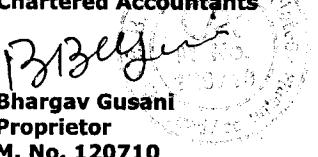


Karnavati Finance Limited
CIN NO.L65910MH1984PLC034724
Statement of Cash Flows
For the Year Ending 31st March 2025
(Amount ₹ in lakhs, unless otherwise mentioned)

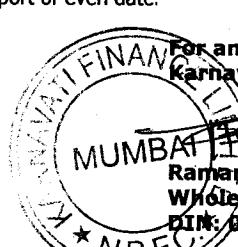
PARTICULAR	31st March 2025	31st March 2024
A. Cash Flow from Operating Activities		
Net Profit Before Taxation	(167.94)	(157.38)
<u>Adjustment For :</u>		
Audit Fees	0.10	0.34
Depreciation		-
Reversal of NPA Provision		-
Written Off		-
NPA Provision	174.52	209.43
General Provision on Standard Assets		(0.42)
Finance Cost	115.20	157.09
Operating Profit before change in Working Capital	121.87	209.06
Movement in Working Capital		
Decrease/-Increase in Loan Advance	524.02	(505.23)
Decrease/-Increase in Inventory	1.88	(0.03)
Decrease/-Increase in Trade Receivable		-
Decrease/-Increase in Other Current Assets	(1.04)	3.30
-Decrease/Increase in Current Liabilities	(89.15)	31.65
-Decrease/Increase in Other Current Liabilities	(4.46)	(1.11)
-Decrease/Increase in Provision	(5.11)	
Movement in Working Capital	426.15	(471.42)
Net Cash Generation From Operation	548.01	(262.36)
Direct Tax Paid		(17.07)
Net Cash From Operating Activities	548.01	(279.43)
Cash Flow From Investing Activities		
-Purchase/Sale of Fixed Assets		-
Net Cash Flow from Investing Activities		
Cash Flow from Financial Activities		
-Decrease/Increase in Long Term Borrowings	(445.14)	282.00
Decrease/-Increase in Long Term Advances		
Finance Cost	(115.20)	(157.09)
Issue of Share Capital		
Net Cash From Financial Activities	(560.34)	124.92
Net Increase/Decrease in Cash & Cash Equivalent	(12.34)	(154.52)
Cash at the Beginning of Year	14.30	168.82
Cash at the End of Year	1.96	14.30

This is the Cash Flow Statement referred to in our report of even date.

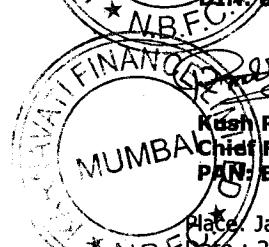
For B B Gusani & Associates
Chartered Accountants

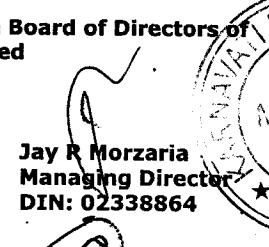

Bhargav Gusani
Proprietor
M. No. 120710
FRN: 0140875W
Place: Jamnagar
Date : 29th May 2025

For and on behalf of the Board of Directors of
Karnavati Finance Limited


Raman P Morzaria
Whole Time Director
DIN: 00203310


Jay R Morzaria
Managing Director
DIN: 02338864


Kash R Morzaria
Chief Financial Officer
PAN: BAJPM1377E


Akanksha Rai
Company Secretary
PAN: BFZPR9132P

Place: Jamnagar
Date : 29th May 2025

Place: Jamnagar
Date : 29th May 2025

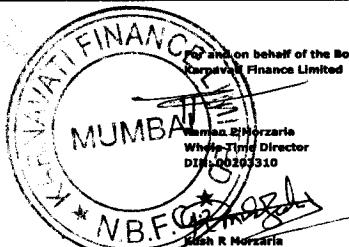
Karnavati Finance Limited
 CIN NO.L45910MH1984PLC034724
 STATEMENT OF CHANGES IN EQUITY AS ON 31st March,2025
 (Amount in lakhs, unless otherwise mentioned)
 NOTE No.16 Equity Share Capital

Particulars	Number of Shares	Amount
As at April 01, 2023	100,500,000	1,005.00
Issue of shares during the year		
Equity Shares have been subdivided to face Value of Rs. 1 from Face Value of Rs. 10 on 24th February 2023		
Equity Shares of Rs 1 each issued subscribed and fully paid up		
As at March 31, 2024	100,500,000	1,005.00
Issue of shares during the year 2024-25		
As at March 31, 2025	100,500,000	1,005.00

Note No. 17 Other Equity

Particulars	Reserves and Surplus				Other Comprehensive Income	Total Other Equity
	Securities premium	Retained Earnings	General Reserve	Reserve fund as per RBI Act		
Balance as at 31st March 2023	101.40	195.44	0.15	55.59	-	352.58
Changes in accounting policy/ prior period errors					-	-
Restated Balance at the beginning of the reporting period						
Profit after tax		(166.81)			(166.81)	
Other Comprehensive Income (Net of tax)					-	-
Act.1934					-	-
Any other changes (to be specified)					-	-
Balance as at 31st March 2024	101.40	28.63	0.15	55.59	-	185.77
Changes in accounting policy/ prior period errors					-	-
Restated Balance at the beginning of the reporting period						
Profit after tax		(168.06)			(168.06)	
Other Comprehensive Income (Net of tax)					-	-
Act.1934					-	-
Any other changes (to be specified)					-	-
Balance as at 31st March 2025	101.40	(139.43)	0.15	55.59	-	17.71

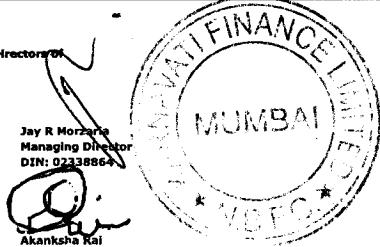
For B B Gusenl & Associates
 Chartered Accountants
 Proprietor
 M. No. 120710
 FRN: 0146075W
 Place: Jamnagar
 Date : 29th May 2025



On behalf of the Board of Directors of
 Karnavati Finance Limited

Warren D Morzaria
 Whole-Time Director
 DIN: 001003310

Keith R Morzaria
 Chief Financial Officer
 PAN: B4JPM1377E
 Place: Jamnagar
 Date : 29th May 2025



Jay R Morzaria
 Managing Director
 DIN: 02338864

Akanksha Kal
 Company Secretary
 PAN: BFZPR9132P
 Place: Jamnagar
 Date : 29th May 2025



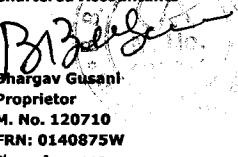
Karnavati Finance Limited
CIN NO.L65910MH1984PLC034724
BALANCE SHEET AS ON 31 March 2025
(Amount ₹ in lakhs, unless otherwise mentioned)

Particulars	Note No.	AS AT 31 March 2025	AS AT 31 March 2024
		1	2
I. ASSETS			
1 Financial Assets			
a Cash and cash equivalents	3	1.96	14.30
b Bank Balances other than cash and cash equivalents	4		-
c Receivables	5		
(i) Trade receivables			
(ii) Other receivables			
d Loans	6	2,132.02	
e Investments	7	15.20	
f Other Financial assets			9.56
2 Non Financial Assets			
a Inventories	8		1.88
b Current tax assets (net)			
c Deferred tax assets (net)			
d Property, plant and equipment	9	0.86	0.98
e Intangible assets		0.55	0.56
f Other non - financial assets	10	10.60	15.20
TOTAL		2,161.19	2,873.11
II. LIABILITIES AND EQUITY			
1 Liabilities			
A Financial liabilities			
a Payables	11		
(I) Trade payables			
(i) Total Outstanding dues of micro enterprises and small enterprises			
(ii) Total Outstanding dues of creditor other than micro enterprises and small enterprises			
(II) Other payables			
(i) Total Outstanding dues of micro enterprises and small enterprises			
(ii) Total Outstanding dues of creditor other than micro enterprises and small enterprises			
b Debt Securities			
c Borrowings (other than debt securities)	12		
d Deposits			
e Subordinate debts			
f Other Financial Liabilities	13	1,109.46	1,554.61
b Non - financial liabilities			
Current tax liabilities (net)			
Provisions	14	9.19	
Other non - financial liabilities	15		16.92
2 Equity			4.46
Equity Share Capital	16	1,005.00	
Other Equity	17	17.71	1,190.77
TOTAL		2,161.19	2,873.11
		0.00	0.00

The Schedules referred to herein above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For B B Gusani & Associates
Chartered Accountants


Bhargav Gusani,
Proprietor
M. No. 120710
FRN: 0140875W
Place: Jamnagar
Date : 29th May 2025

For and on behalf of the Board of Directors of
Karnavati Finance Limited

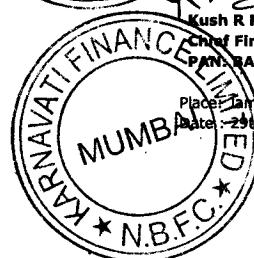

Salman P Morzaria
Whole Time Director
DIN: 00203310


Jay R Morzaria
Managing Director
DIN: 02338864


Kush R Morzaria
Chief Financial Officer
PAN: BAJPM1377E


Akanksha Rai
Company Secretary
PAN: BFZPR9132P

Place: Jamnagar
Date : 29th May 2025

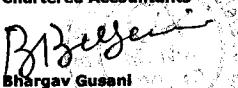


Karnavati Finance Limited
CIN NO.L65910MH1984PLC034724
PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31 March 2025
(Amount ₹ in lakhs, unless otherwise mentioned)

Particulars	Refer Note No.	FOR THE Year ENDED 31 March 2025	FOR THE Year ENDED 31 March 2024
Revenue From Operations			
a Interest Income	18	155.35	304.10
b Fees and commission Income		1.88	
c Net gain on Fair Value Changes			
d Sale of Services			
e Sale of Products(including Excise Duty)			
f Impairment Profit			
I. Total Income From Operations		157.23	304.10
II. Other Income		0.03	0.30
III. Total Income (I + II)		157.26	304.41
Expenses:			
a Finance costs	19	115.20	157.09
b Fees and commission Expenses			
c Net Loss on Fair Value Changes			
d Purchases of Stock-in-Trade	20		
e Cost of material consumed			
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	1.88	(0.03)
f Employee benefits expense	22	17.95	71.22
g Depreciation and amortization expense	23	0.10	0.34
h Other expenses	24	190.07	233.16
IV. Total expenses		325.20	461.78
Profit before exceptional and extraordinary items and tax (III-IV)		(167.94)	(157.38)
VI. Exceptional items			
VII. Profit before extraordinary items and tax (V - VI)		(167.94)	(157.38)
VIII. Extraordinary Items			
IX. Profit before tax (VII- VIII)		(167.94)	(157.38)
X Tax expense:			
(1) Current tax			9.22
(2) Deferred tax			0.05
(3) Prior Period Income Tax written off			0.16
Profit (Loss) for the period from continuing operations (VII-VIII)		(168.06)	(166.81)
Profit/(loss) from discontinuing operations			
Tax expense of discontinuing operations			
Profit/(loss) from Discontinuing operations (after tax)			
XII Profit (Loss) for the period (XI + XII)		(168.06)	(166.81)
Other Comprehensive Income			
(A)(i) Items that will not be reclassified to profit or loss			
(ii) Income Tax on items that will not be reclassified to profit or loss			
Subtotal (A)			
(B)(i) Items that will be reclassified to profit or loss			
(ii) Income Tax on items that will be reclassified to profit or loss			
Subtotal (B)			
XIV Other Comprehensive Income (A+B)			
XV Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit and Loss and Other Comprehensive Income For the period)		(168.06)	(166.81)
XVI Earnings per equity share:			
(1) Basic		(0.17)	(0.17)
(2) Diluted		(0.17)	(0.17)

The Schedules referred to herein above form an integral part of the Profit & Loss Account.
 This is the Statement of Profit & Loss Account referred to in our report of even date.

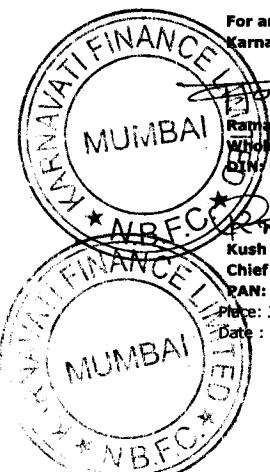
For B B Gusani & Associates
 Chartered Accountants


 Bhargav Gusani
 Proprietor
 M. No. 120710
 FRN: 0140875W
 Place: Jamnagar
 Date : 29th May 2025

For and on behalf of the Board of Directors of
 Karnavati Finance Limited


 Jay R Morzaria
 Managing Director
 DIN: 02338864

 Akanksha Rai
 Company Secretary
 PAN: BFPZPR9132P
 Place: Jamnagar
 Date : 29th May 2025


 KARNAVATI FINANCE LIMITED
 MUMBAI
 N.B.F.C.

Kush R Morzaria
 Chief Financial Officer
 PAN: BAJPM1377E
 Place: Jamnagar
 Date : 29th May 2025

Karnavati Finance Limited

CIN NO.L65910MH1984PLC034724

Notes forming part of financial statements for the period ended 31 March 2025

(Amount ₹ in lakhs, unless otherwise mentioned)

NOTE No. 3 : CASH & CASH EQUIVALENTS

3 CASH & CASH EQUIVALENTS

	AS AT 31 March 2025	AS AT 31 March 2024
Cash In Hand	0.33	1.63
Balances with Banks (of the nature of cash and cash equivalents)	1.64	12.67
TOTAL	1.96	14.30

NOTE No. 4 : BANK BALANCE OTHER THAN CASH & CASH EQUIVALENTS

4 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	AS AT 31 March 2025	AS AT 31 March 2024
Embarked Balances with Banks		
Balances with Bank to the extent held as margin money or security against the borrowings, guarantees or any other commitments		
Repatriation restrictions, if any		
TOTAL		-

NOTE No. 5 : RECEIVABLES

5 RECEIVABLES

	AS AT 31 March 2025	AS AT 31 March 2024
(A) Trade Receivables		
Considered Good - Unsecured		
Trade Receivable which have significant increase in credit risk		
Trade Receivable - credit impaired		
Others		
TOTAL		-

NOTE No. 5.1 :Classification of Trade Receivables

5 Classification of Trade Receivables

	AS AT 31 March 2025	AS AT 31 March 2024
(A) Ageing of Trade Receivables		
Less than 6 months	-	-
6 Months -1 Year		
1 yr - 2 Years		
2 yrs - 3 Years		
More than 3 Years		
(B) Considered Good - Secured		
Undisputed Trade Receivables - considered good	-	-
Disputed Trade Receivables - considered good		
(C) Trade Receivable which have significant increase in credit risk		
Undisputed Trade Receivables - which have significant significant increase in	-	-
Disputed Trade Receivables - which have significant significant increase in	-	-
(D) Trade Receivable - credit impaired		
Undisputed Trade Receivable - credit impaired	-	-
Disputed Trade Receivable - credit impaired	-	-

Karnavati Finance Limited

CIN NO.L65910MH1984PLC034724

Notes forming part of financial statements for the period ended 31 March 2025

(Amount ₹ in lakhs, unless otherwise mentioned)

NOTE No. 6 : Loans

6 Loans

	As On 31st March 2025			
	Other Comprehensive Income	Valued at Fair Value through Profit and Loss account	Value At Amortised Cost	Total
A) Secured Loan				
i) Mortgage Loan	-	-	1,806.76	1,806.76
ii) Business Loan	-	-	883.95	883.95
iii) Personal Loan	-	-	-	-
iv) Education Loan	-	-	-	-
Total (A) - Gross	-	-	2,690.71	2,690.71
Less :- Impairment Loss Allowance	-	-	-	-
Total (A) - Net	-	-	-	-
B) Unsecured Loan				
i) Mortgage Loan	-	-	-	-
ii) Business Loan	-	-	386.67	386.67
iii) Personal Loan	-	-	789.10	789.10
iv) Education Loan	-	-	2.43	2.43
Total (B) - Gross	-	-	1,178.20	1,178.20
Less :- Impairment Loss Allowance	-	-	(1,736.89)	(1,736.89)
Total (B) - Net	-	-	(558.69)	(558.69)
TOTAL (A) + (B)	-	-	2,132.02	2,132.02

NOTE No. 6 : Loans

6 Loans

	As On 31st March 2024			
	Other Comprehensive Income	Valued at Fair Value through Profit and Loss account	Value At Amortised Cost	Total
A) Secured Loan				
i) Mortgage Loan	-	-	1,421.96	1,421.96
ii) Business Loan	-	-	1,224.32	1,224.32
iii) Personal Loan	-	-	-	-
iv) Education Loan	-	-	-	-
Total (A) - Gross	-	-	2,646.28	2,646.28
Less :- Impairment Loss Allowance	-	-	(213.10)	(213.10)
Total (A) - Net	-	-	2,433.19	2,433.19
B) Unsecured Loan				
i) Mortgage Loan	-	-	-	-
ii) Business Loan	-	-	334.55	334.55
iii) Personal Loan	-	-	880.18	880.18
iv) Education Loan	-	-	2.16	2.16
Total (B) - Gross	-	-	1,216.90	1,216.90
Less :- Impairment Loss Allowance	-	-	(819.46)	(819.46)
Total (B) - Net	-	-	397.44	397.44
TOTAL (A) + (B)	-	-	2,830.63	2,830.63

Karnavati Finance Limited
CIN NO.L65910MH1984PLC034724

Notes forming part of financial statements for the period ended 31 March 2025
(Amount ₹ in lakhs, unless otherwise mentioned)

NOTE No. 7 : Other Financial Assets

7 Other Financial Assets		
	AS AT 31 March 2025	As On 31st March 2024
Security Deposits		5.00
Advances Given	15.20	
Amortisation of annual fees		0.04
Income Tax Refundable		1.41
TDS Credit		3.11
TOTAL	15.20	9.56

NOTE No. 8 : INVENTORIES

8 INVENTORIES		
	AS AT 31 March 2025	As On 31st March 2024
Foreign Currency Stock		1.88
TOTAL		1.88

NOTE No. 10: Other Non financial Assets

10 Other Non financial Assets		
	AS AT 31 March 2025	AS AT 31 March 2024
Balance with Revenue Authorities	5.60	
Deposits	5.00	
	10.60	

Karnavati Finance Limited

CIN NO.L65910MH1984PLC034724

Notes forming part of financial statements for the period ended 31 March 2025

(Amount ₹ in lakhs, unless otherwise mentioned)

NOTE No. 11 : TRADE PAYABLES

11 TRADE PAYABLES	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of micro enterprises and small enterprises Total outstanding dues of creditors other than micro enterprises and small enterprises	17.22	106.36
TOTAL	17.22	106.36

Details of dues to Micro, small & medium Enterprises as per MSMED Act, 2006

The Company has initiated the process of obtaining the confirmation from suppliers who have registered under the Micro, Small and Medium enterprise development Act, 2006 (MSMED Act, 2006) based on information available with the company, the balance due to micro and small enterprise as defined under the MSMED Act, 2006 is Nil. No interest has been paid or payable under MSMED Act, 2006 during the year

11 Trade Payables ageing schedule

Particular	geing as on 31st March 2024	Ageing as on 31st March 2024
(I) MSME		
(II) Others		
Less than 1 Year	0.55	72.92
1 year - 2 year	1.54	33.28
2 year - 3 year	13.86	0.16
More than 3 years	1.26	-
(III) Disputed Dues - MSME		-
(IV) Disputed Dues - Other		-
TOTAL	17.22	106.36

NOTE No. 12 : BORROWINGS (OTHER THAN DEBT SECURITIES)

12 BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at 31 March 2025			
	Valued at Fair Value through Other Comprehensiv e Income	Profit and Loss account	At Amortised Cos	Total
(A) Term loans				
(i) From Banks				-
(ii) From Others				-
(B) Deferred Payment Liabilities				-
(C) Loans from Related parties				-
(D) Loan Repayable on Demand				-
(i) From Banks			283.19	283.19
(ii) From related Parties				
(iii) From Others				
(E) Other Loans			826.28	826.28
(I) Inter Corporate Loan under Pass through Arrangement				
Total Borrowings			1,109.46	1,109.46
Borrowings in India			1,109.46	1,109.46
Borrowings Outside India				
Total Borrowings			1,109.46	1,109.46
Unsecured Borrowings			1,109.46	1,109.46
Secured Borrowings				
Total Borrowings			1,109.46	1,109.46
TOTAL				

Karnavati Finance Limited

CIN NO.L65910MH1984PLC034724

Notes forming part of financial statements for the period ended 31 March 2025

(Amount ₹ in lakhs, unless otherwise mentioned)

NOTE No. 12 : BORROWINGS (OTHER THAN DEBT SECURITIES)

12 BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at 31 March 2024			
	Valued at Fair Value through Other Comprehensive Income	Profit and Loss account	At Amortised Cos	Total
(A) Term loans				-
(i) From Banks				-
(ii) From Others				-
(B) Deferred Payment Liabilities				-
(C) Loans from Related parties				-
(D) Loan Repayable on Demand				-
(i) From Banks		21.52	21.52	
(ii) From related Parties		357.65	357.65	
(iii) From Others				-
(E) Other Loans				-
(i) Inter Corporate Loan under Pass through Arrangement		1,175.44	1,175.44	
Total Borrowings			1,554.61	1,554.61
Borrowings in India		1,554.61	1,554.61	
Borrowings Outside India				-
Total Borrowings			1,554.61	1,554.61
Unsecured Borrowings		1,533.09	1,533.09	
Secured Borrowings		21.52	21.52	
Total Borrowings		1,554.61	1,554.61	
TOTAL			1,554.61	1,554.61

NOTE No. 13 : OTHER FINANCIAL LIABILITIES

13 OTHER FINANCIAL LIABILITIES

	As at 31 March 2025	As at 31 March 2024
Interest Accrued		
Unpaid Dividends		
Unpaid Matured Deposits and interest accrued thereon		
Others	2.62	
TOTAL	2.62	

NOTE No. 14 : PROVISIONS

14 PROVISIONS

	As at 31 March 2025	As at 31 March 2024
Provision for Income Tax	6.93	9.22
General Provision on Standard Asset	0.46	4.09
Provision for Audit Fees	1.80	3.60
TOTAL	9.19	16.92

NOTE No. 15 : OTHER NON FINANCIAL LIABILITIES

15 OTHER NON FINANCIAL LIABILITIES

	As at 31 March 2025	As at 31 March 2024
Other Payables		
TDS payable		4.38
GST Payable		0.08
TOTAL		4.46



Karnavati Finance Limited
CIN NO.L65910MH1984PLC034724
Notes forming part of financial statements for the period ended 31 March 2025
(Amount in lakhs, unless otherwise mentioned)

NOTE NO. 9 : FIXED ASSETS

Karnavati Finance Limited

CIN NO.L65910MH1984PLC034724

Notes forming part of financial statements for the period ended 31 March 2025

(Amount ₹ in lakhs, unless otherwise mentioned)

NOTE No. 16 : SHARE CAPITAL

16 SHARE CAPITAL

		AS AT 31 March 2025	AS AT 31 March 2024
AUTHORISED SHARE CAPITAL 10,05,00,000 Equity Shares of Rs. 1/- Each		1,005.00	1,005.00
Issued, Subscribed & Paidup Equity Shares of Rs. 1/- Each Fully paid up		1,005.00	1,005.00

16.1 The reconciliation of Numbers of Shares outstanding is set out below:

Particulars	AS AT 31 March 2025	AS AT 31 March 2024
	Number of Shares	Number of Shares
Equity Shares at the beginning of the year	100,500,000	100,500,000
Add: Issued during the Year	-	-
Equity Shares at the end of the year	100,500,000	100,500,000

16.2 Terms/Rights attached to Equity Shares

The Company has only one class of equity shares. Each equity share carries one vote. With effect from 24th February 2023, the face value of each equity share has been subdivided from Rs. 10/- to Re. 1/- per share pursuant to a stock split

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity share held by the shareholders

16.3 Details of Shareholders holding more than 5% shares in company

		AS AT 31 March 2025		AS AT 31 March 2024		
	Particulars	No. of Shares	% of Total Holding	No. of Shares	% of Total Holding	% of Change during the Year
	Raman Pragjibhai Morzaria	29,388,810.00	29.24%	29,388,810.00	29.24%	2938881
	Kush R Morzaria	14,788,500.00	14.71%	14,788,500.00	14.71%	1478850
	Jay Ramanbhai Morzaria	11,573,500.00	11.52%	11,573,500.00	11.52%	1157350
						658001
As per the record of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal & beneficial ownership of shares						

NOTE No. 17 : OTHER EQUITY

17 OTHER EQUITY

		AS AT 31 March 2025	AS AT 31 March 2024
	Reserve Fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		
	Balance as per Last Financial Statement	39.51	72.87
	Add: Set aside during the Year	(33.61)	(33.36)
		5.90	39.51
	General Reserve	0.15	0.15
	Profit & Loss Account		
	As per Last Balance Sheet	44.71	178.16
	Add: Profit for the year	(168.06)	(166.81)
		(123.35)	11.35
	Less: Appropriations	33.61	33.36
	Transferred to Statutory Reserve Fund		
	Provision for Reduction in Value of Investments		
	Proposed Dividend		
	Tax on Dividend	(89.74)	44.71
	Securities Premium on Equity Shares	101.40	101.40
	Total	17.71	185.77

Karnavati Finance Limited

CIN NO.L65910MH1984PLC034724

Notes forming part of financial statements for the period ended 31 March 2025

(Amount ₹ in lakhs, unless otherwise mentioned)

18 Interest Income		As AT 31 March 2025			
Particulars		On Financial Assets measured through			
		Fair value through Other Comprehensive Income	Fair value through Profit and Loss account	At Amortised Cost	Total
Interest on Loan				155.35	155.35
Interest on Income from Investment					
Interest on Deposits with Bank					
<u>Other Interest Income</u>					
Interest on Income Tax Refund					
TOTAL				155.35	155.35

17 Interest Income		As AT 31 March 2024			
Particulars		On Financial Assets measured through			
		Fair value through Other Comprehensive	Fair value through Profit and Loss	At Amortised Cost	Total
Interest on Loan				304.10	304.10
Interest on Income from Investment				-	-
Interest on Deposits with Bank				-	-
<u>Other Interest Income</u>				-	-
Interest on Income Tax Refund				-	-
TOTAL		-	-	304.10	304.10

NOTE No. 19 : FINANCE COST

19 FINANCE COST		As AT 31 March 2025	As AT 31 March 2024
	on Financial Liabilities measured at fair value through Profit and loss	Liabilities measured at fair value through Other comprehensive Income	on Financial Liabilities measured at fair value through Profit and loss
Interest on Deposits			
Interest on Borrowings	115.20		155.03
Other Interest Expenses			2.06
Bank Interest			
TOTAL	115.20		157.09

NOTE No. 20 : COST OF PURCHASE

20 COST OF PURCHASE		As AT 31 March 2025	As AT 31 March 2024
USD Purchase			
LOCAL			-
TOTAL			-

NOTE No. 21: CHANGES IN INVENTORIES OF FOREIGN CURRENCY

21	As AT 31 March 2025	As AT 31 March 2024
Inventories (At Close)	-	1.88
Closing Stock of Foreign Currency	-	1.88
Inventories (At Commencement)	1.88	1.85
Opening Stock of Foreign Currency	1.88	1.85
TOTAL	1.88	(0.03)

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Corporate Information

Karnavati Finance Limited, incorporated on 05-12-1984 is a Non banking Finance Company registered with Reserve Bank of India engaged in business of financing. The company has its registered office at Vraj Group, 2nd Floor, Simran Centre, Mogra Village 30H Parsi Panchayat Road, Andheri (East) Mumbai-400053,Maharashtra and Its Administrative & Corporate Office at "Vraj" 5th Floor, Near Teen Batti, Limda Lane, Jamnagar – 361001

The Company is Non-deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI) with effect from 24th February 1998, with Registration No. A-13.00064. RBI, vide the circular – 'Harmonization of different categories of NBFCs' issued on 22 February 2019, with a view to provide NBFCs with greater operational flexibility and harmonization of different categories of NBFCs into fewer categories based on the principle of regulation by activity, merged the three categories of NBFCs viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC – Investment and Credit Company (NBFC-ICC). Accordingly, the Company has been reclassified as NBFC – Investment and Credit Company (NBFC-ICC).

The Company has initiated the process of obtaining the confirmation from suppliers who have registered under the Micro, Small and Medium enterprise development Act, 2006 (MSMED Act, 2006) based on the information available with the Company. The Balance due to micro and small enterprise as defined under MSMED Act, 2006 is Rs. Nil. No Interest has been paid under MSMED Act, 2006 during the year.

The disclosures required in terms of paragraph 18 of the Non Banking Financial Company - Non Systematically Important Non - Deposit taking (Reserve Bank) Directions, 2016 are given in the Annexure forming part of these Financial Statements.

2. Basis of Preparation

The financial statements of the company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Non Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.

For all periods up to and including the year ended 31 March 2025, the Company had prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the NBFC Master Directions (hereinafter referred as 'Previous GAAP'). These financial statements for the year ended 31 March 2025 are prepared in accordance with IND AS.



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Further the company follows prudential norms for Income Recognition, asset classification and provisioning for Non-performing assets as well as contingency provision for standard assets as prescribed by the Reserve Bank of India (RBI) for Non-Banking Financial Companies.

2.1

a. Ind AS 1 Presentation of Financial Statement :-

The Company presents its Balance Sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

Critical accounting estimates and judgments

The preparation of the Company's financial statements requires Management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based.

b. Ind AS 10 Events After the Reporting Period: -

Effects of, events occurred after Reporting Period and having material effect on financial statements are reflected in the accounts at appropriate places.

c. Ind AS 8 Accounting Policies, Changes in Accounting Estimates & Errors: -

Material items of prior period, non-recurring and extra ordinary items are shown separately, If any.

d. Ind AS - 115 Revenue from contract with customer :-

Interest income

The Company recognizes interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortized cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

The Company recognizes interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. The

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Company recognizes interest income on the amortized cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/nonpayment of contractual cash flows is recognized on realization.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognized at the contractual rate of interest.

Other revenue from operations

The Company recognizes revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

Taxes

Incomes are recognized net of the Goods and Services Tax/Service Tax, wherever applicable.

Expenditures

Finance costs

Borrowing costs on financial liabilities are recognized using the EIR

Fees and commission expenses

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio etc., are recognized in the Statement of Profit and Loss on an accrual basis.

Taxes

Expenses are recognized net of the Goods and Services Tax/Service Tax, except where credit for the input tax is not statutorily permitted.

e. Ind AS 109 Financial Instruments :-

A) Financial Assets

I. Initial recognition and measurement

All financial assets are recognized initially at fair value when the parties become party to the contractual provisions of the financial asset. In case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable

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to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

II. Subsequent Measurement

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

a) Financial Assets measured at amortized cost

A financial asset is measured at Amortized Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial Assets measured at fair value through profit or loss (FVTPL)

A financial assets which is not classified in any of the above categories are measured at FVTPL.

B) Financial liabilities

a. Initial recognition and measurement

All financial liabilities are recognized initially at fair value and in the case of borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts

b. Subsequent Measurement

Financial Liabilities are subsequently carried at amortized cost using the effective interest method.

C) Derecognition of Financial assets and Financial liabilities

a) Financial Assets

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

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b) Financial Liability

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

D) Offsetting

Financial assets and financial liabilities are generally reported gross in the balance sheet. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously in all the following circumstances:

- a) The Normal Course of business
- b) The Event of Default
- c) The Event of insolvency or bankruptcy of the company and/or its counterparties

E) Impairment of Financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

1) Overview of the Expected Credit Loss (ECL)

Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

- At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.
- At an amount equal to 12 month expected credit losses if the credit risk on that financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses means expected credit losses that result from all possible default events over the expected life of a financial asset.

12-month expected credit losses means the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

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The Company performs an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses

Based on the above process, the company categorizes its loans into three stages as described below:

For Non – Impaired financial assets

- Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12- Month ECL provision is made for stage 1 financial assets. In assessing whether credit risk has increased significantly, the company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.
- Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The company recognises lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL Provision.

For impaired financial assets:

Financial assets are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flow of a loan or a portfolio of loans. The company recognizes lifetime ECL for impaired financial assets.

2) Estimation of Expected Credit Loss

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) – The Probability of default is an estimate of the likelihood of default over a given time horizon.

The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/default rates as stated by external reporting agencies is considered.



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Exposure at Default (EAD) – The Exposure at default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) – The Loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral.

f. Ind AS 16 Property, Plant and Equipment :-

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'.

Depreciation on property, plant and equipment

- a) Depreciation is provided on a pro-rata basis for all tangible assets on straight line method over the useful life of assets, except buildings which is determined on written down value method.
- b) Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II – Part C of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.
- c) Depreciation on leasehold improvements is provided on straight line method over the primary period of lease of premises or 5 years whichever is less.
- d) Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.
- e) Assets having unit value up to Rs. 5,000 is depreciated fully in the financial year of purchase of asset.
- f) An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income in the Statement of Profit and Loss when the asset is derecognized.



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g) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Ind AS 21 – The effects of changes in foreign exchange rates :-

The Company's financial statements are presented in Indian Rupee, which is also the Company's functional currency

Initial recognition

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

Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

All exchange differences are accounted in the Statement of Profit and Loss.

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transactions.

Any income or expenses on account of exchange difference either on settlement or on Balance sheet Valuation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

h. Ind AS – 24 Related Party Disclosure :-

The Disclosures of Transaction with the related parties as defined in the related parties as defined in the Accounting Standard are given in notes to account.

i. Ind AS – 33 Earnings Per Share :-

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

Partly paid equity shares are treated as a fraction of equity share to the extent

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that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The Weighted average number of equity shares outstanding during the period is adjusted for the events such as bonus issue, right issue that have changed the number of equity shares.

j. **Ind AS 12 Income Taxes :-**

Current Tax:-

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Taxes:-

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets, if any, are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in OCI or in other equity.

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Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

k. Ind AS – 37 Provisions Contingent liabilities and contingent assets :-

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

l. Ind AS – 108 Operating Segments

The Company is engaged in the business segment of Financing, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated and to assess its performance, and for which discrete financial information is available. Further other business segments do not exceed the quantitative thresholds as defined by the Ind AS 108 on "Operating Segment". Hence, there are no separate reportable segments, as required by the Ind AS 108 on "Operating Segment".

m. Cash and Cash Equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if any, as they are considered an integral part of the Company's cash management.

n. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these

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assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes.

i) Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

ii) Effective Interest Rate (EIR) Method

The Company's EIR methodology, recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

iii) Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk.



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These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

iv) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

v) Fair Value Measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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25. **Earnings Per Share:-**

Particulars	Period Ended on 31 st March 2025 (Rs. Lakhs)	Period Ended on 31 st March 2024 (Rs. Lakhs)
Profit / (Loss) after tax attributable to Equity Shareholders (A)	(168.06)	(166.81)
Weighted Number of Equity Share outstanding During the year (B) (In Nos.)	10,05,00,000	10,05,00,000
Basic Earnings Per Share for each Share of Rs.10/- (A) / (B)	(0.17)	(0.17)

26. Related Party Disclosure :-

The Disclosures of Transaction with the related parties as defined in the in the Accounting Standard are as follows:

Details of Related parties involved:

Name of the person	Relation With Company
Mr. Raman Morzaria	Whole Time Director (Promoter)
Mr. Jay Raman Morzaria	Managing Director (Promoter)
Mr. Kush Raman Morzaria	Chief Financial Officer (CFO-KMP) (Promoter Group)
Mr. Parth chandreshbhai Maniar	Non-Executive(Independent) Director
Mrs. Birmda Minoobhai Bilimoria	Non-Executive(Independent) Director
Mr. Ashish Nandkishor Batavia	Non-Executive(Non - Independent) Director
Mr. Vineshkumar Popatlal Makadia	Non-Executive(Non - Independent) Director
Ms. Akanksha Rai	Company Secretary (KMP)

Related Parties which are Director/Designated partner in other Entities:

Sr. No.	Name of Related Party	Nature of Interest	
		Name of the Entities	Nature of Interest
1.	Mr.Raman Pragjibha Morzaria	Vraj Kamman Real Estate Developers Private Limited	Director (Promoter) and Member
		Midas Impex Private Limited	Director (Promoter) and Member



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		Vraj Construction Private Limited	Director (Promoter) and Member
		Vrajkamman Sai Hospitality Private Limited	Director
		Vrajlegacy Infratech Private Limited	Director & Shareholder
		Vraj Karan Real Estate Developers Private Limited	Director
2.	Mr. Jay Raman Morzaria	Vraj Kamman Real Estate Developers Private Limited	Director (Promoter) and Member
		Midas Impex Private Limited	Director (Promoter) and Member
		Vraj Construction Private Limited	Director (Promoter) and Member
		Vrajkamman Sai Hospitality Private Limited	Director
		Vraj Karan Real Estate Developers Private Limited	Director
		Vraj Prime Developers Private Limited	Director
		Roots and Stalks Digital Private Limited	Director (Promoter)
		Vraj kamman Developers LLP	Designated Partner
		Vraj BVG Infrasheltors LLP	Designated Partner
3	Mr. Kush Raman Morzaria	Midas Impex Private Limited	Director
		Vraj BVG Infrasheltors LLP	Designated Partner
4.	Mr. Parth Chandresh Maniar	NIL	NIL
5.	Mrs. Birmda Minoobhai Bilimoria	NIL	NIL
6.	Mr. Ashish Nandkishor Batavia	NIL	NIL
7.	Mr. Vineshkumar Popatlal Makadia	NIL	NIL
8.	Ms. Akanksha Rai	NIL	NIL

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Transactions with Related parties:

Sr. No.	Name of the person	Nature of Transaction	Amount (Rs. Lakhs)
1	Mr. Raman Morzaria	Remuneration	3.60
2	Mr. Raman Morzaria	Rent	2.40
3	Mr. Raman Morzaria	Interest on Loan	0.85
4	Mr. Kush Morzaria	Salary	3.00
5	Mr. Jay Morzaria	Remuneration	3.50
6	Ms. Akanksha Rai	Salary	2.13
7	Mr. Jay Morzaria	Interest	4.73

Loan Details from related parties
(Rs. in Lakhs)

Name of person	Balance as on 01-04-2024	Addition during the year	Repayment during the year	Balance as on 31-03-2025
Raman Morzaria	0.70	39.11	19.46	20.35
Jay Morzaria	356.93	842.01	936.13	262.82

27. The previous year's figures have been reworked, regrouped, and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

28. Credit and Debit balances of unsecured loans, sundry creditors, sundry Debtors, loans and Advances are subject to confirmation and therefore the effect of the same on profit could not be ascertained.

29. Risk Management

The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the company's operations. The Company's principal financial assets include loans, investments, cash and cash equivalents and other receivables that are derived directly from its operations. As a financial lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks.

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The Company's Risk Management Committee of the Board of directors constituted in accordance with the Reserve Bank of India regulations has overall responsibility for overseeing the implementation of the Risk Management Policy. The committee meets at least twice in a year to review the Risk Management practices. Risk Management department periodically places its report to the committee for review. The committee's suggestions for improving the Risk Management Practices are implemented by the Risk Management department.

Risk Management department shall be responsible for the following:

- a) Identifying the various risks associated with the activities of the Company and assessing their impact on the business.
- b) Measuring the risks and suggesting measures to effectively mitigate the risks.

However, the primary responsibility for managing the various risks on a day to day basis will be with the heads of the respective business units of the company.

The Company is generally exposed to credit risk, liquidity risk, market risk and operational risk.

Impairment Assessment

The Company is mainly engaged in the business of providing Personal loans, Business Loan, Term Loan & Loan against property. The tenure of the loans generally is for 12 to 60 months.

The Company also provides unsecured personal loans to salaried individuals and unsecured loans to traders and self-employed. The tenure of the loans ranges from 12 months to 60 months.

The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies.

Definition of default and cure

The Company considers a financial instrument as defaulted and therefore Stage 3 (credit-impaired) for Expected Credit.

Loss (ECL) calculations in all cases when the borrower becomes 90 days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2, as appropriate.

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It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least three consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest.

Probability of default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information wherever available to determine PD. PD is calculated using Incremental 91 DPD approach considering fresh slippage using historical information.

Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loan Days past Due (DPD)	Stages
High Grade	Not Yet Due	Stage 1
Standard Grade	1 – 30 DPD	Stage 1
Sub – Standard Grade	31 – 60 DPD	Stage 2
Past due but not impaired	61 – 90 DPD	Stage 2
Individually Impaired	91 DPD or Mores	Stage 3

31. Notes forming part of accounts in relation to MSME:

Based on information available with the company, on the status of the suppliers being Micro or small enterprises, on which the auditors have relied, the disclosure requirements with regard to the payments made/due to Micro and small Enterprises are given below :

Sr. No.	Particulars	Year Ended 31-03-2025		Year Ended 31-03-2024		(Rs. In Lakhs)
		Principal	Interest	Principal	Interest	
I	Amount due as at the date of Balance sheet	Nil	Nil	0.52	Nil	
II	Amount paid beyond the	Nil	Nil	Nil	Nil	

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	appointed date during the year				
III	Amount of interest due and payable for the period of delay in making payments of principal during the year beyond the appointed date	Nil	Nil	Nil	Nil
IV	The amount of interest accrued and remaining unpaid as at the date of Balance sheet	Nil	Nil	Nil	Nil

32. Details of Benami Property Held

There are no proceedings have been initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and the Rules made thereunder

33. Security of current assets against borrowings

The company has not borrowings 'during any point of time of the year' from banks or financial institutions on the basis of security of current assets

34. Wilful Defaulter

The company is not declared as wilful defaulter (at any time during the financial year or after the end of reporting period but before the date when financial statements are approved or in an earlier period and the default has continued for the whole or part of the current year) by any bank or financial institution or other lender.

35. Relationship with struck off companies

The company do not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

36. Registration of charges or satisfaction with Registrar of companies

The company do not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

37. Ratios

FY 2024-25

Ratio	Formula	Variables		Result
1. Debtors Turnover	To/Drs	157.23	-	-
2. Inventory Turnover	COGS/Inv	-	-	-
3. Interest Coverage Ratio	EBIT / Interest Exp	(52.74)	115.20	(0.46)
4. Current Ratio	Current Assets / Current Liabilities	17.16	17.22	1.00
5. Debt Equity Ratio	Debt / Equity	1,109.46	1,022.71	1.08

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6. Net Profit Margin(%)	Net Profit/Turnover	(168.06)	157.23	(1.07)
7. Return on Net worth	Net Profit/Shareholder 's Fund	(168.06)	1,022.71	(0.16)

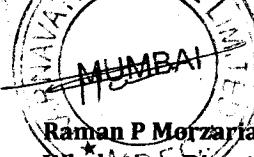
FY 2023-24

Ratio	Formula	Variables	Result	
1. Debtors Turnover	To/Drs	304.10	-	-
2. Inventory Turnover	To/Inv	304.10	1.88	161.72
3. Interest Coverage Ratio	EBIT / Interest Exp	(0.29)	157.09	-0.00
4. Current Ratio	Current Assets / Current Liabilities	23.87	106.36	0.22
5. Debt Equity Ratio	Debt / Equity	1554.61	1190.77	1.31
6. Net Profit Margin(%)	Net Profit/Turnover	(166.81)	304.10	-0.55
7. Return on Net worth	Net Profit/Shareholder 's Fund	(166.81)	1190.77	-0.14

For B B Gusani & Associates
Chartered Accountants


Bhargav Gusani
Proprietor
M. No. 120710
FRN: 0140875W
Place: Jamnagar
Date : 29th May 2025

For and on behalf of the Board of Directors of
Karnavati Finance Limited


Raman P Morzaria
Whole time Director
DIN 00203310


Kush R Morzaria
Chief Financial Officer
PAN: BAJPM1377E


Jay R Morzaria
Managing Director
DIN 02338864


Akanksha Rai
Company Secretary
PAN: BFZPR9132P

Place: Jamnagar
Date : 29th May 2025

Place: Jamnagar
Date : 29th May 2025