pramotion Exp.	0.50	1.17
Property Tax	1.68	1.85
Rent Exps	9.10	13.36
Repairing & Maintenance Exp	-	0.27
Stationary & Printing Exps	3.15	6.74
Training Exp	0.12	0.00
Telephone & Mobile Exps	4.15	4.26
Internet Exp.	1.59	1.71
Traveling Exps	15.81	29.58
Vehicle Exp	2.64	1.03
Write off (Loan Account)	65.89	35.68
Total	240.80	202.84
<u>Payment to Auditors - Detail</u>		
(i) Payments to the auditors comprises (net of GST input credit, where applicable):		
As auditors - statutory audit	0.40	0.40
As auditors - Other Certificate fee	1.01	1.33
Total	1.41	1.73



Note 26: Financial Ratio

Sr. No.	Ratio	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024	% Variance	Reason for variance
1	Current ratio	Current Assets	Current Liabilities	1.26	2.05	-79%	Due To Increase in Advances
2	Debt equity ratio	Total Debt	Shareholder's Equity	3.68	2.72	95%	Due To Increased in Loans
3	Debt service coverage ratio	Net Profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Interest & Lease Payments + Principal Repayments	1.45	2.26	-81%	Due To Increase in Interest Payments
4	Return on Equity	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	0.42	0.77	-35%	Due To Decrease in Profit
5	Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory (Opening + Closing balance / 2)	0.00	0.00	0%	
6	Trader receivable turnover ratio	Net Credit Sales (gross credit sales minus sales return)	Average Accounts Receivable (Opening + Closing balance / 2)	15.26%	44.16%	-29%	Due to Increase of Receivable.
7	Trade payable turnover ratio	Net Credit Purchases (gross credit purchases minus purchase return)	Average Working Capital	N.A.	N.A.	N.A.	
8	Net capital turnover ratio	Net Sales (total sales minus sales returns)	Average Working Capital	0.79	0.50	29%	Due to increase in Sales and Working Capital
9	Net profit ratio	Net Profit	Net Sales	0.15	0.27	-12%	
10	Return on capital employed	Earning before interest and taxes	Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	0.09	0.12	-3%	
11	Return on investment	Return	Investment	0.07	0.16	-9%	



**Note 27:**

Related Party Disclosures

A. Where Control Exists

Name of the Party	Nature of Relation
Note : There is no transaction with related party , where control is exist	

B. Name Of Related Parties And Description Of Relationship, Where Transaction Have Taken Place During The Year:

:- Key Management Personnel

Barun More	Director
Nisha More	Director
Ashishkumar Pancholi	Independent Director
Umang Kumar Thakkar	Independent Director
Mitesh Champaneri	CFO
Miteshan Bindusagar Agrawal	Director
Anamika Jajoo	Company Secretary

:- Enterprises On Which Key Management Personnel And Their Relative Have Significant Influence

Name of the Party	Nature of Relation
Sunrise Gilts & Securities Private Limited	Barun More is the director in the Company

C. Disclosures For Transactions With Related Parties During The Year.

(Amount in lacs Rs.)

Nature of Transactions	Enterprise on which Control Exists.	Key Management Personnel.	Enterprises on which Key Management personnel and their Relatives have significant influence.	Total
Sitting Fees				
Interest Expenses	0.00	0.72	0.00	0.72
Interest Income	0.00	0.00	0.83	0.83
Loan taken and paid	0.00	0.00	10.57	10.57
Expenses incurred	0.00	0.00	18729.90	18729.90
Remuneration	0.00	19.96	0.00	19.96
	0.00	54.61	0.00	54.61

D. Disclosures For Balance Outstanding With Related Parties

(Amount in lacs Rs.)

Nature of Transactions	Enterprise on which Control Exists.	Key Management Personnel.	Enterprises on which Key Management personnel and their Relatives have significant influence.	Total
Advance Given	0.00	12.50	0.00	12.50

**Note 28:**

The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium enterprises Development Act, 2006 and hence disclosure, if any, relating to the amount un-paid as the end of year together with interest paid/ payable as required under the said Act have not been furnished.

**Note 29:**

Expenditure In Foreign Currency (Accrual Basis) : NIL  
Earning in foreign Currency : NIL

**Note 30:**

GST Payable and Receivable booked on the basis of CGST, SGST and IGST act and all working done as per respective act and also follow the requirement of the act. GST Balance is Subject to the reconciliation of Annual GST Return.

**Note 31:**

Previous year's figures have been regrouped and reclassification wherever necessary to correspond with the current year's classification/ disclosure.

As per our report of even date attached  
For KPSJ & ASSOCIATES LLP  
Chartered Accountants  
FRN: 124845WAV100209

For and on behalf of the Board of Directors  
FINSTARS CAPITAL LIMITED

Kedar Ram Laddha  
(Partner)  
M No.101886  
Place : Ahmedabad  
Date : 28/05/2025  
UDIN: 25101886BMEIQG7930



Mrs. Anamika Jajoo  
(Company Secretary)  
(PAN:AOYPMS330H)  
Place : Ahmedabad  
Date : 28/05/2025

Mr. Mitesh Rajukant Champaneri  
(Chief Financial Officer)  
(PAN:ADEPC0553F)  
Place : Ahmedabad  
Date : 28/05/2025

BARUN MORE  
(Director)  
(DIN-07506258)  
Place : Ahmedabad  
Date : 28/05/2025

NISHA MORE  
(Director)  
(DIN-02878931)  
Place : Ahmedabad  
Date : 28/05/2025

