

# NJ ASSET MANAGEMENT PRIVATE LIMITED



## ANNUAL REPORT F.Y. 2021-2022

**NJ ASSET MANAGEMENT PRIVATE LIMITED**  
**(FORMERLY KNOWN AS NJ ADVISORY SERVICES PRIVATE LIMITED )**

**CIN U67100GJ2005PTC046959**

**SEVENTEENTH ANNUAL REPORT**

**F.Y. 2021-22**

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**BUILT ON RULES**

**NJ Asset Management Private Limited** (formerly known as NJ Advisory Services Private Limited)  
Registered Office: Block No.901, 6th Floor, B Tower, Udhna Udyognagar Sangh Commercial Complex,  
Central Road No.10, Udhna, Surat - 394 210, Gujarat. Phone: 0261 4025901  
Corporate Office: Unit No. 101A, 1st Floor, Hallmark Business Plaza, Bandra (East), Mumbai - 400 051,  
Maharashtra. Phone: 022 68940000 | E-mail: [complianceamc@njgroup.in](mailto:complianceamc@njgroup.in)  
Website: [www.njmutualfund.com](http://www.njmutualfund.com) | CIN: U67100GJ2005PTC046959

**NJ ASSET MANAGEMENT PRIVATE LIMITED**

**BOARD OF DIRECTORS:**

Mr. Niraj Choski- Associate Director (Chairman)  
Mr. Rajiv Shastri- Director  
Gen Bikram Singh (Retd)- Independent Director  
Mr. Imtiyazahmed Peerzada- Independent Director

**KEY MANAGERIAL PERSONNEL:**

Mr. Rajiv Shastri - Chief Executive Officer  
Mr. Vineet Nayyar- Chief Operating Officer and Chief Financial Officer  
Ms. Punam Upadhyay- Chief Compliance Officer and Company Secretary

**STATUTORY AUDITORS:**

M/s. Hiren M. Diwan and Company, Chartered Accountants  
(FRN: 103691W)

**REGISTERED OFFICE:**

Block No.901, 6th Floor, B Tower,  
Udhna Udyognagar Sangh Commercial Complex,  
Central Road No.10, Udhna, Surat -394210, Gujarat.

**CORPORATE OFFICE:**

Unit No. 101A, 1st Floor, Hallmark Business Plaza,  
Bandra(East) Mumbai- 400051, Maharashtra.

**E-MAIL ADDRESS:**

[compliance@njgroup.in](mailto:compliance@njgroup.in)

**WEBSITE:**

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



**Board's Report**  
**2021-22**

To,  
**The Members,**  
**NJ Asset Management Private Limited**  
**(Formerly known as NJ Advisory Services Private Limited)**  
CIN: U67100GJ2005PTC046959  
Block No.901, 6th Floor, B Tower,  
Udhna Udyognagar Sangh Commercial Complex,  
Central Road No.10, Udhna, Surat -394210, Gujarat.

Your Company's Directors are pleased to present the Seventeenth Annual Report of NJ Asset Management Private Limited along with the Audited Financial Statements for the financial year ended March 31, 2022.

**FINANCIAL SUMMARY**

<b>PARTICULARS</b>	<b>31/03/2022 (INR in thousands)</b>	<b>31/03/2021 (INR in thousands)</b>
Revenue From Operations	6,01,358.78	2,58,514.95
Other income	20,644.09	15,142.28
Profit/ (loss) before Depreciation, Finance Costs and Tax Expense	93,842.07	(30,009.35)
(-) Finance Cost	1644.92	2,063.82
(-) Depreciation/Amortisation/Impairment	9,456.44	7,314.32
Profit/ (loss) Before Tax	82,740.71	(39,387.48)
(-) Current Tax	11,641.84	47.32
(-) Deferred Tax	8,543.94	(10,221.10)
Profit/ (loss) for the year after tax	62,554.93	(29,213.70)
(+) Other Comprehensive Income/ (loss)	(328.37)	(338.99)
Total Comprehensive Income/ (loss)	62,226.56	(29,552.69)
(+) Surplus brought from previous year	34,478.47	64,031.16
<b>Total surplus Carried to balance sheet</b>	<b>96,705.03</b>	<b>34,478.47</b>

**STATE OF AFFAIRS OF THE COMPANY:**

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**NJ ASSET MANAGEMENT**

**BUILT ON RULES**

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### **UNDER MUTUAL FUND BUSINESS:**

During the year under review, the Company received approval by SEBI on April 30, 2021 to act as an Asset Management Company to NJ Mutual Fund and the same was noted at the Board meeting held on May 11, 2021. The Board of Directors of the Company at their meeting held on May 11, 2021 has accorded its approval to the Company to obtain the membership of Association of Mutual Funds in India (AMFI) and the Company is registered with AMFI.

Further during the year under review, the Company received the approval of SEBI to launch the new schemes of NJ Mutual Fund. Details of the new schemes and its approval are as mentioned below.

Sr No	Name of the Scheme	Date of Approval by SEBI
1	NJ Balanced Advantage Fund*	August 23, 2021
2	NJ Flexi Cap Fund	August 24, 2021
3	NJ Overnight Fund	January 25, 2022
4	NJ Arbitrage Fund	February 11, 2022

\*During the year under review, the AMC launched NJ Balanced Advantage Fund (NJBAF) and the allotment date of units of NJ Balanced Advantage Fund was October 29, 2021.

Total AUM under NJ Mutual Fund as on March 31, 2022 is Rs. 5216.84/- (in crores)

### **UNDER PORTFOLIO MANAGEMENT SERVICES BUSINESS:**

During the year under review in addition to Discretionary Portfolio Management Services we have also launched Non Discretionary Portfolio Management Services.

Total Asset under Portfolio Management Services as on March 31, 2022 is Rs.3562.011/- (in crores)

### **CHANGE IN THE NATURE OF THE BUSINESS**

During the year under review, there was no change in the nature of the business.

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## CHANGE IN DIRECTORS

During the year under review, there was no change in Directors.

## DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013

During the year under review, declarations pursuant to the provisions of Section 149(6) of the Companies Act 2013 with respect to their independence have been received from all the Independent Directors of the Company. There was no change in their circumstances affecting their status as independent directors of the Company.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

## APPOINTMENT OF KEY MANAGERIAL PERSONNEL UNDER COMPANIES ACT, 2013 :

During the year under review, pursuant to the provisions of Section 2(51), Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Ms. Punam Upadhyay (ACS: 18668) was appointed as the Company Secretary (Key Managerial Personnel) of the Company w.e.f. August 1, 2021.

## WEB- LINK OF ANNUAL RETURN

The copy of Annual Return shall be placed on the website of the Company [www.njmutualfund.com](http://www.njmutualfund.com)

## MEETINGS OF THE BOARD OF DIRECTORS

During the financial year ended 31<sup>st</sup> March 2022, Board of Directors met 5 (five) times on:

Sr. No.	Date of Board Meetings
1	11/05/2021
2	28/07/2021
3	27/11/2021
4	29/01/2022
5	25/03/2022

The gap between two consecutive meetings was within the limit of the period prescribed under the Companies Act, 2013.



### **MEETING OF INDEPENDENT DIRECTORS:**

Independent Directors are mandated to hold at least one meeting in a financial year, where Non-Independent Directors are not present. In such meeting, the Independent Directors review the performance of Non-Independent Directors and the Board as a whole; the Chairman of the Company taking into account the views of Executive/Non-Executive Directors; and assess the quality, quantity and timely flow of information between your Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the financial year, the Independent Directors met once on March 17, 2022.

### **RISK MANAGEMENT COMMITTEE OF THE BOARD OF DIRECTORS**

During the year under review, pursuant to SEBI vide its Circular No SEBI/HO/IMD/IMD-1 DOF2/P/CIR/2021/630 dated September 27, 2021, a separate Risk Management Committee is required to be constituted. Accordingly, a separate Risk Management Committee was constituted with the following members:

1. Gen. Bikram Singh (Retd.) - Independent Director - Chairman of the Committee
2. Mr. Niraj Choksi - Associate Director
3. Mr. Rajiv Shastri - Director and Chief Executive Officer
4. Mr. Rajeev Desai - Chief Risk Officer

### **AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

Pursuant to above, the Audit and Risk Management Committee was renamed as Audit Committee. During the year under review, the Audit Committee of the Board of Directors met once on July 28, 2021. The Audit Committee is comprised of following members:

1. Mr. Imtiyazahmed Peerzada- Independent Director - Chairman of the Committee
2. Gen. Bikram Singh (Retd.) - Independent Director - Member
3. Mr. Niraj Choksi - Associate Director

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013 and subject to disclosures in the annual accounts and also on the basis of discussion with the Statutory Auditors' of the Company from time to time, Your Directors confirm that:



1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The directors had prepared the annual accounts on a going concern basis; and
5. 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.

#### **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to the financial statements.

#### **STATUTORY AUDITORS**

M/s Hiren M. Diwan and Company, Chartered Accountants ( FRN: 103691W) are the Statutory Auditors of the Company and they shall hold the office till the F.Y. 2024-2025..

#### **AUDITORS' REPORT**

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed there under either to the Company or to the Central Government.

#### **FRAUDS REPORTED BY AUDITORS UNDER SECTION SECTION 143(12)**

During the year under review, the Statutory auditor has not reported any incident of fraud by the Company or on the Company by its officers or employees.





## **LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

During the year there were no Loans, Guarantees and Investments made under the provisions of Section 186 of the Companies Act, 2013.

## **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year under review, the Company has entered into contracts / arrangements / transactions with related parties which were in the ordinary course of business and are at arm's length basis;

The particulars of contracts or arrangements with related parties referred to in sub section (1) of section 188 entered by the Company during the financial year ended March 31, 2022 is annexed hereto as **Annexure A** in prescribed Form AOC-2 and forms part of this report.

## **TRANSFER TO RESERVES**

The Company is not required to transfer any amount to its reserves. Hence, no amount is transferred to reserves.

## **DIVIDEND**

The Board of Directors of your Company, after considering holistically the relevant circumstances has decided that it would be prudent, not to recommend any Dividend for the year under review.

## **MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY, HAVING OCCURRED SINCE THE END OF THE YEAR AND TILL THE DATE OF THE REPORT.**

During the year under review, there were no material changes occurred which has affected the financial position of the Company since the end of the year and till the date of this report.

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

### **A. Conservation of Energy:**

- i. the steps taken or impact on conservation of energy - The operations of your company are not energy intensive, however adequate measures have been taken to reduce energy consumption.
- ii. the steps taken by the company for utilising alternate sources of energy - All efforts are made to use more natural lights in offices / store premises to optimise the consumption of energy.
- iii. the capital investment on energy conservation equipment: - In view of the nature of business activities of your Company, the operations of your Company do not consume high levels of energy. Adequate measures have been taken to conserve energy wherever feasible. As energy costs form a very small part of the total costs, the impact on cost is not material.



## **B. Technology Absorption:**

i. the efforts made towards technology absorption: Your Company is committed to providing value added services through various digital initiatives.

ii. the benefits derived like product improvement, cost reduction, product development or import substitution: These digital initiatives have been led by various innovative products designed for various stakeholders (distributors, investors and sales team) and have helped your Company in increasing its digital footprint with minimal costs around technology infrastructure.

iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Nil

(a) the details of technology imported;

(b) the year of import;

(c) whether the technology been fully absorbed;

(d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof; and

iv. the expenditure incurred on Research and Development: Nil.

**C. Foreign Exchange Earnings and Outgo:** During the year under consideration, the Company has paid training/consulting expenses in equivalent foreign exchange to the tune of Rs. 11,40,000/-(The amounts disclosed are net amount paid to the vendors after withholding of tax at the applicable rates.)

## **RISK MANAGEMENT FRAMEWORK**

There exists an appropriate Risk Management Framework for functioning of NJ Mutual Fund in line with SEBI Circular.

## **VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT**

Since the Company has not made any voluntary revision of Financial Statements or Board's Report during the year under review, detailed reasons for the same pursuant to proviso to section 131 of the Act are not required to be reported.

## **COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION ETC. IF REQUIRED TO CONSTITUTE NOMINATION & REMUNERATION COMMITTEE PURSUANT TO SECTION 178(1) OF THE ACT**



Since the Company does not fall in any of the criteria for mandatory constitution of Committee, the Company need not constitute a Nomination & Remuneration committee and accordingly the Company is not required to formulate policy on Directors Appointment and Remuneration.

#### **TECHNICAL COMMITTEE**

Since the Company does not fall in any of the criteria for mandatory constitution of Committee, the Company need not constitute a technical committee.

#### **OTHER MATTERS PURSUANT TO SECTION 134(3)(q) OF THE ACT READ WITH SUB RULE (4) OF RULE (8) OF THE COMPANIES (ACCOUNTS) RULES 2014:**

Since the Company is neither Listed Company nor a public Company having paid up capital of Rs. 25 Crore or more, the Company is not required to furnish particulars read with Sub Rule 4 of Rule 8 of the Companies (Accounts) Rules, 2015 and accordingly no particulars have been furnished

#### **DISCLOSURE ON ESTABLISHMENT OF A VIGIL MECHANISM**

Since the Company does not fall in any of the criteria for Establishment of Vigil Mechanism, it is not required to establish a vigil mechanism for its directors and employees and accordingly, disclosure on its establishment is not made.

#### **PERSONNEL**

Details of remuneration paid to the Key Managerial personnel shall be available at the Company's registered office for inspection by the Members.

#### **CORPORATE SOCIAL RESPONSIBILITY.**

Since the Company does not fall in any of the criteria mentioned in section 135(1) of the Act, provisions of Section 135 of the Act, and rules framed thereunder relating to corporate social responsibility, are not applicable to the Company. Hence, no details in the regard have been furnished.

#### **CAPITAL STRUCTURE OF THE COMPANY.**

During the year under review, there were no changes in Authorised Share Capital and Paid -up Equity Share Capital of the Company.

#### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES;**

The Company does not have any subsidiary/Joint Venture/Associate Company and no Company has become/ceased to be subsidiary/joint venture/associate Company during the year.



## DEPOSITS

During the year under review, your Company has not accepted any deposits under Section 73 of the Companies Act, 2013 and therefore not required to furnish information as per Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014.

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review, no significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

## CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016(IBC)

During the year under review, neither any application has been filed for the corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the IBC before the National Company Law Tribunal (NCLT) nor any application is pending under IBC.

## COST RECORDS AND COST AUDIT

In terms of the provisions of section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014, maintenance of cost records and appointment of Cost Auditors are not applicable to your Company.

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

The Company has in place Policy for Prevention of Sexual Harassment at Workplace in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, contractual, temporary, trainees) are covered under this policy.

The summary of sexual harassment complaints received and disposed off during the financial year ending March 31, 2022 is as under:

- Number of Complaints received: Nil
- Number of Complaints Disposed off: Nil



## COMPLIANCE WITH SECRETARIAL STANDARDS OF ICSI

The Secretarial Standards specified by the Institute of Company Secretaries of India (ICSI), on Meetings of the Board of Directors (SS-1), General Meetings (SS-2) mandatory applicable to the Company are duly complied by the Company.

## EMPLOYEE STOCK OPTION PLAN

During the year 2021-22, the Company has offered stock options to the employees of the Company vide Employee Stock Option Plan, 2021 approved in the Annual General Meeting held on 25<sup>th</sup> August, 2021.

The key features of which is as below:

### a. The total number of Options proposed to be granted under the Plan:

Such number of stock options would be available for grant to the employees defined under ESOP 2021 which may be exercisable into not more than 5% of issued and paid up share capital of the Company as outstanding on the date of grant of such stock options, with each such option conferring a right upon the employee to apply for one equity share of the Company, in accordance with the terms and conditions of such issue and subject to the provisions of ESOP 2021.

### b. Requirements of vesting and period of vesting:

The Options granted shall vest within 48(Forty-Eight) months from the date of grant subject to minimum vesting period of one year from date of grant as per the applicable laws. However, the specific vesting schedule and vesting conditions would be outlined in the Grant Letter (as defined in ESOP 2021) given to the employee at the time of grant of Options subject to the minimum period of one year from the date of grant of options to the employee.

### c. The Exercise Period and process of Exercise:

The Vested Options can be exercised by the Employees within a period of 5(five) years from the date of Vesting of Options or any other period as decided by the Board in this regard as outlined in the Grant Letter.

The disclosures as required under rule 12 of Companies (Share Capital and Debentures) Rules, 2014 on Employees Stock Option Scheme is attached as **Annexure - B**.

## GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Sweat equity Shares.

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3. Issue of bonds, debentures or any non-convertible securities.
4. Issue of warrants.

**ACKNOWLEDGEMENT:**

The Board of Directors wishes to place on record its appreciation for the commitment, dedication and hard work done by the employees in the Company and the cooperation extended by Banks, Government authorities, customers and shareholders of the Company and looks forward to a continued mutual support and cooperation

**For and on behalf of the Board of Directors**  
**For NJ Asset Management Private Limited**

.....  
Niraj R. Choksi  
Chairman

DIN: 00335569

Date: May 27, 2022

Place: Surat



**Annexure A**

(Form AOC-2)

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis - **NIL**

- (a) Name(s) of the related party and nature of relationship: **NIL**
- (b) Nature of contracts/arrangements/transactions: **NIL**
- (c) Duration of the contracts / arrangements/transactions: **NIL**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any :**NIL**
- (e) Justification for entering into such contracts or arrangements or Transactions: **NIL**
- (f) Date(s) of approval by the Board:**NIL**
- (g) Amount paid as advances, if any: **NIL**
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **NIL**



2. Details of material contracts or arrangement or transactions at arm's length basis:

(Rs. in thousands)

1. Name(s) of the related party and nature of relationship: **NJ India Invest Private Limited (Holding Company)**

Nature of contracts/arrangements /transactions	Management Fees Expense	Infrastructure support Charges.	Software License fees	Asset Purchase	Management Fees Income
Duration of the contracts/arrangements/transaction	NA	NA	NA	NA	NA
Salient terms of the contracts or arrangements or transactions including the value, if any.	Rs.4,45,818.10/-	Rs.1,888.00/-	Rs.180.75/-	Rs.69.83/-	Rs.394.21/-
Date(s) of approval by the Board, if any	NA	NA	NA	NA	NA
Amount paid as advances, if any.	NIL	NIL	NIL	NIL	NIL

2. Name(s) of the related party and nature of relationship: **Finlogic Technologies Private Limited (Fellow subsidiary)**

Nature of contracts/arrangements /transactions	Software support and maintenance charges	Management Fees Income	IT Infra Support Charges	Payment Intermediary Services
Duration of the contracts / arrangements/transactions.	NA	NA	NA	NA
Salient terms of the contracts or arrangements or	Rs.9,755.63	Rs.163.21	Rs.312.70/-	Rs.23.68/-





transactions including the value, if any.				
Date(s) of approval by the Board, if any	NA	NA	NA	NA
Amount paid as advances, if any.	NIL	NIL	NIL	NIL

**3. Name(s) of the related party and nature of relationship: NJ Trustee Private Limited (Fellow Subsidiary)**

- (a) Nature of contracts/arrangements/transactions: **Infrastructure Support income**  
(b) Duration of the contracts / arrangements/transactions: **NA.**  
(c) Salient terms of the contracts or arrangements or transactions including the value, if any:  
**Rs. 118.00/-**  
(d) Date(s) of approval by the Board, if any: **NA**  
(e) Amount paid as advances, if any: **NIL**

**4. Name(s) of the related party and nature of relationship: Refresh Wellness Private Limited (Group Company)**

- (a) Nature of contracts/arrangements/transactions: **Purchase of Goods**  
(b) Duration of the contracts / arrangements/transactions: **NA.**  
(c) Salient terms of the contracts or arrangements or transactions including the value, if any:  
**Rs. 10.52/-**  
(d) Date(s) of approval by the Board, if any: **NA**  
(e) Amount paid as advances, if any: **NIL**

**5. Name(s) of the related party and nature of relationship: Jignesh Desai (Promoter)**

- (a) Nature of contracts/arrangements/transactions: **Management Fees Income**  
(b) Duration of the contracts / arrangements/transactions: **NA.**  
(c) Salient terms of the contracts or arrangements or transactions including the value, if any:  
**Rs. 297.75/-**  
(d) Date(s) of approval by the Board, if any: **NA**  
(e) Amount paid as advances, if any: **NIL**

**6. Name(s) of the related party and nature of relationship: Arundhati Desai (Relative of Promoter)**

- (a) Nature of contracts/arrangements/transactions: **Management Fees Income**  
(b) Duration of the contracts / arrangements/transactions: **NA.**  
(c) Salient terms of the contracts or arrangements or transactions including the value, if any:



**Rs. 121.72/-**

(d) Date(s) of approval by the Board, if any: **NA**

(e) Amount paid as advances, if any: **NIL**

**7. Name(s) of the related party and nature of relationship: Niraj Choksi (Director)**

(a) Nature of contracts/arrangements/transactions: **Management Fees Income**

(b) Duration of the contracts / arrangements/transactions: **NA.**

(c) Salient terms of the contracts or arrangements or transactions including the value, if any:

**Rs. 362.06/-**

(d) Date(s) of approval by the Board, if any: **NA**

(e) Amount paid as advances, if any: **NIL**

**8. Name(s) of the related party and nature of relationship: Misbah Baxamusa (Director of Holding Company)**

(a) Nature of contracts/arrangements/transactions: **Management Fees Income**

(b) Duration of the contracts / arrangements/transactions: **NA.**

(c) Salient terms of the contracts or arrangements or transactions including the value, if any:

**Rs. 821.79/-**

(d) Date(s) of approval by the Board, if any: **NA**

(e) Amount paid as advances, if any: **NIL**

**9. Name(s) of the related party and nature of relationship: Urvi Choksi (Relative of Director)**

(a) Nature of contracts/arrangements/transactions: **Management Fees Income**

(b) Duration of the contracts / arrangements/transactions: **NA.**

(c) Salient terms of the contracts or arrangements or transactions including the value, if any:

**Rs. 118.17/-**

(d) Date(s) of approval by the Board, if any: **NA**

(e) Amount paid as advances, if any: **NIL**

**10. Name(s) of the related party and nature of relationship: Nirali Choksi (Relative of Director)**

(a) Nature of contracts/arrangements/transactions: **Management Fees Income**

(b) Duration of the contracts / arrangements/transactions: **NA.**

(c) Salient terms of the contracts or arrangements or transactions including the value, if any:

**Rs. 129.16/-**

(d) Date(s) of approval by the Board, if any: **NA**

(e) Amount paid as advances, if any: **NIL**

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11. Name(s) of the related party and nature of relationship: **Nirmay Choksi (Relative of Director)**
- (a) Nature of contracts/arrangements/transactions: Consulting Charges
  - (b) Duration of the contracts / arrangements/transactions: **NA.**
  - (c) Salient terms of the contracts or arrangements or transactions including the value, if any:  
**Rs. 194.66/-**
  - (d) Date(s) of approval by the Board, if any: **NA**
  - (e) Amount paid as advances, if any: **NIL**
12. Name(s) of the related party and nature of relationship: **Minooben Choksi (Relative of Director)**
- (a) Nature of contracts/arrangements/transactions: **Management Fees Income**
  - (b) Duration of the contracts / arrangements/transactions: **NA.**
  - (c) Salient terms of the contracts or arrangements or transactions including the value, if any:  
**Rs. 252.65/-**
  - (d) Date(s) of approval by the Board, if any: **NA**
  - (e) Amount paid as advances, if any: **NIL**
13. Name(s) of the related party and nature of relationship: **Sumati Desai (Relative of Promoter)**
- (a) Nature of contracts/arrangements/transactions: **Management Fees Income**
  - (b) Duration of the contracts / arrangements/transactions: **NA.**
  - (c) Salient terms of the contracts or arrangements or transactions including the value, if any:  
**Rs. 61.14/-**
  - (d) Date(s) of approval by the Board, if any: **NA**
  - (e) Amount paid as advances, if any: **NIL**
14. Name(s) of the related party and nature of relationship: **Raziyah Baxamusa (Relative of Director of Holding Company)**
- (a) Nature of contracts/arrangements/transactions: **Management Fees Income**
  - (b) Duration of the contracts / arrangements/transactions: **NA.**
  - (c) Salient terms of the contracts or arrangements or transactions including the value, if any:  
**Rs. 129.18/-**
  - (d) Date(s) of approval by the Board, if any: **NA**
  - (e) Amount paid as advances, if any: **NIL**



15. Name(s) of the related party and nature of relationship: **Yousuf Ismailji Baxamusa (Relative of Director of Holding Company)**

(a) Nature of contracts/arrangements/transactions: **Management Fees Income**

(b) Duration of the contracts / arrangements/transactions: **NA.**

(c) Salient terms of the contracts or arrangements or transactions including the value, if any:

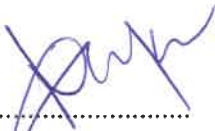
**Rs. 38.45/-**

(d) Date(s) of approval by the Board, if any: **NA**

(e) Amount paid as advances, if any: **NIL**

**For and on behalf of the Board of Directors**

For NJ Asset Management Private Limited



.....  
Niraj R. Choksi

Chairman

DIN: 00335569

Date: May 27, 2022

Place: Surat



**ANNEXURE-B****(Disclosure pursuant to rule 12 of Companies (Share Capital and Debentures) Rules, 2014 on Employees Stock Option Scheme)**

Sr. No.	Particulars	Employee Stock Option Plan, 2021
1	Options Granted	12,340
2	Options Vested	N.A.
3	Options exercised	N.A.
4	The total number of shares arising as a result of exercise of option	N.A.
5	Option lapsed	N.A.
6	The exercise price	10
7	Variation of terms of options	N.A.
8	Money realised by exercise of options	N.A.
9	Total number of options in force	12,340
10	Employee wise details of options granted to:-	
i)	Key managerial personnel	Mr. Rajiv Shastri - Director and Chief Executive Officer, Mr. Vineet Nayyar - Chief Operating Officer and Chief Financial Officer and Ms Punam Upadhyay - Chief Compliance Officer and Company Secretary
ii)	any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	-
iii)	identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Mr. Rajiv Shastri - Director and Chief Executive Officer



## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of NJ ASSET MANAGEMENT PRIVATE LIMITED**

(Formerly known as NJ Advisory Services Private Limited)

### **Report on the Audit of the Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the standalone Ind AS financial statements of NJ Asset Management Private Limited (formerly known as NJ Advisory Services Private Limited), ("the Company") which comprise the balance sheet as at 31<sup>st</sup> March 2022, the statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended and summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2022, and profit, its cash flows and changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered

Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Information other than Standalone Financial Statement and auditor's report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. Such other information does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Responsibility of Management for Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including the other comprehensive income, 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 [the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS 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.

That Board of Directors are also responsible for overseeing the company's financial reporting process.



## **Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements**

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS 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 standalone Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure – A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- 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 standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses hence the Company has not made provision for long term contract including derivative contract.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 35 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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, as disclosed in the note 35 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

- v. As disclosed in note 45 to the accounts, the Company has not declared or paid any dividend during the year. Accordingly the matter referred to in Rule 11(f) is not applicable and hence not commented upon.

FOR HIREN M. DIWAN & COMPANY  
Chartered Accountants



PINAZ R. BHAGAT  
(PARTNER)

MEMBERSHIP NO.: 176117

FIRM REGISTRATION NO. 103691W

PLACE : SURAT

DATE : 27/05/2022

UDIN : 22176117AKMJGB3918

## ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March, 2022:

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;  
  
(B) The Company is maintaining proper records showing full particulars of intangible assets;
- (b) The Property, Plant and Equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its business. Pursuant to the program, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) The Company does not own any immovable property. Accordingly, clause 3(i)(c) of the Order is not applicable and hence not commented upon.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;
- (e) According to information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;

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- (ii) (a) The Company is engaged in the business of providing portfolio and asset management services and hence does not have any inventory. Accordingly, clause 3(ii)(a) of the Order is not applicable and hence not commented upon.
- (b) The company has not been sanctioned any working capital limits during any point of time of the year from banks or financial institutions. Accordingly, clause 3(ii)(a) of the Order is not applicable and hence not commented upon.
- (iii) The Company has not 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 ("the other persons") during the year. Accordingly clauses 3(iii)(a), clause 3(iii)(b) (to the extent that such clause relates to providing of any guarantee or security or granting of any loans or advances in the nature of loans, secured or unsecured, to the other persons), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, investments made during the year are not prejudicial to the Company's interest.
- (iv) The Company has not provided any guarantee or security or granted any loans during the year. Accordingly clause 3(iv) of the Order is not applicable to such extent and hence nothing is commented upon in respect of said matters. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect investments.
- (v) The Company has not accepted any deposits during the year. Accordingly, clause 3(v) of the Order is not applicable and hence not commented upon.
- (vi) According to information and explanations given to us, the maintenance of Cost Records has not been specified by the Central Government under sub-

-3-

section (1) of section 148 of the Act, in respect of the activities carried on by the company. Accordingly, clause 3(vi) of the Order is not applicable and hence not commented upon.

- (vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues to the appropriate authorities.
- (b) According to the information and explanations given to us, there are no dues of Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax outstanding on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has not surrendered or disclosed as income during the year, any transactions not recorded in the books of account, in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, clause 3(viii) of the Order is not applicable and hence not commented upon.
- (ix) (a) According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company did not have any loans or other borrowings or any interest thereon outstanding at any point of time and therefore clause 3(ix)(a) of the Order is not applicable and hence not commented upon.



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- (b) According to information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender during the year;
  - (c) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company did not have any term loans outstanding at any point of time during the year and therefore clause 3(ix)(c) of the Order is not applicable and hence not commented upon.
  - (d) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has not raised any funds on short term basis and therefore clause 3(ix)(d) of the Order is not applicable and hence not commented upon.
  - (e) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures and therefore clause 3(ix)(e) of the Order is not applicable and hence not commented upon.
  - (f) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and therefore clause 3(ix)(f) of the Order is not applicable and hence not commented upon.
- (x) (a) According to the information and explanations given to us and on the basis of our examination of the books of account and records, the Company has

-5-

not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the clause 3(x)(a) of the Order is not applicable and hence not commented upon.

- (b) According to the information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the clause 3(x)(b) of the Order is not applicable and hence not commented upon.
- (xi) (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company has been noticed or reported during the year;
- (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) During the year, no whistle-blower complaints were received by the Company. Accordingly, the clause 3(x)(c) of the Order is not applicable and hence not commented upon.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, clause 3 (xii) of the Order is not applicable and hence not commented upon.
- (xiii) According to the information and explanations given to us and in our opinion, all transactions with the related parties are in compliance with section 177 and 188 of the Act and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

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- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business;
- (b) The reports of the Internal Auditors for the period under audit were considered by us.
- (xv) According to the information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has not entered into any non-cash transactions with directors or person connected with him. Accordingly, clause 3(xv) of the Order is not applicable and hence not commented upon.
- (xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934;
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;
- (d) According to the information and explanations given to us, the Group does not have any CIC and therefore clause 3(xvi)(d) of the Order is not applicable and hence not commented upon.
- (xvii) According to the information and explanations given to us, The company has not incurred cash losses in the financial year under consideration. The company has incurred cash losses of Rs. 4,54,49,662/- in the immediately preceding financial year;

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- (xviii) There has been no resignation of the statutory auditors during the year;
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is 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;
- (xx) According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company for the year under consideration. Accordingly, clause 3(xx) of the Order is not applicable and hence not commented upon.

FOR HIREN M. DIWAN & COMPANY  
CHARTERED ACCOUNTANTS



PINAZ R. BHAGAT  
(PARTNER)

MEMBERSHIP NO.: 176117  
FIRM REGISTRATION NO. 103691W

PLACE : SURAT

DATE : 27/05/2022

UDIN : 22176117AKMJGB3918

**ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF  
EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF  
NJ ASSET MANAGEMENT PRIVATE LIMITED (FORMERLY  
KNOWN AS NJ ADVISORY SERVICES PRIVATE LIMITED).**

**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 NJ Assets Management Private Limited (Formerly known as NJ Advisory Services Private Limited) as of 31<sup>st</sup> March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the 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 Act.

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## **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 the ICAI and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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**

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

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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 31<sup>st</sup> March, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

FOR HIREN M. DIWAN & COMPANY  
Chartered Accountants



PINAZ R. BHAGAT  
(PARTNER)

PLACE : SURAT

DATE : 27/05/2022

UDIN : 22176117AKMJG83918 FIRM REGISTRATION NO. 103691W

MEMBERSHIP NO.: 176117



NJ ASSET MANAGEMENT PRIVATE LIMITED (Formerly known as NJ Advisory Services Private Limited)

Balance Sheet as at 31 March 2022

(Amount in thousands, unless otherwise stated)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	4	718.86	6,259.24
Trade Receivables	5	81,183.99	94,624.92
Loans	6	476.81	-
Investments	7	717,170.58	645,967.63
Other Financial assets	8	87,676.17	7,489.06
<b>Non-financial Assets</b>			
Tax assets (Net)	9	8,973.66	8,965.86
Deferred tax assets (Net)	10	1,393.42	9,826.92
Property, Plant and Equipment	11	3,883.71	5,600.03
Intangible assets	12	6,559.45	98.93
Intangible assets under development	12	1,966.80	2,667.01
Right of use assets	13	18,026.26	24,198.48
Other non-financial assets	14	16,340.39	5,166.53
<b>Total Assets</b>		<b>944,370.11</b>	<b>810,864.61</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Trade Payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		109.06	145.00
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		137,200.20	97,112.76
Lease liability	16	20,170.09	25,387.73
Other financial liabilities	17	18,437.63	12,628.81
<b>Non-Financial Liabilities</b>			
Current Tax liabilities (Net)	18	1,537.93	-
Provisions	19	11,960.52	6,197.20
Other non-financial liabilities	20	23,475.41	8,814.85
<b>EQUITY</b>			
Equity Share capital	21	7,455.93	7,455.93
Other Equity	22	724,023.33	653,122.33
<b>Total Liabilities and Equity</b>		<b>944,370.11</b>	<b>810,864.61</b>

The accompanying notes are an integral part of the financials statements : 1-46

As per our report of even date  
For Hiren M. Diwan & Company  
Chartered Accountants



Pinaz R. Bhagat  
Partner

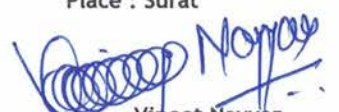
Membership No: 176117  
Firm Registration No.: 103691W  
UDIN : 2217617AKM.TGB3918  
Date : 27/05/2022  
Place: Surat



For and on behalf of the Board of Directors of  
NJ Asset Management Private Limited  
(Formerly known as NJ Advisory Services Private Limited)

  
Niraj R. Choksi  
Director

DIN: 00335569  
Date : 27/05/2022  
Place : Surat

  
Vineet Nayyar  
Chief Operating Officer &  
Chief Financial Officer

Date : 27/05/2022  
Place : Surat

  
Rajiv Vijay Shastri  
Director & Chief  
Executive Officer

DIN: 02143422  
Date : 27/05/2022  
Place : Surat

  
Punam Upadhyay  
Company Secretary

Date : 27/05/2022  
Place : Surat

NJ ASSET MANAGEMENT PRIVATE LIMITED (Formerly known as NJ Advisory Services Private Limited)

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

(Amount in thousands, unless otherwise stated)

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations			
Fees Income	23	601,358.78	258,514.95
<b>Total Revenue from operations</b>		<b>601,358.78</b>	<b>258,514.95</b>
Other Income	24-26	20,644.09	15,142.28
<b>Total Income</b>		<b>622,002.86</b>	<b>273,657.23</b>
<b>Expenses</b>			
Finance Costs	27	1,644.92	2,063.82
Fees and Commission Expenses	28	380,757.38	192,197.95
Employee Benefits Expenses	29	86,556.45	86,142.26
Depreciation and amortization expense	30	9,456.44	7,314.32
Other expenses	31	60,846.96	25,326.37
<b>Total Expenses</b>		<b>539,262.15</b>	<b>313,044.71</b>
<b>Profit/ (Loss) before tax</b>		<b>82,740.71</b>	<b>(39,387.48)</b>
Tax Expense/ (income):	10		
- Current Tax		11,643.17	-
- Prior period income tax		(1.33)	47.32
- Deferred Tax		8,543.94	(10,221.10)
<b>Profit/ (loss) for the year</b>		<b>62,554.93</b>	<b>(29,213.70)</b>
<b>Other Comprehensive Income / (loss)</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(438.81)	(453.00)
(i) Income tax impact		110.44	114.01
<b>Other Comprehensive Income / (loss) for the year</b>		<b>(328.37)</b>	<b>(338.99)</b>
<b>Total Comprehensive Income / (loss) for the year (Comprising Profit/(loss) and other comprehensive income/(loss) for the year)</b>		<b>62,226.56</b>	<b>(29,552.69)</b>
Earning / (loss) per equity share			
Basic (INR)		83.90	(67.87)
Diluted (INR)		83.67	(67.87)

The accompanying notes are an integral part of the financials statements : 1-46

As per our report of even date  
For Hiren M. Diwan & Company  
Chartered Accountants



Pinaz R. Bhagat  
Partner

Membership No: 176117  
Firm Registration No.: 103691W  
UDIN : 22176117AKMJG1B3918  
Date : 27/05/2022  
Place: Surat



For and on behalf of the Board of Directors of  
NJ Asset Management Private Limited  
(Formerly known as NJ Advisory Services Private Limited)



Niraj R. Choksi  
Director



Rajiv Vijay Shastri  
Director & Chief Executive  
Officer

DIN: 00335569  
Date : 27/05/2022  
Place : Surat

DIN: 02143422  
Date : 27/05/2022  
Place : Surat



Vineet Nayyar  
Chief Operating Officer &  
Chief Financial Officer

Date : 27/05/2022  
Place : Surat



Punam Upadhyay  
Company Secretary

Date : 27/05/2022  
Place : Surat

NJ ASSET MANAGEMENT PRIVATE LIMITED (Formerly known as NJ Advisory Services Private Limited)

Statement of Changes in Equity for the year ended 31 March 2022

(Amount in thousands, unless otherwise stated)

A. Equity Share Capital

Particulars	Amount
Equity shares of INR 10 each issued, subscribed and fully paid	
Balance as at 31 March 2020	1,100.00
Changes in Equity Share Capital during the year	6,355.93
Balance as at 31 March 2021	7,455.93
Changes in Equity Share Capital during the year	-
Balance as at 31 March 2022	7,455.93

B. Other Equity

Particulars	Share based options outstanding account	Reserve & Surplus		Total
		Securities Premium	Retained Earnings	
Balance as at 31 March 2020	-	25,000.00	64,031.16	89,031.16
Profit for the year	-	-	(29,213.70)	(29,213.70)
Other comprehensive income for the year	-	-	(338.99)	(338.99)
Addition during the year	-	5,93,643.86	-	5,93,643.86
Balance as at 31 March 2021	-	6,18,643.86	34,478.47	6,53,122.33
Profit for the year	-	-	62,554.93	62,554.93
Other comprehensive income for the year	-	-	(328.37)	(328.37)
Addition during the year	8,674.43	-	-	8,674.43
Balance as at 31 March 2022	8,674.43	6,18,643.86	96,705.03	7,24,023.33

The accompanying notes are an integral part of the financial statements : 1-46

As per our report of even date  
For Hiren M. Diwan & Company  
Chartered Accountants

*P.R. Bhagat*

Pinaz R. Bhagat  
Partner



Membership No: 176117  
Firm Registration No.: 103691W  
UDIN : 22176117AKMJG1B3918  
Date : 27/05/2022  
Place: Surat

For and on behalf of the Board of Directors of  
NJ Asset Management Private Limited  
(Formerly known as NJ Advisory Services Private Limited)

Niraj R. Choksi  
Director

DIN: 00335569  
Date : 27/05/2022  
Place : Surat

*Vineet Nayyar*  
Vineet Nayyar  
Chief Operating  
Officer & Chief  
Financial Officer

Date : 27/05/2022  
Place : Surat

*Rajiv Vijay Shastri*  
Rajiv Vijay Shastri  
Director & Chief  
Executive Officer

DIN: 02143472  
Date : 27/05/2022  
Place : Surat

*Punam Upadhyay*  
Punam Upadhyay  
Company Secretary

Date : 27/05/2022  
Place : Surat

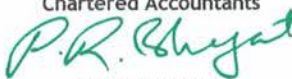
NJ ASSET MANAGEMENT PRIVATE LIMITED (Formerly known as NJ Advisory Services Private Limited)

Statement of Cash Flows for the year ended 31 March 2022

(Amount in thousands, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. Cash flow from operating activities</b>		
Profit before tax	82,301.90	(39,840.48)
Adjustments for:		
Depreciation and amortisation expense	9,456.44	7,314.32
Employee Share based payments	8,674.43	-
Notional Finance cost	1,644.92	2,063.82
Net gain on fair value change / Profit on sale of investment	(20,290.66)	(13,261.41)
Notional Rent Concession Income	-	(1,614.18)
<b>Operating profit before working capital changes</b>	<b>81,787.04</b>	<b>(45,337.93)</b>
<b>Changes in working capital</b>		
Increase/ (decrease) in trade payables	40,051.50	37,368.12
Increase/ (decrease) in other financial liabilities	5,808.82	9,665.78
Increase/ (decrease) in provisions and other liabilities	20,423.88	7,104.48
(Increase)/ decrease in trade receivables	13,440.93	(34,100.29)
(Increase)/ decrease in other financial assets	(80,187.10)	(3,216.63)
(Increase)/ decrease in Loans	(476.81)	-
(Increase)/ decrease in other assets	(11,173.86)	(4,724.54)
<b>Cash generated from/(used in) operations</b>	<b>69,674.39</b>	<b>(33,241.03)</b>
Income taxes paid (net of refunds)	(10,111.71)	(9,974.87)
<b>Net cash generated from/ (used in) operating activities (A)</b>	<b>59,562.68</b>	<b>(43,215.89)</b>
<b>B. Cash flow from Investing activities</b>		
Payment for property, plant and equipment, intangible assets and Capital Work-in-progress	(7,343.57)	(9,454.58)
Proceeds from sale of property plant and equipment	15.36	-
Purchase of investment	(6,37,610.44)	(8,01,540.00)
Proceeds from sale of Investments	5,86,698.15	2,62,898.34
<b>Net cash generated from/ (used in) investing activities (B)</b>	<b>(58,240.50)</b>	<b>(5,48,096.24)</b>
<b>C. Cash flow from Financing activities</b>		
Repayment of lease liabilities	(6,862.56)	(4,962.44)
Proceeds from issuance of equity share capital	-	5,99,999.79
<b>Net cash generated from/ (used in) financing activities (C)</b>	<b>(6,862.56)</b>	<b>5,95,037.35</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(5,540.38)</b>	<b>3,725.22</b>
Cash and cash equivalents at the beginning of the year	6,259.24	2,534.02
<b>Cash and cash equivalents at the end of the year</b>	<b>718.86</b>	<b>6,259.24</b>

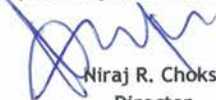
The accompanying notes are an integral part of the financial statements : 1-46

As per report of even date  
For Hiren M. Diwan & Company  
Chartered Accountants  
  
Pinaz R. Bhagat  
Partner


Membership No: 176117  
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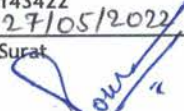


For and on behalf of the Board of Directors of  
NJ Asset Management Private Limited  
(Formerly known as NJ Advisory Services Private Limited)

  
Niraj R. Choksi  
Director

  
Rajiv Vijay Shastri  
Director & Chief Executive  
Officer

DIN: 00335569  
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Place: Surat  
  
Vineet Nayyar  
Chief Operating Officer &  
Chief Financial Officer

DIN: 02143422  
Date : 27/05/2022  
Place: Surat  
  
Punam Upadhyay  
Company Secretary

Date : 27/05/2022  
Place: Surat

Date : 27/05/2022  
Place: Surat

## 1 General Information

NJ Asset Management Private Limited (Formerly known as NJ Advisory Services Private Limited) (the "Company") is a private limited company domiciled in India. The Company's principal activity is to act as an investment manager to NJ Mutual Fund ('the Fund') and to provide Portfolio Management Services ('PMS') to clients under Securities and Exchange Board of India (SEBI) Regulations. The registered office of the company is located at block no. 901, 6th Floor, 'B' Tower, Udhna Udhog Nagar Sangh Commercial Complex, Central Road No. 10, Udhna, Surat - 394210, Gujarat and Corporate Office At Unit No.101A, 1st Floor, Hallmark Business Plaza, Bandra(East),Mumbai-400051.

The company is registered with Securities and Exchange Board of India (SEBI) and holds a PMS Registration certificate vide Registration No. PM/INP000003518.

The holding company of the Portfolio Manager, NJ India Invest Private Limited has obtained the grant of registration of NJ Mutual Fund vide the letter issued by SEBI dated 30th April 2021. Furthermore with the said grant of registration of NJ Mutual Fund, the Company has been granted approval by SEBI to act as the asset management company for the NJ Mutual Fund. NJ Mutual Fund launched its first scheme in October 2021.

## 2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

### 2.1 Basis of Preparation of Financial Statements

#### (a) Statement of Compliance with Ind AS

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### (b) Historical cost convention

The financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial assets and liabilities and defined benefit plan liabilities being measured at fair value.

#### (c) Balance sheet Presentation

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 44.

#### (d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

#### (e) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand up to two decimal places, unless otherwise stated.



### 2.2.1 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed under 'Capital work-in-progress', if any.

#### Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the written down value method. Following is the summary of useful lives of the assets except assets individually costing less than Rupees five thousand which are fully depreciated in the year of purchase /acquisition.

Asset Description	Useful Life
Computers - End user devices, such as, desktops, laptops, etc.	3 years
Computers - Servers and Networks	6 years
Office Equipments	5 years
Furniture & Fixtures	10 years
Electrical Installations and Equipment	10 years

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

### 2.2.2 Intangible assets

Intangible Assets are recognised only if it is probable that the future economic benefits that are attributable to assets will flow to the entity and the cost of the assets can be measured reliably. Intangible assets are recorded at cost and carried at cost less accumulated depreciation and accumulated Impairment losses, if any.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss.

Amortisation is calculated using the written down value method to write down the cost of intangible assets to their residual values over their estimated useful lives, as follows:

- (i) Computer software (Software license) - 6 years

The asset with indefinite useful life is not amortised but is tested for impairment annually. One time registration fees paid to SEBI (for acquisition of Rights to manage and administer the schemes of NJ Mutual Fund), is considered to have indefinite life due to the longevity of economic benefits attached to it, has been stated at cost net of impairment losses, if any.



### 2.3 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### 2.4 Revenue Recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs. The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

#### Portfolio Management Fees Income:

Performance obligations are satisfied over a period of time and portfolio management fees are recognized in accordance with the portfolio management agreement entered with respective clients. Management Fees is recognized as a percentage of the monthly average of daily net asset value.

#### Investment Management Fees:

Investment Management fees are recognized on an accrual basis in accordance with Investment Management Agreement and SEBI (Mutual Fund) Regulations, 1996 based on average assets under management (AAUM) of NJ Mutual Fund scheme.

#### Interest Income:

Interest Income is recognized on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

### 2.5 Scheme Expenses & New Fund Offer expenses

Expenses related to schemes borne by the Company are recognised under respective expense heads in the Statement of Profit and Loss unless considered recoverable from the schemes in accordance with provisions of SEBI (Mutual Fund) Regulations 1996 and circular issued from time to time.

Expenses relating to new fund offer of NJ Mutual Fund are charged to the Statement of Profit and Loss in the year in which they are incurred in accordance with the requirements of SEBI (Mutual Fund) Regulations, 1996.



## 2.6 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

### (a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### (b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 2.7 Leases

### As a lessee

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether (i) the contract involves the use of an identified asset; (ii) the company has substantially all the economic benefits from use of the assets through the period of the lease and (iii) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognises a right-of-use assets (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 month or less (short term leases) and low value leases. For these short term and low value leases, the company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

Lease liability has been included in borrowing and ROU asset has been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.





## 2.8 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit").

## 2.9 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

## 2.10 Cash and cash equivalents and Cash flow statement

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand, fixed deposits having a maturity of less than 3 months which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby net profits before tax are adjusted for the effects of the transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

## 2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### (a) Financial assets

#### (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### (ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to



Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

**Equity instruments:** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

### (iii) Impairment of financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost . The impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### Trade receivables:

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

#### Other financial assets:

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.



**(iv) Derecognition of financial assets**

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or expired;
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognised only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the financial asset is neither transferred, nor the entity retains substantially all risks and rewards of ownership of the financial asset, then in that case financial asset is derecognized only if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**(b) Financial liabilities**

**(i) Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

**(ii) Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

**(iii) Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

**(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.



## 2.12 Employee Benefits

### (a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### (b) Other long-term employee benefit obligations

#### (i) Defined contribution plan

**Provident Fund:** Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

**Employee's State Insurance Scheme:** Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

#### (ii) Defined benefit plans

**Gratuity:** The Company's gratuity benefit scheme is a defined benefit plan. Company's net obligation in respect of a defined benefit plan is calculated by estimating amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Present value of obligation under such benefit plan is determined based on actuarial valuation using projected unit credit method which recognizes each period of service that give rise to additional units of employee benefit entitlement and measures each unit separately to build up final obligation. Obligation is measured at present values of estimated future cash flows. The discounted rates used for determining present value are based on market yields on Government Securities as the balance sheet dates.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Compensated Absences:** The employees can carry forward a portion of the unutilised accrued leave and utilise it in future service periods or receive cash compensation on termination of employment. The company records an obligation for such compensated absences in the period in which the employee renders the service that increases this entitlement.

The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

### (c) Share-based payments

Equity settled share based payments to employees are measured at fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 40. The fair value determined at the grant date of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of original estimates, if any, is recognized in Statement of profit and loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to Share based options outstanding account. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## 2.13 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.



#### 2.14 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

#### 2.15 Exceptional Items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior years.

#### 2.16 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, Events after the balance sheet date of material size or nature are only disclosed.

#### 2.17 Foreign Currency Translation

##### (i) Functional and presentational currency

The Standalone financial statements are presented in INR which is also functional currency of the company.

##### (ii) Translation and Balances

Foreign Currency Transactions are translated into the functional currency using the exchange rates at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

### 3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognised in the periods in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. Following are estimates and judgements that have significant impact on the carrying amount of assets and liabilities at each balance sheet:

#### 3.1 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI (Solely Payments of Principal and Interest) 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. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised 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. Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the standalone statement of profit and loss in the period in which they arise.

#### 3.2 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.



Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date

### 3.3 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instruments.

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

### 3.4 Provisions and other contingent liabilities

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

### 3.5 Expected Credit loss

When determining whether the risk of default on a financial instruments has increased significantly since initial recognition, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and credit assessment and including forward looking information.

### 3.6 Deferred Tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

### 3.7 Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. 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.

### 3.8 Leases

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company consider all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

### 3.9 Share-based payments

Estimating fair value for share based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The company uses Black-Scholes option pricing model to estimate the value of stock options.



4 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	0.68	99.68
Balances with banks - On Current Accounts		
HDFC Bank (A/c No. 00672320012867)	718.06	6,157.44
HDFC Bank Pool Account (A/c No. 50200027386809)		
(31st March 2022: Balance in HDFC Bank Rs.400270.81 Less: PMS Clients' Funds Rs.400270.68)		
(31st March 2021: Balance in HDFC Bank Rs.92368.33 Less: PMS Clients' Funds Rs.92366.20 lakhs)	0.13	2.13
<b>Total</b>	<b>718.86</b>	<b>6,259.24</b>

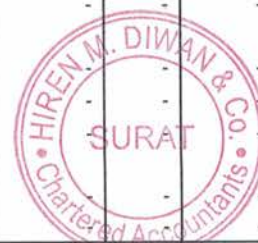
5 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Receivables considered good - Secured	-	-
(b) Receivables considered good - Unsecured	81,183.99	94,624.92
(c) Receivables which have significant increase in Credit Risk	-	-
(d) Receivables - credit impaired	-	-
Less : Provision for Expected Credit Loss	-	-
<b>Total</b>	<b>81,183.99</b>	<b>94,624.92</b>
Trade Receivables classified as:		
Receivable from related parties	88.08	1,070.98
Receivable from others	81,095.91	93,553.93
<b>Total</b>	<b>81,183.99</b>	<b>94,624.92</b>

Trade Receivables aging schedule

31 March 2022	Un billed	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	81,183.99	-	-	-	-	81,183.99
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>			<b>81,183.99</b>	-	-	-	-	<b>81,183.99</b>

31 March 2021	Un billed	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	94,624.92	-	-	-	-	94,624.92
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>			<b>94,624.92</b>	-	-	-	-	<b>94,624.92</b>



## 6 Loans

Particulars		As at 31 March 2022	As at 31 March 2021
(A)	<u>Loans measured at Amortised Cost</u>		
	Loan to employee	476.81	-
	<b>Total (A) Gross</b>	<b>476.81</b>	-
	Less: Impairment loss allowance	-	-
	<b>Total (A) Net</b>	<b>476.81</b>	-
(B)	(i) Secured by securities/shares	-	-
	(ii) Unsecured	476.81	-
	<b>Total (B) Gross</b>	<b>476.81</b>	-
	Less: Impairment loss allowance	-	-
	<b>Total (B) Net</b>	<b>476.81</b>	-
(C)	Loans in India		
	(i) Others	476.81	-
	<b>Total (C) Gross</b>	<b>476.81</b>	-
	Less: Impairment loss allowance	-	-
	<b>Total (C) Net</b>	<b>476.81</b>	-

## 7 Investments

Particulars		As at 31 March 2022	As at 31 March 2021
<b>Investments measured at Fair Value through Profit or Loss</b>			
	Mutual funds	7,17,170.58	6,45,967.63
	<b>Total - Gross (A)</b>	<b>7,17,170.58</b>	<b>6,45,967.63</b>
	(i) Investments outside India	-	-
	(ii) Investments in India	7,17,170.58	6,45,967.63
	<b>Total (B)</b>	<b>7,17,170.58</b>	<b>6,45,967.63</b>
	Total (A) to tally with (B)	-	-
	Less: Allowance for Impairment loss (C)	-	-
	<b>Total - Net D= (A)-(C)</b>	<b>7,17,170.58</b>	<b>6,45,967.63</b>

## Details of investments -

Particulars		As at 31 March 2022	As at 31 March 2021
<b>Investments measured at Fair Value through Profit or Loss</b>			
<b>Investments in Mutual Funds (Quoted)</b>			
	Kotak Bond Short Term Plan - Gr ____ (31 March 2022 : 102570.416, 31 March 2021: 102570.416)	4,368.21	4,190.49
	Kotak Equity Arbitrage Fund - Direct plan - Gr ____ (31 March 2022 : 376599.607, 31 March 2021: 376599.607)	11,926.53	11,403.85
	Canara Robeco Liquid Fund - Direct Plan - Growth ____ (31 March 2022 : Nil, 31 March 2021: 48832.398)	-	1,20,469.01
	Axis Liquid Fund - Direct plan - Gr ____ (31 March 2022 : 76457.654, 31 March 2021: 88939.235)	1,80,752.15	2,03,207.53
	SBI Magnum Ultra Short Duration Fund ____ (31 March 2022 : 2836.575, 31 March 2021: 2836.575)	13,890.92	13,385.72
	Invesco India Arbitrage Fund - Direct Plan Gr ____ (31 March 2022 : 453019.602, 31 March 2021: 453019.602)	12,307.82	11,782.09
	Kotak Savings Fund - Direct plan - Gr ____ (31 March 2022 : 54143.154, 31 March 2021: 54143.154)	1,950.79	1,877.84
	DSP Liquidity Fund - Direct plan - Gr ____ (31 March 2022 : Nil, 31 March 2021: 40692.281)	-	1,19,682.37
	Invesco India Liquid Fund - Direct Plan - Gr ____ (31 March 2022 : Nil, 31 March 2021: 22231.663)	-	62,828.14
	LT Liquid Fund - Direct Plan -Growth ____ (31 March 2022 : Nil, 31 March 2021: 16358.129)	-	46,112.36
	L and T Ultra Short Term Fund-Direct Plan - Growth ____ (31 March 2022 : 514793.374, 31 March 2021: 514793.374)	18,733.69	18,066.21
	Kotak Liquid - Direct Plan - Growth ____ (31 March 2022 : 4738.791, 31 March 2021: 4738.791)	20,391.41	19,708.86
	BNP Paribas Liquid Fund - Direct Plan - Growth ____ (31 March 2022 : Nil, 31 March 2021: 4184.931)	-	13,253.16
	Baroda BNP Paribas Arbitrage Fund - Direct Plan - Gr ____ (31 March 2022 : 15830414.542, 31 March 2021: Nil)	2,14,396.05	-
	NJ Balanced Advantage Fund Direct Plan - Gr ____ (31 March 2022 : 10000489.375, 31 March 2021: Nil)	98,304.81	-
	Tata Arbitrage Fund-Direct Plan-Gr ____ (31 March 2022 : 11693145.607, 31 March 2021: Nil)	1,40,148.20	-
	<b>Total</b>	<b>7,17,170.58</b>	<b>6,45,967.63</b>





8 Other Financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Security Deposits (Refer note (a) below)	2,685.73	2,469.64
Less: Impairment loss allowance	-	-
	<b>2,685.73</b>	<b>2,469.64</b>
Application for mutual fund / Receivable for Sale of Mutual Fund	82,076.97	1,200.00
Other Receivables	2,913.46	3,819.43
<b>Total</b>	<b>87,676.17</b>	<b>7,489.06</b>

(a) Break up of Security Deposits -

Particulars	As at 31 March 2022	As at 31 March 2021
- Security deposits - Premises	2,685.73	2,469.64
- Security deposits - Others	-	-
<b>Total</b>	<b>2,685.73</b>	<b>2,469.64</b>

9 Tax assets (Net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance payment of taxes and tax deducted at source (31 March 2021: Advance tax of INR 8400.00, TDS receivable of INR 565.86)	-	8,965.86
Income tax refund receivable for FY 2020-21	8,973.66	-
<b>Total</b>	<b>8,973.66</b>	<b>8,965.86</b>



10 Deferred tax assets (net)/tax expenses

(A) Deferred tax relates to the following:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax assets</b>		
- On unabsorbed losses	47.95	11,793.81
- on security deposits measured at amortised cost	14.84	10.06
- on lease as per Ind AS 116	712.36	531.28
- on Employee share based payments	3,376.78	387.60
- on provision for employee benefits	1,184.86	573.48
- on Property, Plant and Equipment & intangible assets	299.90	87.11
<b>Total Deferred tax assets (A)</b>	<b>5,636.69</b>	<b>13,383.34</b>
<b>Deferred tax liabilities</b>		
- on investments measured at FVTPL	4,242.86	3,556.43
- on employee loan measured at amortised cost	0.41	-
<b>Total Deferred tax liabilities (B)</b>	<b>4,243.27</b>	<b>3,556.43</b>
<b>Deferred tax asset / (liability), net (A-B)</b>	<b>1,393.42</b>	<b>9,826.92</b>

(B) Reconciliation of deferred tax assets/ (liabilities) (net):

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance as of 1 April	9,826.92	(508.19)
Deferred tax assets/ (liabilities) recognized in Statement of Profit and Loss	(8,543.94)	10,221.09
Deferred tax assets/ (liabilities) recognized in OCI	110.44	114.01
<b>Closing balance</b>	<b>1,393.42</b>	<b>9,826.92</b>

(C) Income tax expense recognised in profit and loss

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
- Current tax taxes	11,643.17	-
- Adjustments in respect of income tax of previous year	(1.33)	47.32
- Deferred tax charge / (income)	8,543.94	(10,221.09)
<b>Total</b>	<b>20,185.78</b>	<b>(10,173.78)</b>

(D) Income tax expense/ (income) recognised in other comprehensive income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Net loss/ (gain) on remeasurements of defined benefit plans	(110.44)	(114.01)
<b>Total</b>	<b>(110.44)</b>	<b>(114.01)</b>

(E) Reconciliation of tax charge

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax	82,740.71	(39,387.48)
Income tax expense/ (income) at tax rates applicable i.e. 25.168%	20,824.18	(9,913.04)
<b>Income tax expenses</b>	<b>20,824.18</b>	<b>(9,913.04)</b>
Tax effects of:		
- Disallowance expense	0.02	87.75
- Other	93.69	30.48
- Tax at different rate	(732.12)	(378.96)
<b>Tax expense recognised in Statement of Profit and Loss</b>	<b>20,185.78</b>	<b>(10,173.78)</b>



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NJ ASSET MANAGEMENT PRIVATE LIMITED (Formerly known as NJ Advisory Services Private Limited)

Notes forming part of the Financial Statements for the year ended 31 March 2022

(Amount in thousands, unless otherwise stated)

11 Property, plant and equipment

Particulars	Gross block				Accumulated depreciation and impairment					Net block		
	As at 31 March 2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2022	As at 31 March 2021	For the year	Deductions/ Adjustments	Impairment	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021	
<b>Owned assets</b>												
Office Equipments	1,408.67	27.45	-	1,436.12	311.65	508.49	-	-	820.14	615.98	1,097.01	
Computer Equipments	1,488.26	561.32	15.36	2,034.22	431.15	906.39	0.06	-	1,337.47	696.7515	1,057.11	
Furniture & Fixtures	3,733.20	24.41	-	3,757.61	365.89	891.89	-	-	1,257.78	2,499.83	3,367.31	
Other fixed assets	88.93	13.58	-	102.51	10.33	21.03	-	-	31.36	71.15	78.60	
<b>Total</b>	<b>6,719.05</b>	<b>626.77</b>	<b>15.36</b>	<b>7,330.46</b>	<b>1,119.03</b>	<b>2,327.79</b>	<b>0.06</b>	<b>-</b>	<b>3,446.75</b>	<b>3,883.71</b>	<b>5,600.03</b>	

Particulars	Gross block				Accumulated depreciation and impairment					Net block		
	As at 31 March 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2021	As at 31 March 2020	For the year	Deductions/ Adjustments	Impairment	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	
<b>Owned assets</b>												
Office Equipments	-	1,408.67	-	1,408.67	-	311.65	-	-	311.65	1,097.01	-	
Computer Equipments	58.39	1,429.87	-	1,488.26	4.89	426.26	-	-	431.15	1,057.11	53.50	
Furniture & Fixtures	-	3,733.20	-	3,733.20	-	365.89	-	-	365.89	3,367.31	-	
Other fixed assets	-	88.93	-	88.93	-	10.33	-	-	10.33	78.60	-	
<b>Total</b>	<b>58.39</b>	<b>6,660.66</b>	<b>-</b>	<b>6,719.05</b>	<b>4.89</b>	<b>1,114.13</b>	<b>-</b>	<b>-</b>	<b>1,119.03</b>	<b>5,600.03</b>	<b>53.50</b>	



12 Intangible assets

Particulars	Gross block				Accumulated amortisation and impairment				Net block		
	As at 31 March 2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2022	As at 31 March 2021	For the year	Deductions/ Adjustments	Impairment	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Computer Software	126.90	4,917.01	-	5,043.91	27.97	956.49	-	-	984.46	4,059.46	98.93
Mutual Fund License	-	2,500.00	-	2,500.00	-	-	-	-	-	2,500.00	-
<b>Total</b>	<b>126.90</b>	<b>7,417.01</b>	<b>-</b>	<b>7,543.91</b>	<b>27.97</b>	<b>956.49</b>	<b>-</b>	<b>-</b>	<b>984.46</b>	<b>6,559.45</b>	<b>98.93</b>

Particulars	Gross block				Accumulated amortisation and impairment				Net block		
	As at 31 March 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2021	As at 31 March 2020	For the year	Deductions/ Adjustments	Impairment	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Computer Software	-	126.90	-	126.90	-	27.97	-	-	27.97	98.93	-
<b>Total</b>	<b>-</b>	<b>126.90</b>	<b>-</b>	<b>126.90</b>	<b>-</b>	<b>27.97</b>	<b>-</b>	<b>-</b>	<b>27.97</b>	<b>98.93</b>	<b>-</b>

Intangible assets under development

Particulars	As at 31 March 2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2022
Computer Software	2,667.01	4,121.80	4,917.01	1,871.80
Trademark and Copyright	-	95.00	-	95.00
<b>Total</b>	<b>2,667.01</b>	<b>4,216.80</b>	<b>4,917.01</b>	<b>1,966.80</b>

	As at 31 March 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2021
Computer Software	-	2,667.01	-	2,667.01

Intangible assets under development aging schedule

Intangible Assets under development as on 31 March 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,966.80	-	-	-	1,966.80

Intangible Assets under development as on 31 March 2021	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,667.01	-	-	-	2,667.01



NJ ASSET MANAGEMENT PRIVATE LIMITED (Formerly known as NJ Advisory Services Private Limited)

Notes forming part of the Financial Statements for the year ended 31 March 2022

(Amount in thousands, unless otherwise stated)

13 Right of use assets

Particulars	Amount
Carrying amount as at 31 March 2020	30,370.69
Addition	-
Adjustments/deletion	-
Depreciation for the year	(6,172.22)
Carrying amount as at 31 March 2021	24,198.48
Addition	-
Adjustments/deletion	-
Depreciation for the year	(6,172.22)
Carrying amount as at 31 March 2022	18,026.26

14 Other Non Financial Assets

Particulars	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	2,688.63	841.23
Advance for expenses	226.02	105.47
Balance with government authorities	13,425.74	4,219.82
<b>Total</b>	<b>16,340.39</b>	<b>5,166.53</b>



NJ ASSET MANAGEMENT PRIVATE LIMITED (Formerly known as NJ Advisory Services Private Limited)

Notes forming part of the Financial Statements for the year ended 31 March 2022

(Amount in thousands, unless otherwise stated)

15 Trade Payables

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Total outstanding dues of micro enterprises and small enterprises	109.06	145.00
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,37,200.20	97,112.76
<b>Total</b>	<b>1,37,309.26</b>	<b>97,257.76</b>

**DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

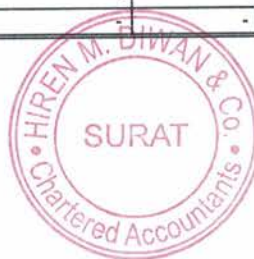
The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as below:

Particulars	As at 31 March 2022	As at 31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
- Principal	109.06	145.00
- Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond appointed day during the year) but without adding the interest specified under MSME Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the	-	-
<b>Total</b>	<b>109.06</b>	<b>145.00</b>

Trade Payables aging schedule

31 March 2022			Outstanding for following periods from due date of payment#				
Particulars	Unbilled dues	Payables Not Due	Less Than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	97.20	11.86	-	-	-	109.06
(ii) Others	-	583.14	1,36,617.06	-	-	-	1,37,200.20
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	-	<b>680.34</b>	<b>1,36,628.92</b>	-	-	-	<b>1,37,309.26</b>

31 March 2021			Outstanding for following periods from due date of payment#				
Particulars	Unbilled dues	Payables Not Due	Less Than 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	145.00	-	-	-	145.00
(ii) Others	-	-	97,112.76	-	-	-	97,112.76
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>97,257.76</b>	-	-	-	<b>97,257.76</b>



## 16 Lease liability

Particulars	As at 31 March 2022	As at 31 March 2021
Amortised Cost (in India)		
Lease liabilities (Refer note a)	20,170.09	25,387.73
<b>Total</b>	<b>20,170.09</b>	<b>25,387.73</b>

## (a) Movement of lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance	25,387.73	29,900.53
Additions	-	-
Adjustments/Deletions	-	-
Interest expense	1,644.92	2,063.82
Lease payments & Lease concessions	(6,862.56)	(6,576.62)
<b>Total</b>	<b>20,170.09</b>	<b>25,387.73</b>

## 17 Other Financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Employee Benefits Payable	17,460.70	11,679.13
Other payables	976.93	949.67
<b>Total</b>	<b>18,437.63</b>	<b>12,628.81</b>

## 18 Current tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Current income tax payable (31 March 2022: Income Tax Provision of INR 11678.47, net of TDS receivable of INR 10119.18)	1,537.93	-
<b>Total</b>	<b>1,537.93</b>	<b>-</b>

## 19 Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Provision for gratuity (Refer Note 41)	5,751.86	3,586.24
Provision for compensated absences	1,466.13	1,070.89
Other Provisions		
Payable for ESOP Plan of Holding Company	4,742.52	1,540.06
<b>Total</b>	<b>11,960.51</b>	<b>6,197.20</b>



20 Other Non Financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	23,475.41	8,814.85
<b>Total</b>	<b>23,475.41</b>	<b>8,814.85</b>

21 Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
<u>Authorized</u> 20,00,000 (31 March 2021: 20,00,000) Equity Shares of INR 10 each	20,000.00	20,000.00
	20,000.00	20,000.00
<u>Issued, Subscribed and paid up</u> 7,45,593 (31 March 2021: 7,45,593) Equity Shares of INR 10 each	7,455.93	7,455.93
<b>Total</b>	<b>7,455.93</b>	<b>7,455.93</b>

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	7,45,593.00	7,455.93	1,10,000.00	1,100.00
Add: Issued during the year	-	-	6,35,593.00	6,355.93
Outstanding at the end of the year	<b>7,45,593.00</b>	<b>7,455.93</b>	<b>7,45,593.00</b>	<b>7,455.93</b>

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of INR 10/- per share. Each shareholder is entitled for one vote per share held. The dividend proposed, if any, by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation of company, the equity shareholders are entitled to receive the remaining assets of the company after distributions of all preferential amounts, in proportion to their shareholding.

(c) Shares held by holding Company

Particulars	As at 31 March 2022	As at 31 March 2021
<u>NJ India Invest Private Limited</u> 7,35,593 (31 March 2021: 7,35,593) Equity Shares of INR 10 each	7,355.93	7,355.93
	<b>7,355.93</b>	<b>7,355.93</b>

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% Holding	No. of shares	% Holding
Equity shares of INR 10 each fully paid				
NJ India Invest Private Limited	7,35,593.00	98.66%	7,35,593.00	98.66%
<b>Total</b>	<b>7,35,593.00</b>	<b>98.66%</b>	<b>7,35,593.00</b>	<b>98.66%</b>





(e) Shareholding of Promoters

Shares held by promoters at the end of the year		As at 31 March 2022		As at 31 March 2021		% Change during the year
Sr. No.	Promoter Name	No. of shares	% of Total	No. of shares	% of Total Shares	
1	Niraj Choksi	5,000	0.67%	5,000	0.67%	-
2	Jignesh Desai	5,000	0.67%	5,000	0.67%	-
Total		10,000.00	1.34%	10,000.00	1.34%	-

- (f) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.
- (g) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

22 Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
Securities Premium	6,18,643.86	6,18,643.86
Retained earnings	96,705.03	34,478.47
Share based options outstanding account	8,674.43	-
Total	7,24,023.33	6,53,122.33

(A) Securities Premium

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	6,18,643.86	25,000.00
Add : Securities premium credited on share issue	-	5,93,643.86
Closing balance	6,18,643.86	6,18,643.86

(B) Retained earnings

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	34,478.47	64,031.16
Less : Issue of bonus shares	-	-
Add : Net profit for the year	62,554.93	(29,213.70)
Add/(Less): Other comprehensive income	(328.37)	(338.99)
Closing balance	96,705.03	34,478.47

(C) Share option outstanding (Refer Note 39)

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	-	-
Add: Options granted during the year	8,674.43	-
Closing balance	8,674.43	-



Nature and purpose of reserves

- (A) **Securities Premium:** Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.
- (B) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less dividends or other distributions paid to shareholders. It also includes actuarial gains and losses on defined benefit plans recognised in other comprehensive income (net of taxes).
- (C) **Share option outstanding:** This reserve is created by debiting the statement of profit and loss account with the value of share options granted to the employees by the Company. Once shares are issued by the Company, the amount in this reserve will be transferred to equity share capital.

NJ ASSET MANAGEMENT PRIVATE LIMITED (Formerly known as NJ Advisory Services Private Limited)

Notes forming part of the Financial Statements for the year ended 31 March 2022  
(Amount in thousands, unless otherwise stated)

23 Fees Income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Investment and Advisory Fees Income	95,748.69	-
Portfolio Management Fees Income	505,610.08	258,514.95
<b>Total</b>	<b>601,358.78</b>	<b>258,514.95</b>

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to Statement of Profit and Loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Type of services</b>		
Investment and Advisory Fees Income	95,748.69	-
Portfolio Management Fees Income	505,610.08	258,514.95
<b>Total revenue from contract with customers</b>	<b>601,358.78</b>	<b>258,514.95</b>
<b>Geographical markets</b>		
India	601,358.78	258,514.95
Outside India	-	-
<b>Total revenue from contract with customers</b>	<b>601,358.78</b>	<b>258,514.95</b>
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	-	-
Services transferred over time	601,358.78	258,514.95
<b>Total revenue from contract with customers</b>	<b>601,358.78</b>	<b>258,514.95</b>

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Contract balances</b>		
Trade receivables	81,183.99	94,624.92

Other Income (Note 24 to 26)

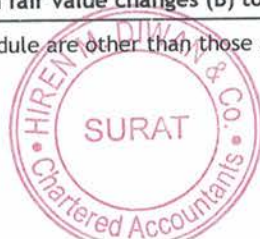
24 Interest Income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Interest income on financial assets measured at amortised cost:</b>		
- Interest on loan to employees measured at amortised cost	36.81	-
- Interest on security deposits measured at amortised cost	216.09	198.71
<b>Total</b>	<b>252.90</b>	<b>198.71</b>

25 Net gain/ (loss) on fair value changes\*

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Net gain/ (loss) on financial instruments at fair value through profit or loss</b>		
(i) On trading portfolio		
- Investments	-	-
(ii) On financial instruments designated at fair value through profit or loss	20,290.66	13,261.41
<b>Total Net gain/(loss) on fair value changes :</b>	<b>20,290.66</b>	<b>13,261.41</b>
<b>Fair Value Changes:</b>		
Realised	9,785.45	1,686.31
Unrealised	10,505.21	11,575.09
<b>Total Net gain/(loss) on fair value changes (B) to tally with (A)</b>	<b>20,290.66</b>	<b>13,261.41</b>

\*Fair value changes in this schedule are other than those arising on account of interest income/expense.



26 Other Income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Infrastructure Support Income	100.00	66.67
Rent Concession Income	-	1,614.18
Miscellaneous income	0.52	1.33
<b>Total</b>	<b>100.52</b>	<b>1,682.17</b>

27 Finance Costs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
On Financial liabilities measured at Amortised Cost		
Interest on lease liabilities	1,644.92	2,063.82
<b>Total</b>	<b>1,644.92</b>	<b>2,063.82</b>

28 Fees and Commission Expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Custody Charges	2,945.43	1,516.15
Distributor's Commission Expense	3,77,811.95	1,90,681.80
<b>Total</b>	<b>3,80,757.38</b>	<b>1,92,197.95</b>

29 Employee Benefits Expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	69,396.97	83,349.11
Contribution to provident and other funds (Refer Note 41)	1,185.51	590.81
Gratuity expenses (Refer Note 41)	1,378.85	302.85
Compensated absences expenses	330.17	365.95
Staff welfare expenses	1,482.42	531.73
Share based payment to employees	12,782.53	1,001.82
<b>Total</b>	<b>86,556.45</b>	<b>86,142.26</b>

30 Depreciation and amortization expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property plant & equipments	2,327.73	1,114.13
Depreciation on right to use assets	6,172.22	6,172.22
Amortization of intangible assets	956.49	27.97
<b>Total</b>	<b>9,456.44</b>	<b>7,314.32</b>



31 Other expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Rent, rates and taxes	2,251.31	1,388.89
Annual maintenance contract charges	30.37	-
Software support & maintenance expenses	9,651.38	8,233.72
Marketing & business promotion expenses	23,160.28	196.31
Branch expenses	-	7,111.37
Electricity expenses	488.11	338.90
Travelling expenses	1,483.68	226.99
Communication expenses	462.97	220.43
Bank charges	5.96	6.70
Membership fees	900.00	-
Repairs and maintenance	141.26	274.30
Office expenses	331.48	154.85
Insurance expenses	710.83	10.41
Subscription expenses	4,318.77	3,076.04
Housekeeping and Administrative expenses	688.95	172.93
Legal and Professional charges	5,686.29	3,011.88
Statutory Auditors remuneration (Note I)	350.00	240.00
Ineligible Credit GST	189.82	44.28
Interest on taxes	7.12	70.64
Net gain or loss on foreign currency transaction and translation	24.00	19.20
Stationery & Printing	80.50	37.61
Regulatory Filing Fees	4,199.51	-
Directors' Sitting Fees	1,400.00	400.00
Courier/ Postage expenses	1,381.48	4.03
Scheme related expenses	2,892.31	-
Miscellaneous expenses	10.59	86.88
<b>Total</b>	<b>60,846.96</b>	<b>25,326.38</b>

Note I - Payments to Auditors

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Statutory audit fees	350.00	240.00
Taxation matters	260.00	200.00
GST on above fees	109.80	79.20
<b>Total</b>	<b>719.80</b>	<b>519.20</b>



**NJ ASSET MANAGEMENT PRIVATE LIMITED (Formerly known as NJ Advisory Services Private Limited)**

**Notes forming part of the Financial Statements for the year ended 31 March 2022**

(Amount in thousands, unless otherwise stated)

**32 Earnings per share**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit / (loss) attributable to ordinary equity holders	62,554.93	(29,213.70)
Weighted average number of equity shares for basic EPS	745,593.00	430,408.53
Weighted average number of equity shares for diluted EPS	747,594.36	745,593.00
Face Value per share	10.00	10.00
Basic earnings/(loss) per share (INR)	83.90	(67.87)
Diluted earnings/(loss) per share (INR)	83.67	(67.87)

**33 Contingent liabilities and commitments**

There are no contingent liabilities and capital commitments at each reporting date.

**34 Compliance with number of layers of companies**

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

**35 Utilisation of Borrowed funds and share premium**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**36 Employee benefits**

**(A) Defined Contribution Plans**

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss -

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contribution to Provident, ESIC and labour welfare fund (Refer Note 29)	1,185.51	590.81
<b>Total</b>	<b>1,185.51</b>	<b>590.81</b>

**(B) Defined benefit plans**

**a) Gratuity payable to employees**

The Company's liabilities under the Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each reporting period using the projected unit credit method.

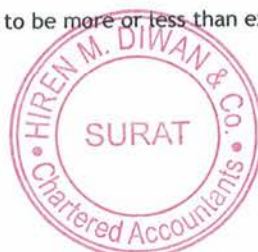
The gratuity benefit is provided through unfunded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Company. Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

**Discount rate**

Discount rate has been determined by reference to market yields on Government bonds of term consistent with estimated term of obligations.

**Mortality/ disability**

If the actual mortality rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.



**Employee turnover/withdrawal rate**

If the actual withdrawal rate in the future turns out to be more or less than expected then it may result in increase / decrease in the liability.

**Salary escalation rate**

More or less than expected increase in the future salary levels may result in increase / decrease in the liability.

**i) Principal assumptions used for the purposes of the actuarial valuations**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Economic Assumptions</b>		
Discount rate (per annum)	6.90%	6.87%
Salary Escalation rate	10.00%	10.00%
<b>Demographic Assumptions</b>		
Mortality	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2006-08) Ult
Employee turnover/Withdrawal rate	10.00%	4.00%
Retirement age	60 years	60 years

**ii) Amount recognized in the Balance Sheet**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Present value of unfunded obligation as at the end of the year	5,751.86	3,586.24
<b>Net liability recognized in Balance Sheet (Refer Note 19)</b>	<b>5,751.86</b>	<b>3,586.24</b>
Current obligation	770.68	95.66
Non-current obligation	4,981.18	3,490.58

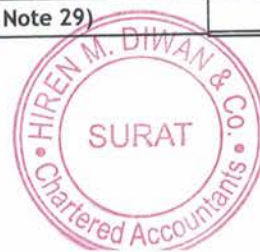
**iii) Changes in the present value of defined benefit obligation**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Present value of obligation at the beginning of the year	3,586.24	1,362.60
Interest cost	246.38	78.49
Current service cost	1,132.47	224.37
Liability Transferred In/ Acquisitions (Liability Transferred Out/ Divestments)	426.35	1,736.34 (268.55)
Past service cost	-	-
Benefits paid	(78.39)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(528.05)	739.05
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	(12.47)	(177.38)
Actuarial (gain)/ loss on obligations - Due to experience adjustments	979.32	(108.67)
<b>Present value of obligation at the end of the year</b>	<b>5,751.86</b>	<b>3,586.24</b>

The weighted average duration of defined benefit obligation is 9 years as at 31 March 2022.

**iv) Expense recognized in the Statement of Profit and Loss**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	1,132.47	224.37
Net Interest cost	246.38	78.49
Past service cost	-	-
<b>Total expenses recognized in the Statement Profit and Loss (Refer Note 29)</b>	<b>1,378.85</b>	<b>302.85</b>



v) Expense recognized in Other comprehensive income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Remeasurements due to-		
- Effect of Change in Demographic Assumptions	(528.05)	739.05
- Effect of change in financial assumptions	(12.47)	(177.38)
- Effect of experience adjustments	979.32	(108.67)
<b>Net actuarial (gains) / losses recognised in OCI</b>	<b>438.81</b>	<b>453.00</b>

vii) A quantitative sensitivity analysis for significant assumption is shown below:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Impact on defined benefit obligation</b>		
<b>Discount rate</b>		
1% increase	(388.14)	(409.72)
1% decrease	444.50	488.44
<b>Salary Escalation rate</b>		
1% increase	313.25	316.64
1% decrease	(294.44)	(308.53)
<b>Employee turnover/Withdrawal rate</b>		
1% increase	(64.38)	(64.51)
1% decrease	69.35	70.08

viii) Maturity profile of defined benefit obligation

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Within next 12 months	770.68	95.66
Between 2 and 5 years	1,788.17	527.20
Between 6 and 10 years	2,638.79	1,280.91
Beyond 10 years	5,570.02	8,044.64
<b>Total expected payments</b>	<b>10,767.65</b>	<b>9,948.41</b>

viii) Risks associated with defined benefit plan

Gratuity is a defined benefit plan and entity is exposed to the Following Risks:

**Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. rate will increase the present value of the liability requiring higher provision.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. entity has to manage pay-out based on pay as you go basis from own funds.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

37 Leases

The Company has entered into lease transactions mainly for leasing of office premise for a period between 1 to 5 years. The terms of lease include terms of renewal, increase in rents in future periods, which are in line with general inflation, and terms of cancellation.

The changes in the carrying value of right of use assets for the year ended 31 March 2022 has been disclosed in Note 13.



The aggregate depreciation expense on right of use assets is included under depreciation and amortisation expense in the statement of Profit and Loss (Refer Note 30).

The movement in lease liabilities has been disclosed in Note 16.

The Company had received rent concession due to COVID-19 for which the Company had applied a practical expedient given in the amendment notified in Ind AS 116. Practical expedient introduced by the amendment allows a lessee not to account rent concession as a direct consequence of COVID-19 as lease modifications. The company fulfills all the conditions for applying practical expedient and the Company has recorded Rs.16,14,177/- (rent concession received for the period of 14th April, 2020 to 10th July, 2020) as income in Profit or Loss statement for the year ended 31st March, 2021.

The below table provides the details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	6,862.56	6,862.56
One to five years	15,126.23	21,988.79
More than five years	-	-
<b>Total</b>	<b>21,988.79</b>	<b>28,851.35</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**Short term and low value lease:**

Rental expense incurred and paid for short term leases was INR 18,65,000 (31 March 2021: 12,38,339)

Rental expense incurred and paid for low value leases was Nil (31 March 2021: Nil)

The weighted average incremental borrowing rate applied to lease liabilities as at 31 March 2022 is 8.75%. p.a.

**38 Related Party Disclosures:**

**(A) Names of related parties and description of relationship as identified and certified by the Company:**

**Holding Company**

NJ India Invest Pvt. Ltd.

**Fellow Subsidiaries**

Finlogic Technologies India Pvt. Ltd.

NJ Trustee Private Limited

**Other related entities**

NJ Realty Services Private Limited

Refresh Wellness Pvt. Ltd. (Formerly Known As Nj Wellness Pvt. Ltd.)

**Key Management Personnel (KMP) of the entity or its parent**

Mr. Niraj Choksi

Mr. Jignesh Desai

Mr. Anand Shah

Mr. Misbah Baxamusa

Mr. Rajiv Shastri

Mr. Vineet Nayyar

Mrs. Punam Upadhyay

**Other related parties (Close members of the family of KMP of the entity or its parent)**

Urvi Choksi

Nirali Choksi

Ravindra Choksi

Minooben Choksi

Nirmay Choksi

Arundhati Desai

Sumati Desai

Raziya Y Baxamusa

Yousuf Ismailji Baxamusa





(B) Details of transactions with related party in the ordinary course of business for the year ended:

Holding Company & Fellow Subsidiaries

a) Transaction During the year

	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i)	<b>NJ India Invest Pvt. Ltd. (Holding Company)</b>		
	Management fees expense	445,818.10	225,004.52
	Infrastructure support charges	1,888.00	1,109.20
	Software License Fees expense	180.75	129.94
	Assets Purchase	69.83	208.97
	Management fees income	394.21	2,889.88
(ii)	<b>Finlogic Technologies India Pvt Ltd.</b>		
	Software support & maintenance charges	9,755.63	9,508.44
	IT Infra support Charges	312.70	-
	Payment Intermediary Services	23.68	-
	Management fees income	163.21	200.57
(iii)	<b>NJ Realty Services Pvt Ltd</b>		
	Purchase of Furniture items & other office renovation expense	-	4,904.39
	Consulting Charges	-	894.17
(iv)	<b>NJ Trustee Pvt Ltd</b>		
	Infrastructure support income	118.00	78.67
(v)	<b>Refresh Wellness Pvt. Ltd. (Formerly Known As Nj Wellness Pvt. Ltd.)</b>		
	Purchase of goods	10.52	6.34
	(*Amount disclosed is inclusive of GST)		

b) Amount due to/from related parties

	Particulars	As at 31 March 2022	As at 31 March 2021
	NJ India Invest Pvt. Ltd. (Trade Payables)	123,591.87	89,670.83
	NJ India Invest Pvt. Ltd. (Trade Receivables)	-	165.25
	NJ India Invest Pvt. Ltd. (Payable for ESOP)	4,340.47	1,540.06
	NJ India Invest Pvt. Ltd. (Receivable for Leave and Gratuity liability acquired)	557.99	2,168.74
	NJ India Invest Pvt. Ltd. (Other Payables)	1,106.33	69.68
	Finlogic Technologies India Pvt Ltd. (Advance for expenses)	9.46	-
	Finlogic Technologies India Pvt Ltd. (Trade Receivable)	-	57.87
	Finlogic Technologies India Pvt Ltd. (Trade Payables)	2,707.02	4,855.37
	Finlogic Technologies India Pvt Ltd. (Other Payables)	15.56	5.12
	NJ Trustee Private Limited (Other Receivables)	118.00	78.67



Key Management Personnel (KMP) of the entity or its parent and other related parties

a) Transaction During the year

Particulars		Year ended 31 March 2022	Year ended 31 March 2021
(i)	Jignesh desai Management fees income	297.75	347.85
(ii)	Niraj choksi Management fees income	362.06	493.48
(iii)	Misbah Baxamusa Management fees income	821.79	486.08
(iv)	Urvi Choksi Management fees income	118.17	231.06
(v)	Nirali Choksi Management fees income	129.16	175.89
(vi)	Ravindra Choksi Management fees income	-	51.93
(vii)	Minooben Choksi Management fees income	252.65	498.34
(viii)	Arundhati Desai Management fees income	121.72	135.18
(ix)	Sumati Desai Management fees income	61.14	86.22
(x)	Raziya Y Baxamusa Management fees income	129.18	64.31
(xi)	Yousuf Ismailji Baxamusa Management fees income	38.45	22.21
(xii)	Nirmay Choksi Consulting Charges	194.66	-

(\*Amount disclosed is inclusive of GST)

b) Balance as at period end

Particulars	As at 31 March 2022	As at 31 March 2021
Jignesh desai (Trade Receivables)	-	121.71
Niraj choksi (Trade Receivables)	-	147.82
Misbah Baxamusa (Trade Receivables)	73.56	144.67
Urvi Choksi (Trade Receivables)	-	97.79
Nirali Choksi (Trade Receivables)	-	52.57
Minooben Choksi (Trade Receivables)	-	175.74
Arundhati Desai (Trade Receivables)	-	48.81
Sumati Desai (Trade Receivables)	-	24.46
Raziya Y Baxamusa(Trade Receivables)	11.20	25.47
Yousuf Ismailji Baxamusa(Trade Receivables)	3.32	8.82
Nirmay Choksi(Trade Payables)	64.66	-



(C) Compensation of key management personnel

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Short term employee benefit	25,311.12	54,583.95
Long term employee benefit	-	-
Post-employment benefits	-	-
Termination benefits	-	-
Share based payments	-	-

\*In the above mentioned amounts, Provision for gratuity created in company's books is not included as it is determined on the basis of actuarial valuation at a company level. Gratuity actually paid during the year to KMPs (if any) is included under Long Term employee benefit. Value of Share options granted to KMPs is included in Share based payments on actual vesting of share options.

Amount due to/from Key Managerial Personnel as on:

Particulars	As at 31 March 2022	As at 31 March 2021
Payable for Salary, Wages and Bonus	8,537.59	970.36

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

39 Segment reporting

NJ Asset Management Private Limited (the 'Company') is into providing asset management services to NJ mutual fund and Portfolio management services to the clients. The primary segment is identified as asset management services as all services are in relation to asset management, there is no separate segment identified. As such, the Company's financial statements are largely reflective of the asset management business and accordingly there are no separate reportable segments as per Ind AS 108, Operating Segment. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith. The Company operates in one geographic segment namely "within India" and hence no separate information for geographic segment wise disclosure is required.

Single customer accounting for more than 10% revenue :

Customer	Nature of Income	Year ended 31 March 2022	Year ended 31 March 2021
NJ Mutual Fund	Investment and Advisory Fees Income	95,748.69	-



40 Employee stock option scheme

(l) NJ India Invest Private Limited Employee Stock Option Plan

- (a) On 31st May, 2018 the members of company approved the NJ India Invest Private Limited- Stock Option Scheme 2018, On 29th May 2019 they approved the Stock Option Scheme 2019, On 29th May 2020 they approved the Stock Option Scheme 2020 and On 15th June, 2021 they approved Stock Option Scheme 2021 (Scheme 2018, 2019, 2020 and 2021) for issue of stock options to the key employees and directors of the company and its subsidiaries (NJ Asset Management Private Limited, Finlogic Technologies Private Limited and NJ Insurance Broker Private Limited). According to the Scheme 2018, 2019, 2020 & 2021, the employee selected will be entitled to options, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of 36 months. The contractual life (comprising the vesting period and the exercise period) of options granted is 42 months.

(b) Summary of option granted under the scheme (to the employees of NJ Asset Management Private Limited)

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	1,091	475
Granted during the period	1,210	616
Transfer In/ (Out)	601	-
Exercised during the period*	(182)	-
Forfeited / Lapsed during the period	(295)	-
<b>Closing balance</b>	<b>2,425</b>	<b>1,091</b>
<b>Vested and exercisable</b>	<b>-</b>	<b>-</b>

(c) Vesting date and exercises prices of the share options outstanding

Grant date	Vesting Date	Exercise price (Rs.)	Share options as at 31 March 2022	Share options as at 31 March 2021
15 Jun 18	15 Jun 21	1,027.75	-	124
15 Jun 19	15 Jun 22	993.00	459	351
15 Jun 20	15 Jun 23	1,267.00	726	616
15 Jun 21	15 Jun 24	1,850.00	1,240	-
<b>Total</b>			<b>2,425</b>	<b>1,091</b>
<b>Weighted average remaining contractual life of options outstanding at the end of period</b>			<b>1.53 years</b>	<b>1.95 years</b>

- (d) The fair value of each option granted is estimated on the date of grant using the Black & Scholes model with the following assumptions

Scheme	A	B	C	D
Grant date	15 Jun 18	15 Jun 19	15 Jun 20	15 Jun 21
Weighted average fair value of options granted (Rs.)	3,313.70	3,171.30	4,002.30	5,761.60
Exercise price (Rs.)	1,027.75	993.00	1,267.00	1,850.00
Share price at the grant date (Rs.)	4,111.00	3,972.20	5,068.10	7,333.10
Expected volatility	43.40%	41.90%	45.00%	42.06%
Risk free interest rate	7.80%	6.50%	4.90%	4.86%
Expected dividend yield	Nil	Nil	Nil	0.14%

(e) Expense arising from share based payment transaction

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Gross expense arising from share based payments	4,108.09	1,001.82
<b>Employee share based payment expense recognised in statement of profit and loss (Refer Note 29)</b>	<b>4,108.09</b>	<b>1,001.82</b>



(II) NJ Asset Management Private Limited Employee Stock Option Plan

(a) On 25th August, 2021 the members of company approved the NJ Asset Management Private Limited- Stock Option Scheme 2021 (ESOP 2021) for issue of stock options to the key employees and directors of the company. According to the ESOP 2021 scheme, the employee selected will be entitled to options, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of 24 months. The contractual life (comprising the vesting period and the exercise period) of options granted is 84 months.

(b) Summary of option granted under the scheme

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	-	-
Granted during the period	12,340	-
Exercised during the period*	-	-
Forfeited / Lapsed during the period	-	-
<b>Closing balance</b>	<b>12,340</b>	<b>-</b>
<b>Vested and exercisable</b>	<b>-</b>	<b>-</b>

(c) Vesting date and exercises prices of the share options outstanding

Grant date	Vesting Date	Exercise price (Rs.)	Share options as at 31 March 2022	Share options as at 31 March 2021
3 Sep 21	3 Sep 23	10.00	12,340	-
<b>Total</b>			<b>12,340</b>	<b>-</b>
<b>Weighted average remaining contractual life of options outstanding at the end of period</b>			<b>1.43 years</b>	<b>-</b>

(d) The fair value of each option granted is estimated on the date of grant using the black Scholes model with the following assumptions

Scheme	ESOP 2021
Grant date	3 Sep 21
Weighted average fair value of options granted (Rs.)	2,466.50
Exercise price (Rs.)	10.00
Share price at the grant date (Rs.)	2,474.40
Expected volatility	40.21%
Risk free interest rate	5.32%
Expected dividend yield	Nil

(e) Expense arising from share based payment transaction

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Gross expense arising from share based payments	8,674.43	-
Less: Options granted to employees of subsidiaries recognised as deemed investment in subsidiaries	-	-
Less: Options granted to employees of subsidiaries on reimbursement basis over the vesting period	-	-
<b>Employee share based payment expense recognised in statement of profit and loss (Refer Note 29)</b>	<b>8,674.43</b>	<b>-</b>



41 Fair values of financial assets and financial liabilities

Classification of financial assets and financial liabilities

The following table shows the carrying amounts of financial assets and financial liabilities which are classified as fair value through profit and loss (FVTPL) and amortised cost.

Particulars	FVOCI	FVTPL	Amortised cost
<b>As at 31 March 2022</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	-	-	718.86
Trade Receivables	-	-	81,183.99
Loans	-	-	476.81
Investments	-	717,170.58	-
Other Financial assets	-	-	87,676.17
<b>Financial liabilities</b>			
Trade Payables	-	-	137,309.26
Lease Liability	-	-	20,170.09
Other financial liabilities	-	-	18,437.63
<b>As at 31 March 2021</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	-	-	6,259.24
Trade Receivables	-	-	94,624.92
Loans	-	-	-
Investments	-	645,967.63	-
Other Financial assets	-	-	7,489.06
<b>Financial liabilities</b>			
Trade Payables	-	-	97,257.76
Lease Liability	-	-	25,387.73
Other financial liabilities	-	-	12,628.81



#### 42 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of financial instruments measured at fair value on a recurring basis:

	As at 31 March 2022	As at 31 March 2021
(a) <b>Financial Assets measured at fair value through profit or loss</b>		
Level 1 (Quoted price in active markets)		
Investments in mutual funds FVTPL	717,170.58	645,967.63

Carrying amount of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables, lease liability and other financial liabilities are considered to be same as their fair values. The fair values of lease liability, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

#### 43 Financial risk management objectives

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management is set by the managing board. These risks are categorised into market risk, credit risk and liquidity risk.

##### (A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings.

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to floating interest rate borrowings, hence it is not exposed to interest rate risk.

##### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at each reporting date, the Company does not have exposure in foreign currency, therefore it is not exposed to currency risk.



**(B) Credit risk**

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by following a adequate internal controls accordingly to the materiality of the risk involved. The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans, trade receivables and security deposits and investments.

Cash and cash equivalents are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors.

**Expected Credit Loss (ECL) on Financial Assets**

The Company continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument is subject to 12 month ECL (12mECL) or life time ECL (LTECL), the Company assesses whether there has been a significant increase in credit risk or the asset has become credit impaired since initial recognition. The Company applies following quantitative and qualitative criteria to assess whether there is significant increase in credit risk or the asset has been credit impaired:

- Historical trend of collection from counterparty
- Company's contractual rights with respect to recovery of dues from counterparty
- Credit rating of counterparty and any relevant information available in public domain

ECL is a probability weighted estimate of credit losses. It is measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with contract and the cash flows that the Company expects to receive).

**(i) Trade receivable (including contract assets):**

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. As the Company has a contractual right to such receivables as well as control over preponderant amount of such funds due from customers, the Company does not estimate any credit risk in relation to such receivables.

**(ii) Other remaining financial assets ('Other financial assets and loans'):**

Other financial assets mainly includes deposit given and loans includes loans given to employees. Based on assessment carried by the Company, entire receivable is under this category is classified as "Stage 1". There is no history of loss and credit risk and the amount of provision for expected credit losses on other financial assets is negligible.

**(C) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Company's financial liabilities:

Particulars	0 - 1 year	1-2 Years	2-3 years	3-4 year	Beyond 4 years	Total
<b>31 Mar 22</b>						
Trade payables	1,37,309.26	-	-	-	-	1,37,309.26
Other financial liabilities	18,437.63	-	-	-	-	18,437.63
	<b>1,55,746.89</b>	-	-	-	-	<b>1,55,746.89</b>
	0 - 1 year	2-3 years	3-4 year	Beyond 4 years	Total	
<b>31 Mar 21</b>						
Trade payables	97,257.76	-	-	-	-	97,257.76
Other financial liabilities	12,628.81	-	-	-	-	12,628.81
	<b>1,09,886.57</b>	-	-	-	-	<b>1,09,886.57</b>





#### 44 Maturity analysis of assets and liabilities

The below table shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

##### Maturity analysis of assets and liabilities as at 31st March 2022

Particulars	As at 31 March 2022		
	Current	Non-current	Total
<b>Assets</b>			
Cash and cash equivalents	718.86	-	718.86
Trade Receivables	81,183.99	-	81,183.99
Loans	166.31	310.51	476.81
Investments	717,170.58	-	717,170.58
Other Financial assets	84,990.44	2,685.73	87,676.17
Tax assets (Net)	8,973.66	-	8,973.66
Deferred tax assets (Net)	-	1,393.42	1,393.42
Property, Plant and Equipment	-	3,883.71	3,883.71
Intangible assets	-	6,559.45	6,559.45
Intangible assets under developmens	-	1,966.80	1,966.80
Right to use assets	-	18,026.26	18,026.26
Non-financial assets	16,340.39	-	16,340.39
<b>Total Assets</b>	<b>909,544.22</b>	<b>34,825.87</b>	<b>944,370.09</b>
<b>Liabilities</b>			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	109.06	-	109.06
(ii) total outstanding dues of creditors other than micro enterprises and	137,200.20	-	137,200.20
Lease Liability	6,862.56	13,307.53	20,170.09
Other Financial liabilities	18,437.63	-	18,437.63
Tax liabilities (Net)	1,537.93	-	1,537.93
Deferred tax liabilities (Net)	-	-	-
Provisions	2,293.73	9,666.79	11,960.52
Non-financial liabilities	23,475.41	-	23,475.41
<b>Total Liabilities</b>	<b>189,916.52</b>	<b>22,974.33</b>	<b>212,890.85</b>

##### Maturity analysis of assets and liabilities as at 31st March 2021

Particulars	As at 31 March 2021		
	Current	Non-current	Total
<b>Assets</b>			
Cash and cash equivalents	6,259.24	-	6,259.24
Trade Receivables	94,624.92	-	94,624.92
Loans	-	-	-
Investments	645,967.63	-	645,967.63
Other Financial assets	5,019.42	2,469.64	7,489.06
Tax assets (Net)	8,965.86	-	8,965.86
Deferred tax assets (Net)	-	9,826.92	9,826.92
Property, Plant and Equipment	-	5,600.03	5,600.03
Intangible assets	-	98.93	98.93
Intangible assets under developmens	-	2,667.01	2,667.01
Right to use assets	-	24,198.48	24,198.48
Non-financial assets	5,166.53	-	5,166.53
<b>Total Assets</b>	<b>766,003.60</b>	<b>44,861.01</b>	<b>810,864.61</b>
<b>Liabilities</b>			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	145.00	-	145.00
(ii) total outstanding dues of creditors other than micro enterprises and	97,112.76	-	97,112.76
Lease Liability	6,862.56	18,525.17	25,387.73
Other Financial liabilities	12,628.81	-	12,628.81
Tax liabilities (Net)	-	-	-
Deferred tax liabilities (Net)	-	-	-
Provisions	523.50	5,673.70	6,197.20
Non-financial liabilities	8,814.85	-	8,814.85
<b>Total Liabilities</b>	<b>126,087.48</b>	<b>24,198.86</b>	<b>150,286.35</b>



45 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

Company has not declared or paid any dividend to its shareholders during the year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

46 The previous year figures have been reclassified & regrouped to confirm to Ind AS presentation requirements of Schedule III of Companies Act, 2013 for the purpose of these financial statements.

As per our report of even date  
For Hiren M. Diwan & Company  
Chartered Accountants

Pinaz R. Bhagat  
Partner

Membership No: 176117

Firm Registration No.: 103691W

UDIN: 22476447AKMJGB3918

Date: 27/05/2022

Place: Surat

For and on behalf of the Board of Directors of  
NJ Asset Management Private Limited  
(Formally known as NJ Advisory Services private Limited)

Niraj R. Choksi  
Director

DIN: 00335569

Date: 27/05/2022

Place: Surat

Rajiv Vijay Shastri  
Director & Chief Executive Officer

DIN: 02143422

Date: 27/05/2022

Place: Surat

Vineet Nayyar  
Chief Operating Officer &  
Chief Financial Officer

Date: 27/05/2022

Place: Surat

Punam Upadhyay  
Company Secretary

Date: 27/05/2022

Place: Surat

