



Arman Financial Services Limited

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Date: September 06, 2023

To, BSE Limited Phiroze Jeejeebhoi Tower, Dalal Street, Mumbai-400001 SCRIPT CODE: 531179	To, National Stock Exchange of India Limited "Exchange Plaza" C-1, Block G, Bandra Kurla Complex, Bandra, Mumbai- 400051 SYMBOL: ARMANFIN
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Dear Sir,

SUB: Regulation 34 and 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Notice of 31ST Annual General Meeting (AGM) along with Annual Report of the Company for the Financial Year 2022-23

This is further to our Letter dated August 14, 2023 wherein, the Company had informed that the 31ST AGM is scheduled to be held on Friday, September 29, 2023 at 12.00 noon through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) in accordance, with the relevant Circulars issued by the MCA & SEBI.

In terms of the requirement of Regulation 34 and 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company including the Notice of AGM for the FY 2022-23. The Company has sent the same today through electronic mode to the Members who have registered their Email IDs with the Company's R&TA/DP.

The Notice of AGM along with the Annual Report for the FY 2022-23 is also available on the website of the Company viz. www.armanindia.com.

Kindly take it on your record.

Thanking you,

Yours Faithfully,

For, Arman Financial Services Limited

Jaimish Patel
Company Secretary



Arman Financial Services Limited



small
steps
endless
horizons

Arman Financial Services Limited

ANNUAL REPORT **2022-23**



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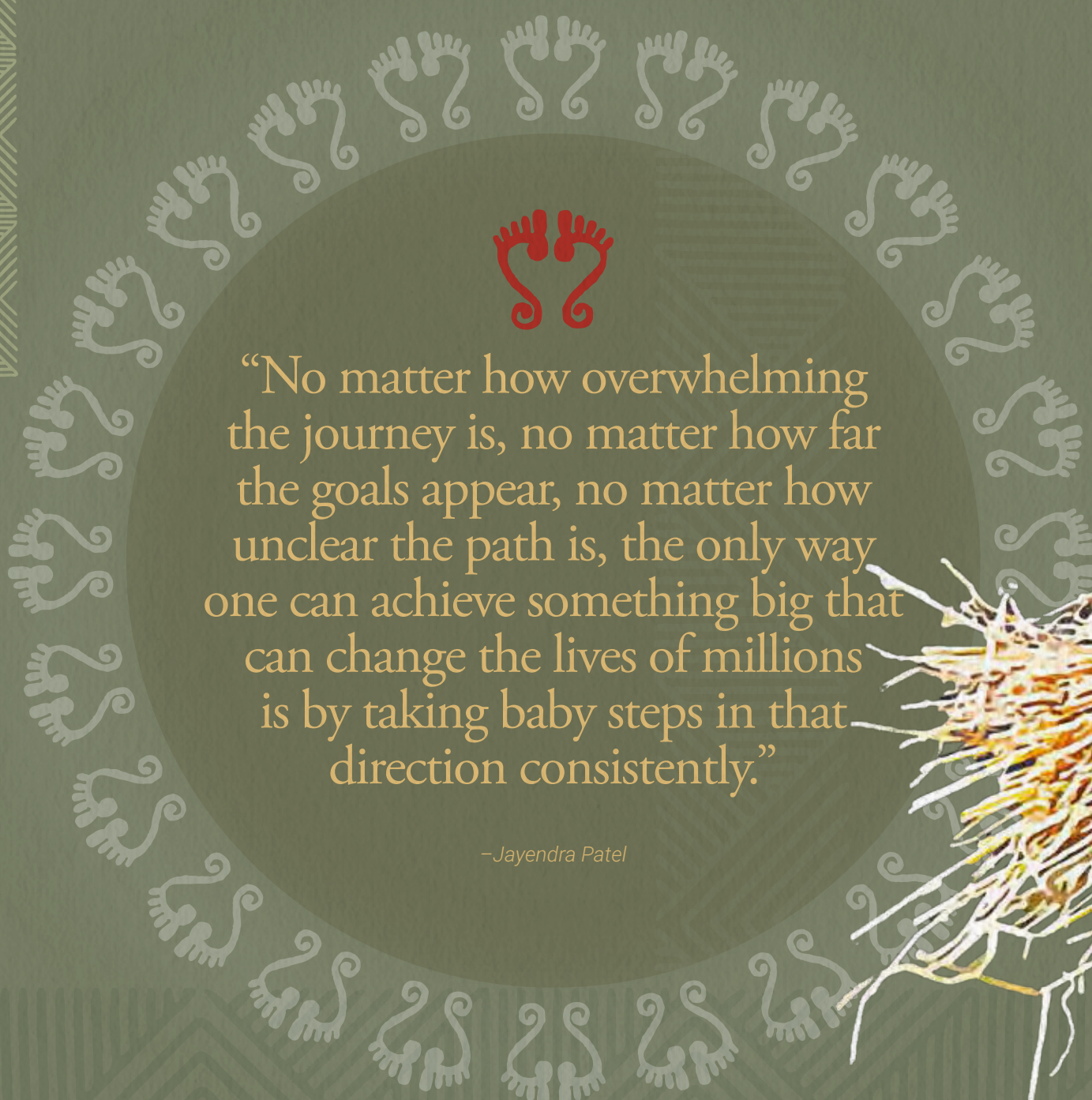
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“We rise to great heights by a winding staircase of small steps.”

– Francis Bacon

At Arman, we didn't allow the grand staircase to intimidate us; instead, we focused on taking that initial step and steadily followed it with small steps forward...



“No matter how overwhelming the journey is, no matter how far the goals appear, no matter how unclear the path is, the only way one can achieve something big that can change the lives of millions is by taking baby steps in that direction consistently.”

– Jayendra Patel



In our Microfinance space, we steadily widened our coverage and deepened our presence.

FY09

Started pilot with 1 branch in Ahmedabad, Gujarat

FY14

We were concentrated only in Gujarat.

FY15

We expanded our presence from Gujarat into Madhya Pradesh.

FY16

We entered into Maharashtra for widening our microfinance presence.

FY17

We extended further in Uttar Pradesh, the most attractive microfinance market in North India.

FY18

We started business operations in Uttarakhand.

FY19

We forayed into Rajasthan with four pilot branches in Chittorgarh and Pratapgarh districts.

FY22

We tiptoed into Haryana.

FY23

We ventured into Bihar.

As we built our business edifice brick by brick, one year at a time, we created significant value which remained invisible then, but when cumulated stands out as an outstanding performance.



55

Microfinance
Branches in
FY16

274

Microfinance
Branches
in FY23

1,02,840

Microfinance
Customers in
FY16

5,49,008

Microfinance
Customers in
FY23

117

Microfinance
AUM as on
March 31, 2016
(₹ crore)

1,628

Microfinance
AUM as on
March 31, 2023
(₹ crore)

To scale new heights, we added a new pillar to our business structure – the MSME vertical.

The new opportunity was an outcome of the knowledge gained about existing financing gaps in India's rural economy due to our entrenched presence in these locations. We realised that the customer segment for 'less-than-50 thousand' loans were being serviced by the group-based model of the NBFC-MFIs, while the 'greater-than-5-lac' category was being served by banks and other NBFC. Interestingly, there existed a vacuum for loan products between this range especially for the non-salaried rural segments who do not have the paper work necessary to approach banks for a personal loan. Our MSME division promises to fill this vacuum by servicing customers one or two steps above the bottom of pyramid.

FY17

Initiated the new business vertical Pilot – MSME loans in Gujarat, our home bastion.

FY19

We extended our presence into Madhya Pradesh.

FY20

We forayed into Maharashtra.

FY23

We entered Telangana -we set up one branch.



7

MSME
Branches in
FY17

58

MSME
Branches in
FY23

1,128

MSME
Customers in
FY17

63,917

MSME
Customers in
FY23

6

MSME AUM
as on March 31,
2017 (₹ crore)

255

MSME
AUM as on
March 31, 2023
(₹ crore)

While our operations spread wide, we deployed technology solutions gradually to increase efficiency, and infuse agility. **It made our widespread operations virtually proximate.**

FY17

We launched an integrated mobile interface for onboarding customers. It did a real-time credit check for all loan applications collapsing the appraisal lead time from days to minutes.

We initiated cashless disbursements. We created bank accounts for the same people who were once shunned as un-bankable.

FY18

We achieved an important milestone in our digital journey – we moved to 100% cashless disbursements for all our business verticals. This helped in better control over cash and reduced the risk in our business. Moreover, this initiative reduced the TAT (turnaround time) in disbursing loans significantly.

We invested in an organisation wide-new ERP system that streamlined operations, made processes more accurate (by eliminating human intervention), and provided a host of data at the click of a button for faster and more informed decisions.

FY19

The 'Jayam' initiative was rolled out across the organisation. The integrated LOS/LMS system is hosted on the Cloud and managed and tracked originations and recoveries on a real-time basis through mobile or a Web-based application.

While at the ground level, it significantly reduced the TAT, enhanced people productivity, and increased controls. At the leadership level, we got a bird's eye view of business operations at the click of a button on a real-time basis.

FY21

We launched a comprehensive digital collection solution which facilitated timely collection, automated reconciliation and provided a wholistic view (on a dashboard) of the organisation's collection activity.

FY22

We rehailed our entire LOS LMS system into a new comprehensive solution that creates a seamlessly connected organisation. This IT solution completely integrated Loan Origination System (LOS), Loan Management System (LMS), and Accounts for all products offered. This solution covers automates every business process and collapses the TAT significantly. This solution went live in

FY23

We rolled out our HRMS solutions that handles the entire life cycle of our 3000+ employees from recruitment to exit, and also manages the Performance Management System.

Our small steps....made a 

Huge difference

Performance Highlights, FY23





Statement from the Chairman's Office

“Our business spaces are brimming with opportunities. We will stay rooted in our core values to make our success sustainable. Staying firm on our business philosophy of ‘Small steps make a Big Difference,’ we will embed small initiatives in our business model which, over time, will make a big difference to our market position.”



Dear Shareholders,

It is with a sense of accomplishment and gratitude that I share the remarkable journey we have undertaken over the past year, and the achievements that have come to fruition through our collective dedication, commitment, and strategic initiatives. Our growth was particularly satisfying as it happened during rising inflation and climbing interest rates. The notable post-covid swing in the rural economy led to the emergence of robust credit demand. All business verticals reported a strong uptick, successfully navigating the challenges and surpassing pre-pandemic levels of growth.

FY23 holds a special place for me as we achieved significant milestones.

One, our wholly owned subsidiary Namra Finance, has been assigned the grading of MFI-1 (MFI One) by CARE Ratings. The rating is the highest possible grading for an MFI Company to manage microfinance operations sustainably. This grading of MFI 1 (MFI One) will help the Company improve its borrowing profile and lend confidence to all of our stakeholders in our ability to manage operations at scale.

Two, we successfully raised ₹115

crore through CCDs and OCRPS. This equity fund raised will help the Company achieve its outlined strategy and afford us sufficient capital to reach an AUM of ₹2,700 crore or more.

Three, We have embraced digital technologies to streamline operations, enhance customer experience, and reach a wider audience. Technology will continue to play a big role in strategy going forward.

I believe that FY23 was very special as it marks a new chapter in Arman's history.

Microfinance, considerable runway ahead

The microfinance industry exhibited remarkable strength in the face of prevailing volatility due to the Covid Pandemic.

The resilience of India's rural population never ceases to amaze me. The strong rural economy is India's economic engine.

The new guidelines implemented in FY23 are an inflection point for the sector, ushering in a new era of growth and sustainability for microfinance companies. This, coupled with the resurgence in rural demand, has positioned microfinance as one of the fastest-growing retail products.

Moreover, the large untapped market presents a significant growth opportunity over the medium term.

At Arman, we are poised to capitalise on the growing opportunities in the microfinance space. The small steps we have taken each year over the last decade have created a volatility-hardened model capable of withstanding extreme circumstances; every challenge has only made us that much better.

Our contemporary digital solutions that became our new operating platform have made us increasingly fleet-footed and efficient. It has created appreciable excitement among the team, with information at their fingertips. Our digital solutions have automated most of our business processes and have been immensely useful in enhancing customer experience and driving efficiency. In today's rapidly evolving landscape, technology and innovation are integral to staying competitive and relevant.

Further, our extension into new contiguous territories has generated substantial traction in the areas of our presence. While remaining true to our core strategy

of asset quality over business volumes, we will further expand our presence in new states as an essential and strategic growth lever for the future.

Our individual loan piece, an extension of our microfinance business, has gained acceptance and grown in size. We will drive this flanking vertical with cautious aggression.

MSME, the backbone of an industrialised India

Our MSME vertical registered a solid performance for another consecutive year. This is an excellent space to inhabit owing to the sizeable market. Moreover, our stringent credibility filters, systems, and processes have ensured high collection efficiency positioning this vertical as an important growth lever over the medium term. I am particularly optimistic about its prospects.

India's ambition of emerging as the global manufacturing hub rests squarely on its MSMEs. They play a vital role in nation building and the economy's growth. With India fervent on its ambition of taking its economy past the US\$1 tr mark, MSMEs' role in India's growth will be decisive.

Despite the critical role played by MSMEs in India's progress

currently and in the foreseeable future, the issue of fund deficiency persists. Of the 64 Mn- plus MSMEs in India, only 14% have access to credit compared to 30%+ in developed nations. While banks and NBFCs cater to some of their credit requirement, a yawning credit gap of more than US\$ 500 billion remains unserved. This is a massive opportunity for players like us to fulfil, albeit carefully with strong underwriting techniques.

Having set a firm footing in the MSME financing space, we will entrench our presence in existing districts while cautiously extending our footprint into newer territories in a calibrated manner.

A wrap-up

FY23 has set a new performance benchmark. Our single aim would be further improvement. Our business spaces are brimming with opportunities. We will stay rooted in our core values to make our success sustainable. Staying firm on our business philosophy of 'Small steps make a Big Difference,' we will embed small initiatives in our business model, which, over time, will make a big difference to our market position.

At Arman, our commitment extends beyond financial metrics. We take immense pride in the

positive impact we create on the lives of the underserved. We continued to provide access to credit, promote entrepreneurship, and empower communities, all of which contribute to the socioeconomic development of the nation. Our dedication to responsible lending practices and ethical conduct remains unwavering.

Extending no further, I thank the Board for its guidance in framing and refining our business strategies over the medium term. My sincere gratitude to all our customers and financial agencies for believing in us. A big thank you to my exceptional Arman team. Their dedication and disciplined efforts have uplifted Arman into prominence. I am proud to be a part of them. I also extend my appreciation to all other stakeholders for your support in our journey.

We start a new chapter of energy, efficiency, and excitement which appears to be riveting. It will be an incredible journey together.

Warm regards

Jayendra Patel

Vice-Chairman & Managing Director

Believing in the dreams of the overlooked.
Funding the aspiration of the underprivileged.
Building India, bottom up.

That is us

Arman Financial Services Ltd.

Taking small steps to make a big difference

We fund aspirations and enterprises in the large under-served rural & semi-urban retail markets. Our lending services are bucketed under three verticals namely Microfinance, Micro-Enterprise (MSME), and the Two-Wheeler segment.

The Microfinance business is operated through our wholly-owned subsidiary, Namra Finance Ltd. We have a strong Management Team who has combined experience of 100+ years in the Lending Business.

We serve areas in 8 states where it is simply not possible for banks to provide financial services. Our edge is our flexibility and reliability in developing products that meet their needs and their household income and expediting loan processing to bolster their spirits and their livelihoods.

Vision

The Company believes that money should not stop a person from dreaming or realising their true potential. Our vision is to materialise the dreams of people, who need a monetary push. For that, The Company has made it a mission to attain globally best standards and become a world-class financial services enterprise that is committed to a greater degree of sophistication and maturity.

Values

- To help those who are at the bottom of the financial pyramid.
- Work innovatively with vigour and dedication to achieve excellence in service, quality, reliability, safety and customer care as the ultimate goal.
- Earn the trust and confidence of all stakeholders, surpass their expectations and make the Company a respected household name.

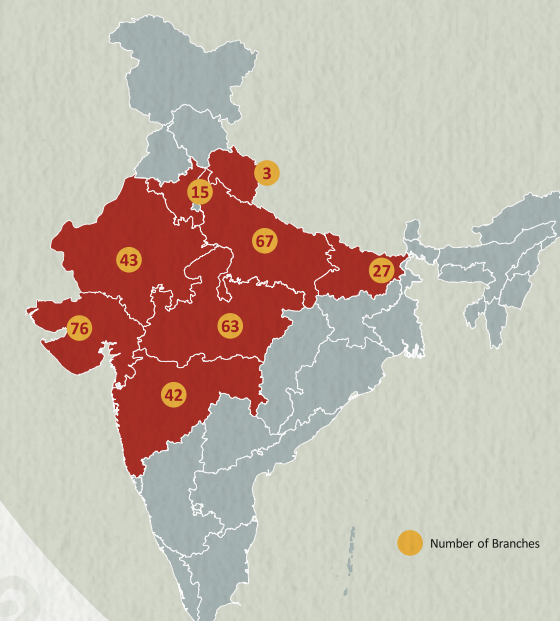
- Consistently achieve high growth and superior levels of productivity.
- Be a technology-driven, efficient and financially sound organisation.
- Contribute towards community development and nation-building.
- To be a responsible corporate citizen nurturing human values and concern for society, the environment and, above all, the people.
- Promote a work culture that fosters individual growth, team spirit and creativity to overcome challenges and attain goals by encouraging ideas, talent and value systems.
- Uphold the guiding principles of trust, integrity and transparency in all aspects of interactions and dealings.

Arman in Numbers

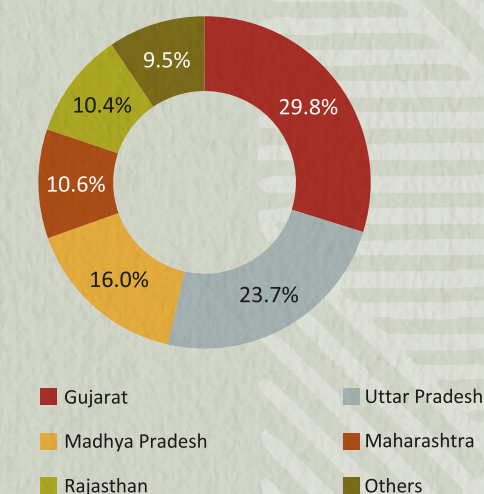


Our geographic footprint

Our geographic presence



Our geographic AUM mix



Our Lending Partners

Bank Borrowings	Non-Bank Borrowings	Securitization Partners
		NCDs & ECB

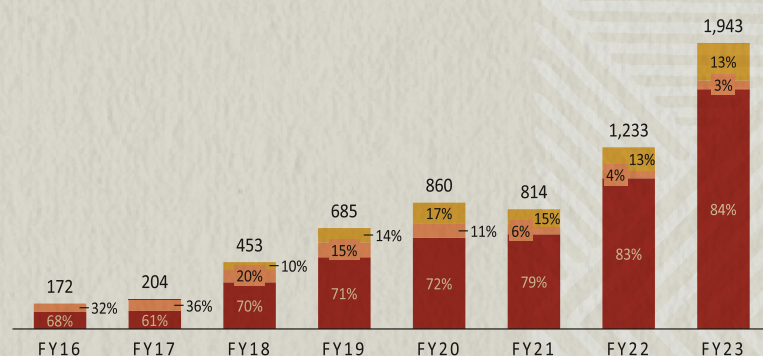
Growing our presence

Step by Step

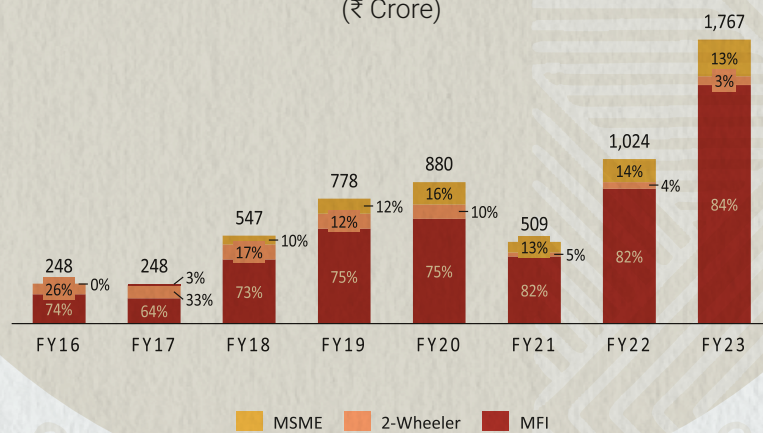
FY14	FY17	FY20	FY23
2 States of presence	4 States of presence	6 States of presence	8 States of presence
33 Branches	93 Branches	211 Branches	336 Branches
390 Team size	667 Team size	1897 Team size	2805 Team size
0.77 Lacs Customers	1.31 Lacs Customers	3.73 Lacs Customers	6.30 Lacs Customers
83 Disbursements (₹ crore)	247 Disbursements (₹ crore)	874 Disbursements (₹ crore)	1767 Disbursements (₹ crore)
0% Cashless Disbursements (%)	0% Cashless Disbursements (%)	100% Cashless Disbursements (%)	100% Cashless Disbursements (%)

Scaling our numbers on step at a time

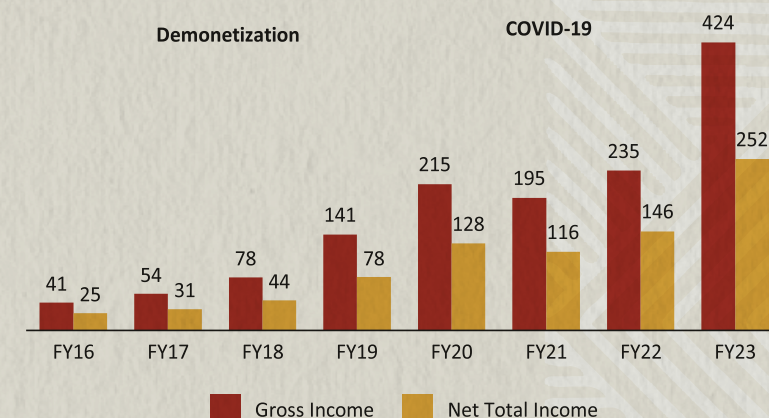
Total AUM
(₹ Crore)



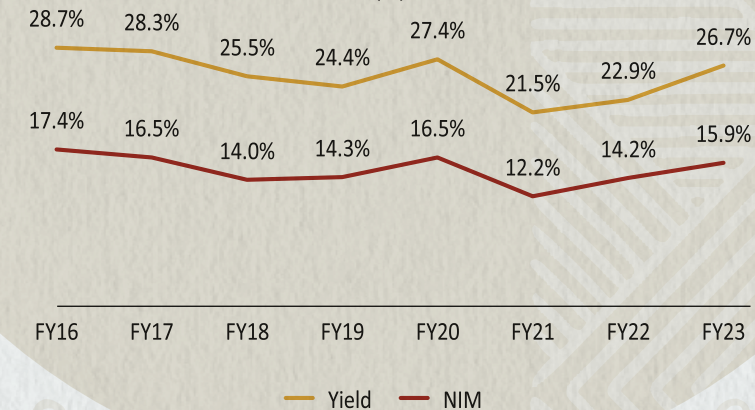
Total Disbursements
(₹ Crore)



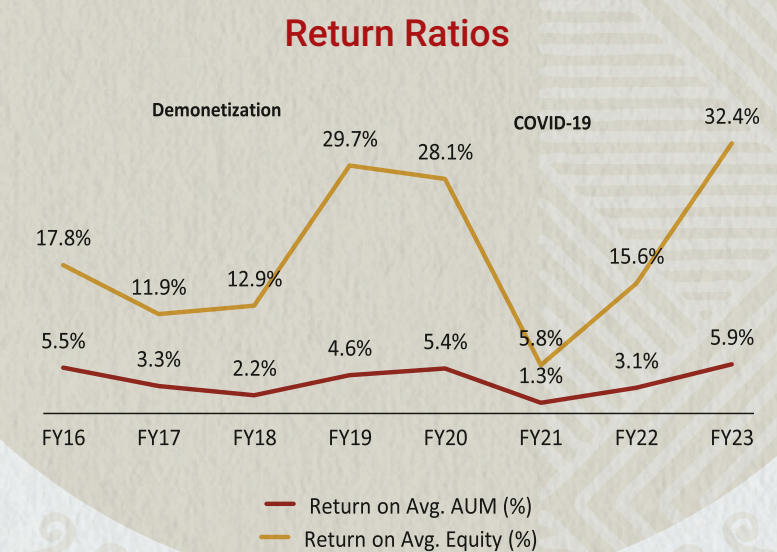
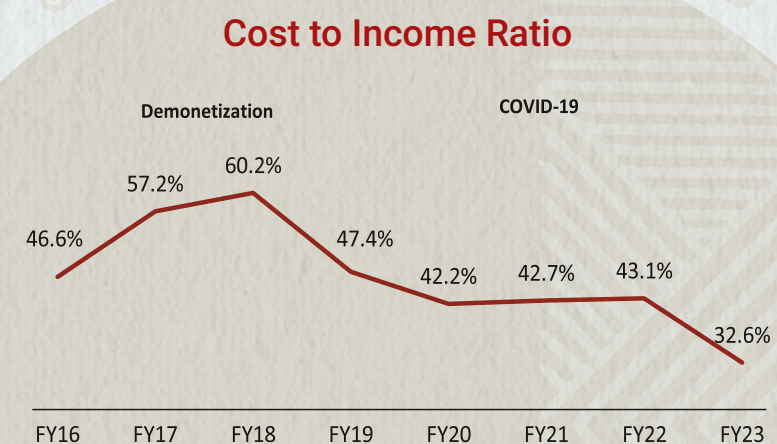
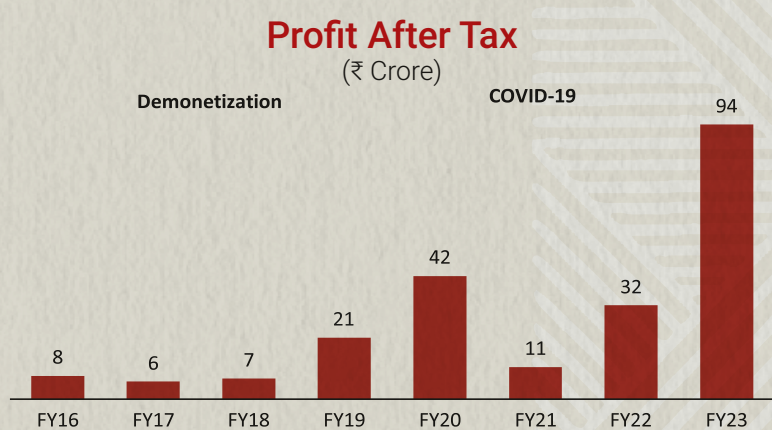
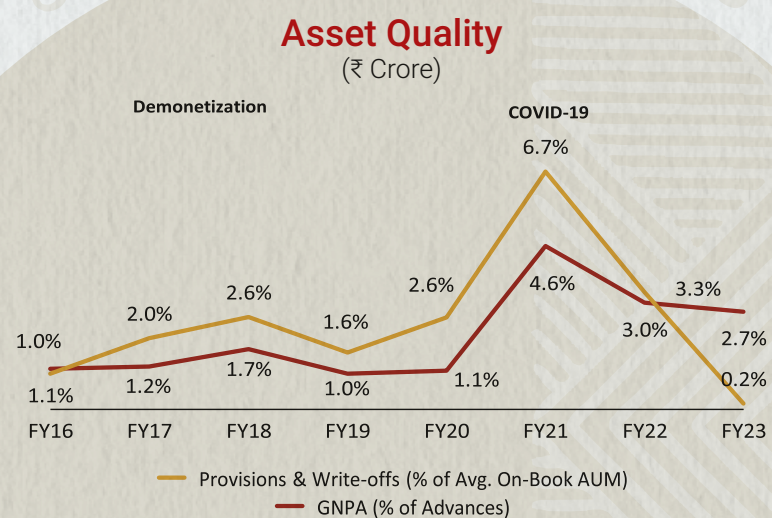
Gross and Net Total Income
(₹ Crore)



Yield & NIM
(%)



Scaling our numbers on step at a time



A 15-minute discussion with
Aalok Patel, Jt. Managing Director

“We continue to explore opportunities to expand our operations to new geographies, tap into new customer segments and diversify the revenue streams.”



In FY23, it appears that your performance has gone through the roof. Can you throw some light on this?

Despite the volatility prevailing in the ecosystem and rising interest costs, it has been a satisfying performance. The gross total income for FY23 was ₹424 crore, registering a growth of 80% year-on-year on the back of yield improvement across all segments. Net total income registered a growth of 73% to ₹251 crore against ₹146 crore in FY22, representing cheaper availability of funds.

The highlight of the year has been the bottom line. The Company has recorded the highest-ever profit after tax of ₹94 crore, with a growth of 196% year-on-year. This was mainly because of improved interest income, operational cost optimisation, lower provisioning requirements, increased DA income and improved asset quality.

You have platformed your business model on a single philosophy, 'quality over quantity.' Did your qualitative parameters improve in FY23?

We enjoy quantity of course, but never at the expense of quality. There has been a considerable improvement in our asset quality and collection efficiency. Our gross non-performing assets stood at 2.7%, representing a year-over-year improvement of 170 basis points. Our collection efficiency improved to 98.3% for FY23, compared to 91% in FY22. We maintained our conservative provisioning policy with a ₹45 crore provision for the year. It takes the cumulative provisions to ₹67 crore, which is 3.4% of the Assets Under Management.

In a climbing interest regime, you registered strong growth. Could you throw some light on the tailwinds that helped you soar?

Four factors underpinned our business growth.

Economic: Amid global challenges and uncertainties, the Indian economy has shown remarkable resilience and signs of growth. With proactive steps by Reserve Bank to tame inflation,

there was a rebound in the credit environment. This bounce-back was accompanied by a notable upswing in momentum in the rural economy, leading to robust credit demand.

Regulatory: Implementing revised guidelines by the RBI is a significant inflection point for NBFC-MFIs. These new guidelines have played a pivotal role in restoring the growth trajectory. The new guidelines have installed a renewed sense of confidence and optimism in the microeconomic lenders and borrowers.

Expansion: Our growth was also supported by our newer states of Bihar and Haryana. We did good business in Bihar and are banking on it to continue doing well in the future. We opened 44 new branches during the year, taking our total branch count to 336.

Technology: Our investment in technology and digital transformation played a pivotal role in our growth. Digital platforms enabled us to streamline operations, reduce costs, and enhance customer experience.

Let me take you up on two of the three factors you mentioned. First, what is your take on the RBI's revised guidelines for the microfinance space?

The revised RBI guidelines have ushered in a new era of growth and sustainability for microfinance companies. They have addressed the sector's challenges, provided a conducive regulatory environment and paved the way for continued expansion. As a result, microfinance companies are better equipped to fulfil their mission of extending financial services to the underserved and marginalised sections of society, contributing to last-mile financial inclusion. The ultimate goal of revised guidelines would be to strike a balance between fostering the growth of the microfinance sector and safeguarding the interests of the customers and the financial sector.

On the second point, when do you achieve the breakeven threshold for the new branches you open?

As far as breakeven goes, typically, we achieve the breakeven point when we get about 600 to 800 customers in any branch on board. For this to happen, it takes anywhere between 6-12 months depending on the location, competition, market potential, etc. Of the new branches opened in FY23, 15 were opened in the last quarter of the financial year. These should emerge as significant growth drivers for the first half of FY24.

Within your microfinance space, you have piloted a new sub-segment. Can you give some colour to that?

Piloting the Individual Business Loan (IBL) product was a long-term strategic decision. As certain rural customers graduate from being long-time MFI customers, there is a strong demand from some advanced customers to break away from the group-based JLG model and move towards individual loans. We estimate that this demand will increase over time as rural segmentation increases. IBL is our attempt to be future ready for this gradual shift in customer culture.

This product comprises about 2% of our AUM as on March 31, 2023. We are taking a cautious and calibrated approach – giving ourselves more time to understand customers and the finer nuances of this business before making a whole-hearted plunge. We have devised a completely cashless operating model, including both disbursements and collections. The margins in this product are attractive to take this business forward.

Your MSME loan vertical is your most profitable vertical. How did the vertical perform?

The MSME vertical is a highly profitable nugget for Arman. It is because we are highly selective of our customers serving customers who are largely unserved by MFIs or mainstream banks, or the "missing middle". We have put stringent credit filters in place, resulting in a high rejection rate and a very high-quality book. Despite this, we reported strong disbursement growth as demand was robust and consistent during the year. The highlight of the year was our entry into Telangana -we set up one branch and we hope this will serve as our foray into South India for the Company as a whole.

What is happening in the 2-wheeler loan space?

2-wheeler is our oldest business. Our performance is dovetailed to the demand for two-wheelers. Unfortunately, two-wheeler demand has not risen to pre-COVID or to even 2019 levels. If you compare 2018 or 2019 two-wheeler sales versus what it was in FY23, it has gone down significantly. In an effort to maintain market-share, many two-wheeler finance players have started competing on underwriting standards, which is something that goes against our culture. Despite this gloomy environment, we have steadily maintained and slightly progressed our business, with an expectation of better days ahead.



FY23 is also a significant milestone for you regarding your technology piece. Could you share your views on the digital transformation of your business process?

We are transitioning towards a tech-driven organisation. We have made significant progress in our digital improvisation efforts, focusing on enhancing our operational efficiency and providing an exceptional customer experience. For example, we have implemented a completely paperless journey from onboarding to disbursal and collection. Our other initiatives include enhanced online security measures to protect customer data and safeguard against cyber threats, advanced data analytics and process automation, like facial recognition, OCR verifications and automatic data entry through barcode and QR code scanning. As a result, our turnaround time has reduced appreciably. These efforts demonstrate our commitment to technological advancement and innovative solutions for our customers.

These solutions must have a required a significant investment.

We have deployed the SaaS (Software as a Service) model. Our upfront cost is not significant. Our operating cost will be on a portfolio level. We have converted a high capex into an operating cost, which will be optimised as our book size increases.

Can you throw some light on how you plan to grow the business?

We continue to explore opportunities to expand our operations to new geographies, tap into new customer segments and diversify the revenue streams. We have piloted attractive business segments that must be nurtured with care. We will add about 50+ branches in FY24 which should support our growth ambitions. We are amidst of a good credit cycle, and it is a good time to capture growth.

We stepped up during the year

Q1/FY23

CHANGE OVER
CORRESPONDING PERIOD OF
THE PREVIOUS YEAR

77%

Growth in AUM

212%

Growth in Total Disbursement

58%

Growth in Gross Total Income

340%

Growth in Profit after Tax

Management commentary

"The numbers clearly indicate that Covid is behind us, but we remain ever vigilant, and are back on track with our growth and profitability. A fitting start to the fiscal year that marks our 30th year of our existence.

We achieved some of our best-ever performance KPIs despite aligning with new microfinance underwriting guidelines announced by the RBI in March 2022, which involved a significant amount of background operational changes and extensive training for our large field force."

Q2/FY23

CHANGE OVER
CORRESPONDING PERIOD OF
THE PREVIOUS YEAR

58%

Growth in AUM

69%

Growth in Total Disbursement

82%

Growth in Gross Total Income

311%

Growth in Profit after Tax

Management commentary

"I am happy to share that the Company has demonstrated strong performance in H1FY23. Our digital transformation has brought in significant efficiencies. Furthermore, it brings a lot of automated controls and countless other benefits which will help the Company reach the next phase of growth. The Company has always adopted progressive approach which has helped us sustain growth while maintaining asset quality. We successfully raised ₹115 crore which will not only help the Company achieve its outlined strategy but also achieve a target AUM of ₹2,500 crore."

Q3/FY23

CHANGE OVER
CORRESPONDING PERIOD OF
THE PREVIOUS YEAR

57%
Growth in AUM

66%
Growth in Total Disbursement

76%
Growth in Gross Total Income

213%
Growth in Profit after Tax

Management commentary

"The company has witnessed healthy offtake in credit owing to improving on-ground recovery in the rural markets. This improved rural & semi-rural market demand coupled with implementation of the Company's new LOS and LMS system has also aided our Assets Under Management to grow at a healthy uptick.

Within our microfinance vertical the Company also provides Individual Business Loans to its graduating Microfinance Customers. As on 31st December 2022 Individual Business Loans (IBL) constitute 2.3% of our AUM. The idea of the product is to retain good microfinance customers."

Q4/FY23

CHANGE OVER
CORRESPONDING PERIOD OF
THE PREVIOUS YEAR

58%
Growth in AUM

73%
Growth in Total Disbursement

97%
Growth in Gross Total Income

122%
Growth in Profit after Tax

Management commentary

"The microfinance industry has demonstrated remarkable resilience in the face of a global economic slowdown and rising inflation. With the rebounding demand in the rural economy, our Company has achieved robust growth across all business segments, successfully navigating the challenges and surpassing pre-pandemic levels of growth.

Our subsidiary 'Namra Finance' received the highest-ever grading of MFI 1 (MFI One) from CARE Ratings, which reflects our strong financial performance, robust operations, and overall creditworthiness."



Management Discussion & Analysis

An Economic Review

Global Economy: While the growth outlook has picked up across all regions, Asia is in the spotlight as it is poised to be the key growth driver expected to account for 70% of the global demand. Regardless of the sluggish demand from the rest of the world, there has been an increase in consumption across Asia, supporting economic growth.

With rapid interest rate hikes to curb inflation which was registered at 8.7% in 2022 (expected to decline to 7% in 2023) and the banking disruptions which surfaced in March 2023, recessionary anxieties are induced, which exacerbated economic slowdown and decline in growth from 3.4% in 2022 to 2.8% in 2023. Further, the risk of the US not being able to comply with the debt ceiling might

intensify the prevailing financial instabilities.

Sources
Imf.org

Indian Economy: As the world dwelled on uncertainties, the Indian economy stood strong showcasing broad-based recovery across various sectors, eventually recording a GDP of approximately 7.2% for FY23. Growth in this fiscal was primarily driven by private consumption and capital formation, resulting in employment generation.

India's agriculture sector was projected to grow by 3.5% in FY2022-23, buoyed by domestic demand and exports. The Government launched PM Kisan Samman Sammelan in 2022 and released PM-KISAN funds worth ₹16,000 crore to farmers, motivating them to

meet their agricultural needs and aspirations. Overall, this sector is likely to be steadfast, backed by healthy progress in Rabi sowing, with the area under cultivation being higher than the previous year. This has led to a recovery in the rural economy.

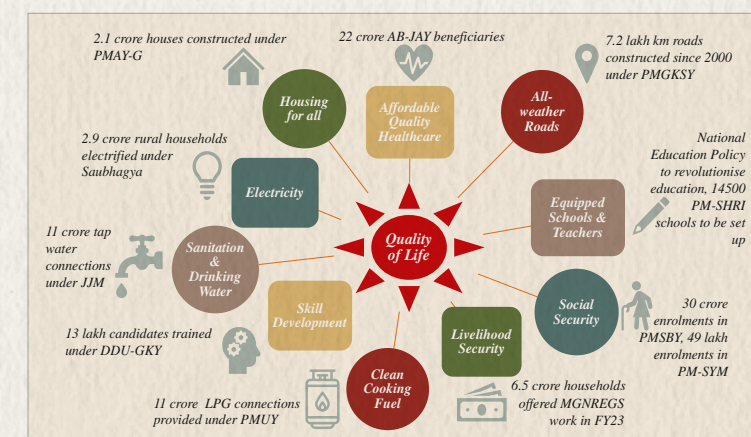
RBI's monetary tightening cycle reduced the retail inflation rate from 7.8% in April 2022 to 5.7% by December, thus bringing it within the desirable range.

Resurging from the prevalent global volatilities, India's growth is forecast to remain robust in FY24 with vigorous credit disbursal and investment cycle, attaining an estimated GDP growth in the range of 6-6.5%.

Sources
Agriculture – ibef.org/pib.org
GDP - mint



Multifaceted initiatives to improve the ecosystem of quality of life



Sources
 GVA Agriculture - Statista.com
 Food Grain output - Businessinsider.in
 Government initiatives - pib.gov.in

Rural India. A solid growth engine

The rural economy contributes 25-30% to the GDP. Traditionally, agriculture was the primary source of income and employment in rural areas, but the non-farm sector has gradually replaced it.

A good harvest season is anticipated as the Indian Meteorological Department (IMD) forecasts that monsoon seasonal rainfall will likely be 96% of the LPA. High rabi food grain production was recorded in 2023, making this the fourth consecutive year of increased rabi food grain production. Rabi food grain output is estimated at 170.1 million tonnes, which is 6.2% higher than the previous year. A key factor determining India's growth prospects in the current fiscal year is the southwest monsoon. IMD predicts a normal monsoon in 2023, instilling optimism among farmers.

The Gross Value Added (GVA) of agriculture and allied sectors in the 2022 fiscal was registered at 18.3%, lower than the previous fiscal. However, it is noted that the farmers' income has been increasing steadily. In the fiscal year 2022, the crops sector had a GVA share of 55.33% in the agriculture and allied sectors.

The non-farm sector (livestock, fisheries, food processing, etc.) is imperative in developing rural areas as a supplementary measure, not substituting agriculture entirely. This measure is essential for preventing rain shocks detrimental to a good harvest.

The real rural wages contracted in FY23 (till November 2022) owing to inflation, but they are expected to improve gradually with the easing of international commodity prices and domestic food rates. On the other hand, nominal rural wages have been increasing steadily. The YoY growth rate of nominal wage was 5.1% for men and 7.5% for women during April-November 2022, while in non-agricultural activities, the growth of nominal wage rates was 4.7% for men and 3.7% during the same period.

Rural revitalisation is a promising area for achieving the twin objectives of becoming a US\$ 5 trillion economy as well as Atmanirbhar Bharat. Rural revitalisation requires a

transformative approach that envisions improving rural areas' working and living conditions.

The Economic Survey 2022-23 notes that 65% (2021 data) of the country's population lives in rural areas, and 47% depends on agriculture for livelihood. Thus, the focus of the Government on rural development is pivotal for development.

The Government's emphasis has been on improving the quality of life in rural areas to ensure more equitable and inclusive development. The Government's involvement in the rural economy has been to transform lives and livelihoods through proactive socio-economic inclusion and integration and empower rural India.

Indian Women: a force to reckon with

When 'economic growth' is discussed, it is uncritically characterised by numbers only, which can be a very superficial growth parameter. Work like care and affection are considered irrelevant and redundant because it passes unacknowledged unless it holds monetary value.

An undeniable truth, particularly in India, is that women have been tirelessly performing the unpaid work of domestic care, and this contribution remains unvetted. Women provide the nourishment that men require for work.

If it hadn't been for this care, especially during the pandemic, surviving through those years becomes questionable. Women are always associated with the emotional end of labour and are confined to household responsibilities letting go of their aspirations.

Women constitute roughly half of the economically active population. Their potential is massive. However, that has not been harnessed entirely. Unlocking this enormous and untapped potential could work as a catalyst in achieving goals set under Sustainable Development Goals. In addition, enhancing women's economic participation is essential to foster overall growth.

As per NSS 68th Round, there is a significant difference between the average wages/salary earnings of regular/salaried employees in the age group 15-59 years in rural areas. These wage rates are ₹201.56 and ₹322.28 per day for female and male employees in rural areas, respectively.

In urban areas, often, the men are earning enough, which results in the discouragement of women from taking up work. This is highlighted by examining the female labor force participation rate at 25.1% in 2020-21 compared to the Rural Female Labour Force Participation Rate of 27.7% in 2020-21.

A survey mentioned that women are increasingly getting involved in work they won't get paid for; 84% of women's working hours are spent on unpaid activities. While for men, the reverse is true. More than 80% of a man's time is spent in activities for which he will get paid.

Overcoming the notion of glorifying only men who make money while conveniently ignoring women and their endeavors of nurturing families becomes essential to attain an accurate picture of growth. The progress of an economy should also consider these remote, invisible work/labor of love to avoid underestimating women's contribution to society.

"Little by little ... and with most unjust and cruel opposition... it is being gradually established... that human work is woman's as well as man's."

–Charlotte Perkins Gilman

Women are not destined to perform unpaid household chores only; only men are not the breadwinners. Society has to transcend these gender roles for equity and access to all forms of capital.

Microfinance and Women: The relation between microfinance and women is extremely potent, as women strive to lift themselves, as well as their

families, out of poverty to improve their quality of life.

Access to financial capital through NBFC-MFI to financially establish herself gives a woman a greater sense of self-worth and places them in a confident demeanor to make their own decisions.

An increase in women's participation in the economy makes them socially and politically involved, and they lead by example for other girls and women, encouraging them to take a stand for their prosperity.

Often is the case that opposing the rigid societal norms of women being confined in their household causes domestic violence. However, it has also been discovered that women's participation in microfinance has enabled them to alleviate their families out of poverty, increasing their household prosperity and thus decreasing chances of domestic violence.

As women prosper, they invest in the education and health of their children and uplift women in their communities. Thus, a propelling nation is observed when women create a significant impact with small loans.

Sources

Female workforce participation – mospi.gov
Men contribution to household – medium.com
Microfinance & women – asiasociety.org



Microfinance

Caught in a vicious cycle initiated by the local informal money lenders, borrowing became a problem for rural dwellers who were burdened with heavy interest rates, which kept accumulating over time. This gradually brought the next generation into a debt trap, causing a perpetual state of poverty. The emergence of the Microfinance industry has been a harbinger of hope among rural dwellers, getting easy accessibility to funds at an affordable rate.

A revolution in rural India was sparked with the emergence of the Microfinance industry. It harbors the vision of bridging the gender divide by providing collateral-free credit to rural women and promoting financial inclusivity.

Though the microfinance delivery system is relatively small within the financial sector of the economy, the impact that it causes is quite massive. Its contribution to employment accounts for an estimated provision of 128.46 lakh jobs. It is rightly said, "Little drops of water make the mighty ocean," which is synonymous with the functioning of the microfinance industry.

Strengthening the capabilities of the lower income groups by encouraging them to benefit from new opportunities for income growth could accelerate the progress of the population at the bottom of the income spectrum in a sustained manner and build the resilience of this population to external shocks. Thus, poverty alleviation, women empowerment and rural financial inclusion are the key pillars upholding the purpose of this industry.

The projected contribution of the microfinance sector to overall GVA, including the backward & forward linkages by 2025-26, would be a significant 2.7% in the base case scenario and nearly 3.5% in the best-case scenario.

Performance

Despite high inherent business cyclicity, the microfinance industry reported a healthy 24% CAGR over FY18-23. Industry growth further improved in FY23, with total disbursements amounting to ₹3.0 trillion of microfinance loans in FY23.

Growth in the microfinance industry has been driven by an increase in the number of unique borrowers and a rise in ticket size. We note that the number of loan accounts increased ~130m in FY23 from 93m in FY19, while the number of unique borrowers increased to 66m as of FY23 from 49m in FY19.





Among major retail segments, microfinance loans have grown faster than other categories, such as credit cards, housing loans and auto loans. The share of microfinance loans within total credit stood at 1.3% as of FY23, up from 0.9% in FY18.

The microfinance industry witnessed a sharp deterioration in asset quality due to Covid-19. The PAR-30+ book, which stood at ~1.3% before Covid (Dec'19), increased to 14.8% in Jun'21 (2nd Covid wave). However, with improvement in the macro environment and the collection run rate, the PAR >30 book improved to 2.2% as of FY23.

Loans from NBFC-MFIs grew at the fastest pace over the past three years, with a 23% CAGR to Rs1.4 trillion as of FY23, while loans from banks saw a 9% CAGR to ₹1.19 trillion over the similar period (past three years). As a result, NBFC-MFIs have gained market share, while other players have witnessed moderation. The mix of NBFC-MFIs in total microfinance loans improved to 40% in Mar'23 from 31% in Sep'19, while the share of banks moderated to 34%.

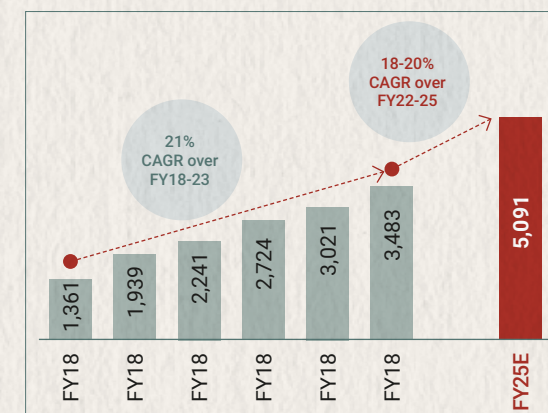
As per CRISIL, the microfinance industry will likely post a CAGR of 18-20% over FY23-25 to ₹5.1 trillion, with NBFC-MFIs set to grow faster.

Andhra Pradesh and Telangana were opened up for the industry as the dual regulatory framework was lifted, and clarity on regulatory authority was provided. These have emerged as big positives, which the players selectively tapped on a low base.

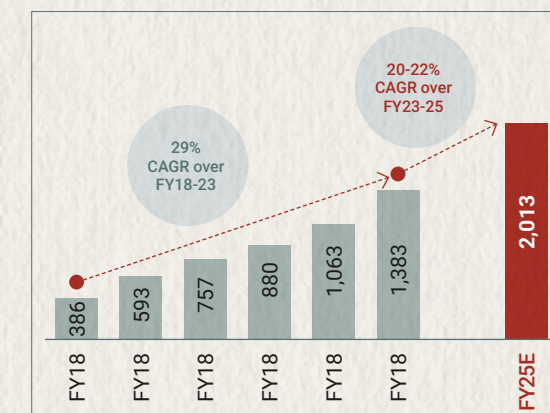
CareEdge ratings have projected a healthy growth of 25% of the NBFC-MFI sector in the upcoming fiscal. The MFI sector is geared to deliver 20%+ AUM growth and 4%+ sector RoA by FY24E.

Multifaceted initiatives to improve the ecosystem of quality of life

MFI loans to reach ₹5.1trillion by FY25E – GLP (₹ billion)

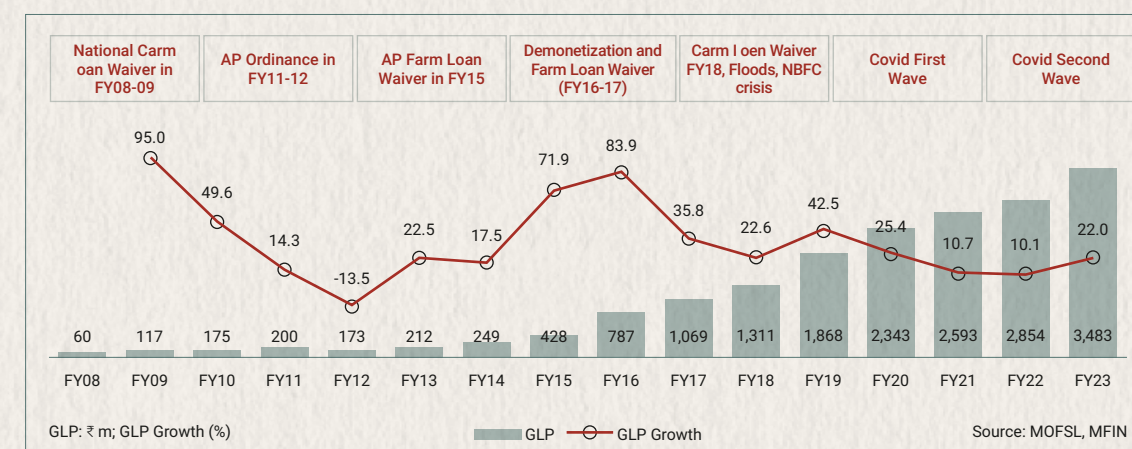


NBFC-MFI to touch ~INR2.0t by FY25E – GLP (₹ b)



The microfinance industry caters to a vulnerable segment, which keeps the industry's performance highly volatile. The industry has seen several crises, such as loan waivers, demonetisation, NBFC liquidity issues, CAA agitation, natural disasters and Covid-19, which caused a significant deterioration in the asset quality. However, recoveries have also been quick; thus, the industry has maintained healthy profitability during such cycles.

Resilience demonstrated by the Microfinance sector in the last decade.



Sources
 Microfinance sector contribution to GVA – Business Standard
 Microfinance and social development – adb.org
 Sector report Motilal Oswal



The MSME Panorama

A significant contributor to the socio-economic development of the country, Micro, Small and Medium Enterprises (MSME) has gradually gained considerable importance as drivers of India's economic progress. The MSME space brought in a wave of entrepreneurship which resulted in developing the semi-urban and rural areas.

MSMEs are steadily sprouting in India, with a current estimated count of 7.9 million. They contribute 33% of the country's GDP, accounting for around 120 million jobs across industries and regions.

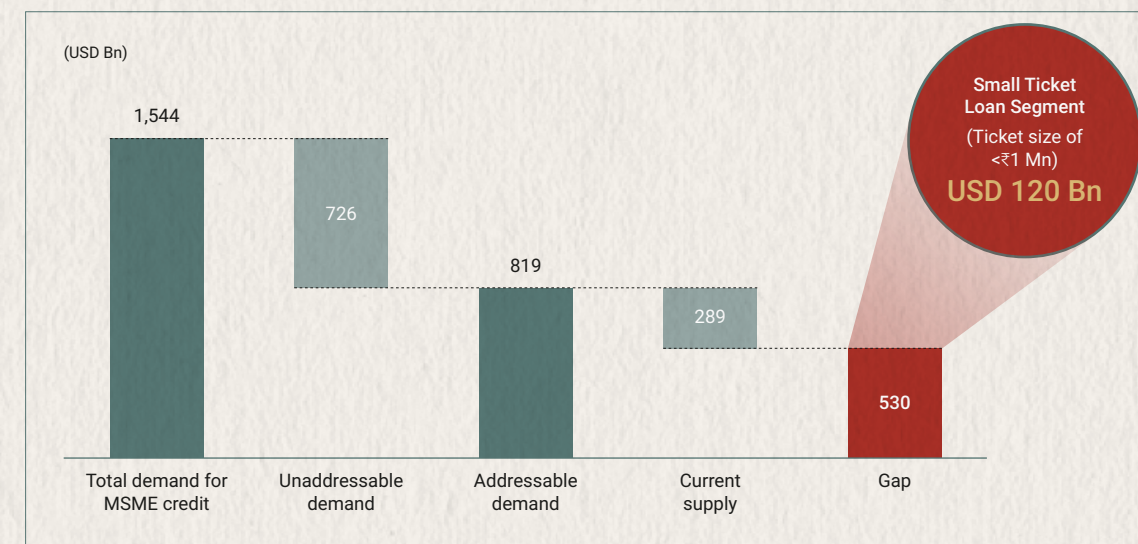
The progress of MSMEs is hindered owing to the lack of adequate finance. Estimates suggest that a minuscule segment of the MSME universe can avail of finance at reasonable rates. The total debt demand is estimated at more than US\$1,500 bn. Of this, the demand for small ticket loans (Less than ₹1 mn) is a whopping US\$120 billion.

The Government has taken multiple steps to bridge this gap. They include:

- Pradhan Mantri MUDRA Yojana (PMMY) is a scheme introduced by the Prime Minister in 2015 to offer MUDRA loans to small and micro non-farm enterprises and non-corporate sectors of up to ₹1 million.

- Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) provides collateral-free loans to MSMEs up to ₹20 million, launched in 2000. The scheme was revised with the infusion of ₹90 billion in the corpus in 2023.
- The Emergency Credit Line Guarantee Scheme (ECLGS) was launched in 2020 to support MSMEs affected by COVID-19. It offers collateral-free loans of up to ₹50 million to eligible MSMEs, with the Government providing a credit guarantee of up to 100% of the loan amount to banks and NBFCs.

MSMEs are handicapped from a USD 500 Bn+ credit deficit



- India Stack, especially JAM, i.e., Jan Dhan-Aadhaar-Mobile, a GOI initiative intended to plug the leakages of government subsidies, has helped MSMEs immensely.

Mindful of the burgeoning opportunity, nimble NBFCs have capitalised on the bullish industry trends and favorable policy initiatives by aggressively growing their branch networks to reach New-to-Credit customers across India's length and breadth.

NBFCs have the mindset to go deep into the country's hinterlands and serve non-prime customers. They operate with a strong customer-first philosophy and proprietary underwriting mechanisms, which help mitigate

risks associated with underwriting this segment. Their proximity to small-ticket customers has been essential for their customer-centric approach.

Furthermore, well-performing NBFCs have healthy capitalisation, i.e., robust balance sheets backed by continuous equity infusions. This makes them well poised to serve small ticket borrowers.

Several nationwide operative reforms are expected to catalyze future growth for MSME lenders. MSMEs are increasing their digital footprint, making it easier for lenders to verify and underwrite their identities. With policy initiatives, technology-led customer convenience, and

rising awareness and aspirations across the length and breadth of the country, nimble MSME lenders are expected to grow at 25% y-o-y for the foreseeable future.

The Government has set a target of US\$1 trillion worth of MSME exports by 2027, for which schemes like 'Capacity Building of First-Time MSME Exporters' (CBFTE) have been initiated.





About the Company

Arman Financial Services Limited: Believing in Small Dreams

Arman Financial Services Limited is an RBI-registered Category a Non-Banking Financing – Asset Financing (NBFC-AFC) Company. It provides financial assistance for the purchase of two-wheelers to the MSME segment. Its wholly owned subsidiary, Namra Finance Ltd (NBFC-MFI), offers microfinance to women for their enterprises. The Company has a footprint across eight states focusing on rural and semi-urban pin codes.

The Company focuses on small-ticket retail loans to the large underserved informal segment customers in rural & semi-urban/peri-urban geographies. It has entirely in-house operations with bottom-up-driven credit appraisal models and rigorous collections practices tailored to its areas of operations.

Our business verticals

Microfinance	MSME Loans
Average Ticket Size: ₹45,000 (Cycle 1 & 2 - ₹20 – 50 K Cycle 3+ ₹20 – 75 K)	Average Ticket Size: ₹75,000 (Cycle 1 & 2 - ₹20 – 50 K Cycle 3+ ₹20 – 75 K)
82% Share of AUM as of March 2023	13% Share of AUM as of March 2023
92% Growth in Total Income y-o-y	62% Growth in Total Income y-o-y
Individual Business Loans	Two-Wheeler Loans
Average Ticket Size: ₹75,000 (Cycle 1 & 2 - ₹20 – 50 K Cycle 3+ ₹20 – 75 K)	Average Ticket Size: ₹70,000 (Cycle 1 & 2 - ₹20 – 50 K Cycle 3+ ₹20 – 75 K)
2% Share of AUM as of March 2023	3% Share of AUM as of March 2023
	25% Growth in Total Income y-o-y

Business vertical 1

Microfinance

Through its subsidiary Namra, Arman provides small ticket loans to women borrowers for income-generating activities.

Operating model	Operating presence
<ul style="list-style-type: none"> High touch monthly collection model Rural concentration 85% rural and semi-urban portfolio 100% Cashless disbursement Customers form JLG groups Loan utilisation checks to ensure loan for income generating purpose 	<p>8 states</p> <p>274 branches</p> <p>5.5 lakh active customers</p>

In the first full Covid-free year, the business vertical performed exceedingly well. The strong uptick in agriculture also boosted the sentiments of the rural markets. As a result, demand increased significantly as rural India was back in business with renewed vigor to compensate for the financial adversities consequent to the pandemic that plagued the nation for two consecutive years.

The Company added 45 new branches to strengthen its

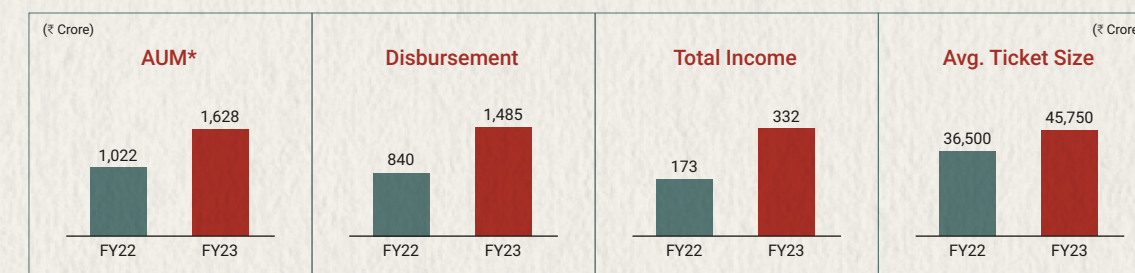
footprint in the eight states of its presence. Disbursements increased by 77% from ₹840 crore in FY22 to ₹1,485 crore in FY23. Likewise, Assets under Management increased by 59.3% to ₹1,628 crore from ₹1,022 crore. Collection efficiency was in at 98% during the year.

The Company has recently piloted a flanking vertical titled 'Individual Business Loans.' Under this vertical, the Company will provide financial assistance to existing women customers (through the

JLG model) with a proven track record across multiple loan cycles. This product extension will allow Arman to support its customers through their ambitious journey. Considering the vast repository of customers already attached to Arman through their earlier financial engagement, the new product will emerge as an essential business driver over the long-term.



Our performance



* Including Individual Business Loans

Business vertical 2

2-Wheeler & Rural 2-Wheeler Loans

Arman started its business by providing loans to self-employed /cash-salaried customers in the informal segment in semi-urban/rural areas to purchase two-wheelers. Over the years, the Company has developed excellent relationships with dealers and OEMs, allowing it to sustain its presence. The Company recently piloted a new Rural 2-Wheeler product for Tier 3 & 4 below locations.

Operating model	Operating presence
Focus on quick turn-around time In house feet on street model for rigorous collections	Only in Gujarat 50+ dealerships 14,810 Active customers

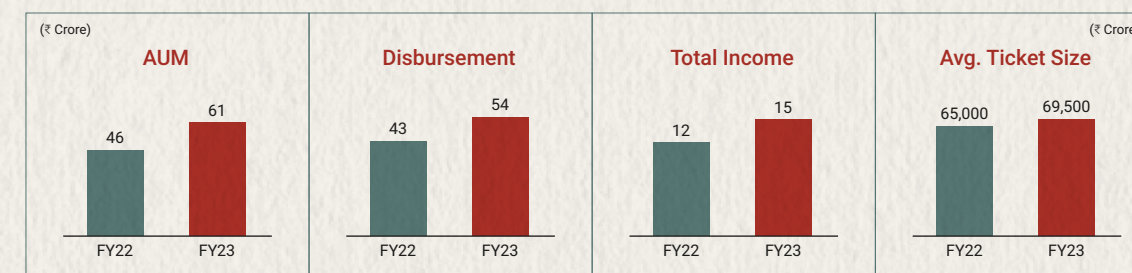
Resurgence in the rural economy, increased liquidity, and positive sentiments increased the demand for two-wheeler loans breaking the two-year dull performance. Owing to the increase in the two-

wheeler label price across most vehicles, the average ticket size upped by ~7%. Disbursement increased by 26% from ₹43 crore in FY22 to ₹54 crore in FY23. Assets under Management also

scaled from ₹46 crore in FY22 to ₹61 crore in FY23. The Company will grow the business through geographic and new product expansion over the coming years.



Our performance



Business vertical 3

MSME Loans

Initiated in 2017, this strategic business diversification has been a considerable success for Arman. The Company adopted a careful approach by entering states where it has gathered rich knowledge of the financial, economic, and business culture owing to its microfinance operations. Currently, this vertical generates the highest Return on Assets for the Company. Moreover, with the Government sharpened focus on strengthening the MSME ecosystem, the prospects for this vertical are considerably positive.

Operating model	Operating presence
<ul style="list-style-type: none"> Dual credit bureau check for both customer and spouse on CRIF (for MFI loans) and CIBIL (for non-MFI loans) High touch monthly cash collection model Cash Flow assessment using tailored appraisal techniques Locally drawn field force with personal knowledge of the market In-house teams for pre-lending field investigations and appraisals with centralised final credit approval 	<p>4 states</p> <p>58 branches</p> <p>63,917 active customers</p>

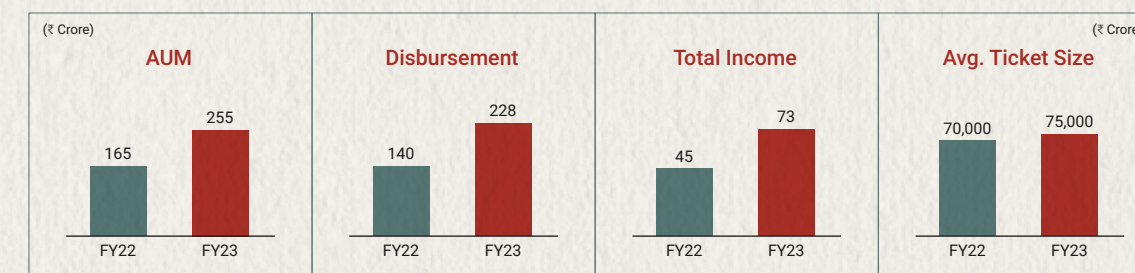
The vertical continued to grow at a healthy uptick. Disbursements increased by 62% from ₹140 crore to ₹228 crore, while

Assets under Management grew by 54% to ₹255 crore. The Company is focused on growing this business with a focus on

quality underwriting and rigorous collection to ensure asset quality.



Our performance



Risk management

At Arman Financials, risk management is a continuous process embedded in the Company's operations covering the Enterprise, Functions, and branch offices.

To identify and mitigate risks, the Company has laid down an Enterprise Risk Management (ERM) policy and framework, which provides guidelines to define, measure, control, mitigate, and report the identified risks at the enterprise level, which may impact the achievement of strategic /enterprise level objectives.

Growth risk

Sustaining business growth could emerge as a challenge.

Mitigation measure

- A stable rural ecosystem coupled with large credit demand promises healthy prospects for the microfinance business; expanding into newer territories will also generate decent volumes.
- Growing industrialisation creates many opportunities for MSMEs to grow; their fund requirement to capitalise on emerging opportunities should drive business volumes.

Process risk

Increasing business volumes could adversely impact process efficiency.

Mitigation measure

- The organisation-wide digital solutions deployed in FY23 have been a bouquet of strategic initiatives to improve process efficiency while handling increased business volumes.
- Investing in contemporary IT solutions has resulted in complete automation of mundane processes, eliminated human intervention and significantly reduced the TAT (Turnaround Time) between loan application and disbursement.

Funding risk

The Company will need funds to cater to the growing demand for loans.

Mitigation measure

- The Company has raised equity funds of ₹115 crore via allotment of Compulsory Convertible Debentures (CCDs) and Optionally Convertible Redeemable Preference Shares (OCRPS) on a preferential basis during the current fiscal to ensure a comfortable Debt-Equity ratio.
- It also proactively maintains a large amount of cash liquidity to meet unexpected liquidity shortages in the market. Additionally, the Company had a naturally positive ALM ratio.

Geographic concentration risk

More than 50% of the business comes from two states.

Mitigation measure

The Company practices a cautious approach to extending its footprint into newer regions. While geographic de-risking is a priority for the management, it will happen gradually as the Company gains a deeper insight into the cultural and financial ecosystem of the region. The Company's recent entry into Bihar and Haryana is a step towards geographic de-risking. In Fiscal Year 2024, the Company is planning to enter two additional states.

Product concentration risk

More than 80% of the business comes from the microfinance vertical.

Mitigation measure

Mindful of this concentration, the Company is focused on increasing its MSME loan portfolio. Also, it has added two sub-verticals, namely, individual business loans and rural 2-wheeler loans which should emerge as growth levers over the long term. The company will continue to explore other businesses that align with our core strengths.

Corporate Information

BOARD OF DIRECTORS

- | | | |
|--|---|--|
| 1. Mr. Alok N. Prasad
Chairman | 4. Mr. Yash K. Shah
Independent Director | 7. Mr. Ramakant Nagpal
Independent Director |
| 2. Mr. Jayendrabhai B. Patel
Vice Chairman & Managing Director | 5. Mrs. Ritaben J. Patel
Non-Executive Director | 8. Mr. Mridul Arora
Nominee Director |
| 3. Mr. Aalok J. Patel
Joint Managing Director | 6. Mr. Aakash J. Patel
Non-Executive Director | 9. Ms. Geeta Haresh Solanki
Independent Director |

BOARD COMMITTEES

• Audit Committee

Mr. Yash K. Shah

Chairman

Mrs. Ritaben J. Patel

Member

Mr. Alok N. Prasad

Member

Mr. Ramakant Nagpal

Member

• Stakeholders Relationship Committee

Mr. Alok N. Prasad

Chairman

Mr. Yash K. Shah

Member

Mr. Jayendrabhai B. Patel

Member

• Nomination and Remuneration Committee

Mr. Ramakant Nagpal

Chairman

Mr. Yash K. Shah

Member

Mr. Alok N. Prasad

Member

Ms. Geeta Haresh Solanki

Member

• Corporate Social Responsibility Committee

Mr. Jayendrabhai B. Patel

Chairman

Mr. Alok N. Prasad

Member

Mr. Aalok J. Patel

Member

CHIEF EXECUTIVE OFFICER

Mr. Jayendrabhai B. Patel

CHIEF FINANCIAL OFFICER

Mr. Vivek A. Modi

COMPANY SECRETARY

Mr. Jaimish G. Patel

STATUTORY AUDITOR

M/s Talati & Talati LLP

SECRETARIAL AUDITOR

M/s GKV & Associates

REGISTERED OFFICE

502-503, Sakar-III,
Opp. Old High Court,
Off. Ashram Road,
Ahmedabad-380014, Gujarat
Ph.: 079-40507000; 27541989
E-Mail: finance@armanindia.com;
secretarial@armanindia.com
Website: www.armanindia.com

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Private Limited

A/802 Samudra Complex,
Nr. Klassic Gold Hotel,
Girish Cold Drink, Off. C. G. Road,
Ahmedabad-380009, Gujarat
Ph.: 079-40024135; 40392570
Email: bssahd@bigshareonline.com

BANKERS

State Bank of India
AU Small Finance Bank Limited
IDFC First Bank Limited
ICICI Bank Limited

DEBENTURE TRUSTEE

Catalyst Trusteeship Limited
IDFC Trusteeship Services Limited
Vardhman Trusteeship Private Limited

NOTICE

Notice is hereby given that the 31st (Thirty first) Annual General Meeting (AGM) of Arman Financial Services Limited will be held on Friday, September 29, 2023 at 12.00 noon through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS:

- To consider and adopt:**
 - the audited financial statement of the Company for the financial year ended March 31, 2023, the reports of the Board of Directors and Auditors thereon; and
 - the audited consolidated financial statement of the Company for the financial year ended March 31, 2023.
- To appoint a Director in place of Mr. Aakash Patel [DIN- 02778878] who retires by rotation and being eligible, offers himself for reappointment.
- To appoint a Director in place of Mrs. Ritaben Patel [DIN- 00011818] who retires by rotation and being eligible, offers herself for reappointment.

SPECIAL BUSINESS:

- Increasing the Borrowing Powers under Section 180(1)(c) of the Companies Act, 2013 up to 1500 Cr.**

To consider and if thought fit to pass, with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company on September 7, 2018 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications thereof) and any rules and regulations made thereunder, the consent of the members of the Company be and is hereby accorded by way of special resolution, to the Board of Directors of the Company ("**Board**") for borrowing from time to time, as it may think fit, any sum or sums of money in any currency on such terms and conditions as the Board may deem fit, by way of loans, issuance of bonds, notes, debentures or other securities whether convertible into equity/preference shares or not, from banks, financial or other institution(s), investors, mutual fund(s), or any other persons, up to an aggregate amount of **₹1500 Crores** (Rupees One Thousand Five Hundred Cores)

notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

"RESOLVED FURTHER THAT the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do all such acts, deeds and things and to sign and execute all such deeds, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution."

- Creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under Section 180(1)(a) of the Companies Act, 2013**

To consider and if thought fit to pass, with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company on September 7, 2018 and pursuant to Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications thereof) and any rules and regulations made thereunder, consent of the members of the Company be and is hereby accorded by way of a special resolution to the Board of Directors ("**Board**") of the Company to pledge, mortgage, lien, hypothecate and/or create charge, whether fixed or floating (in addition to any other hypothecation, pledge, lien, mortgage, charges created/to be created by the Company), in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the immovable properties and movable assets (both tangible and intangible) of the Company, both present and future, and the whole or substantially the whole of the undertaking(s) or any properties of the Company where so ever situated, in favour of banks, financial institutions, investors, debenture holders or any other lenders and their agents or trustees (together, the "**Lenders**") to secure any borrowings, debentures, financial assistance or financial indebtedness availed by the Company or any third party from time to time (including without limitation, the due payment

of the principal and/or together with interest, at the respective agreed rates, additional interest, compound interest, accumulated interest, liquidated damages, commitment charges, remuneration of the agent(s), trustee(s), prepayment premium, all other costs, charges and expenses and all other monies payable by the Company) (together, the **"Financial Indebtedness"**) in terms of the financing documents, or any other documents, entered into or to be entered into between the Company and any Lender(s) in respect of the Financial Indebtedness, on such terms and conditions as may be agreed between the Company and any Lender(s), provided that the maximum extent of the Financial Indebtedness secured by the assets of the Company does not exceed Rupees **1500 Crores** (One Thousand Five Hundred Crores) at any time."

"RESOLVED FURTHER THAT the pledge, mortgage, lien, hypothecation and/or charge created or to be created and all agreements, deeds, instruments or documents executed or to be executed and all acts necessary in terms of this resolution required to be done by the Company or the Board are hereby approved, confirmed and ratified."

"RESOLVED FURTHER THAT the Board (including any Committee duly constituted by the Board of Directors or any authority as approved by the Board of Directors) be and is hereby authorized to do all such acts, deeds and things and to sign and execute all such deed, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution."

6. Private Placement of Non-Convertible Debentures

To consider and if thought fit to pass, with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company on September 29, 2022 and pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (the **"Act"**) read together with the Companies (Prospectus and Allotment of Securities) Rules, 2014, including any modification, amendment, substitution or re-enactment thereof, for the time being in force and the provisions of the memorandum of association and the articles of association of the Company, the approval and consent of the members of the Company, be and is hereby accorded to the board of directors of the Company (the **"Board"**) to issue, and to make

offer(s) and/or invitation(s) to eligible persons to subscribe to, non-convertible debentures ((a) listed or unlisted, (b) senior secured, (c) senior unsecured, (d) unsecured, (e) subordinated, (f) any others (as may be determined)) (**"NCDs"**), on a private placement basis, in one or more tranches, within a period of one year from the date of passing of this resolution, provided that the outstanding amounts of all such NCDs at any time during the period shall not exceed ₹500,00,00,000 (Indian Rupees Five Hundred Crore)."

"RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange, settle and determine the terms and conditions (including without limitation, interest, repayment, security or otherwise) as it may think fit of such NCDs, and to do all such acts, deeds, and things, and to execute all such documents, instruments and writings as may be required to give effect to these resolutions."

7. Issuance of Securities through Qualified Institutions Placement for an aggregate amount not exceeding ₹350 Crores (Rupees Three Hundred and Fifty Crores only)

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

"RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company on September 29, 2022 and pursuant to Section 23, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, and other applicable rules made thereunder (including any amendments, statutory modification(s) and / or re-enactment thereof for the time being in force) (together the **"Companies Act"**), and in accordance with the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (including any amendments, statutory modification(s) and/or re-enactment thereof for the time being in force) (the **"ICDR Regulations"**), and subject to all applicable statutory and regulatory requirements (including inter alia the relevant date on the basis of which price of the Securities or the resultant shares are determined being in compliance with applicable statutory and/or regulatory parameters), the relevant provisions of the Memorandum and Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, (including any amendments, statutory modification(s) and/or re-enactment thereof for the time being in force) (the **"Listing Regulations"**) and to the extent applicable, the provisions of the Foreign Exchange Management Act, 1999, (including any amendments, statutory modification(s) and / or re-enactment thereof for the time being in force) (**"FEMA"**), the current Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (including any amendments, statutory modification(s) and / or re-enactment thereof for the time being in force), and all other statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable, as amended from time to time, issued by the Government of India, (**"GOI"**), the Ministry of Corporate Affairs, (**"MCA"**), the Reserve Bank of India, (**"RBI"**), the Securities and Exchange Board of India, (**"SEBI"**), BSE Limited, and, the National Stock Exchange of India Limited, (the **"Stock Exchanges"**), and/or any other applicable regulatory/statutory authorities, and subject to the necessary approval and/or consent of any statutory and/or regulatory authorities, and the conditions as may be prescribed by any of them while granting any such approval and/or consent, as may be agreed to by the Board of Directors of the Company, (hereinafter referred to as the **"Board"**), which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board to exercise its powers including the powers conferred by this Resolution to the extent permitted by law), the consent, authority and approval of the members of the Company, be and is hereby granted to create, offer, issue, and allot securities including inter alia ordinary equity shares of the face value of Rs. 10/- each (Rupees Ten Only) (**"Equity Shares"**), and/or warrants to subscribe for Equity Shares and/or any instruments or securities representing either Equity Shares and/or convertible securities linked to Equity Shares, or any combination of securities convertible into or exchangeable for Equity Shares and/ or convertible preference shares and/or convertible debentures (compulsorily and/or optionally, fully and/ or partly) and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with the Equity Shares of the Company at a later date simultaneously with the issue of non-convertible debentures and/or any other permitted fully and/

or partly paid securities/ instruments/ warrants, convertible into or exchangeable for Equity Shares at the option of the Company and/or holder(s) of the security(ies) and/ or securities linked to Equity Shares, in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India (all of which are hereinafter collectively referred to as **"Securities"**), or by any one or more or a combination of the above or otherwise, upto an aggregate amount of not exceeding Rs. 350 Crores (Three Hundred and Fifty Crores Only), as may be decided by the Board, at an appropriate time (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), in the course of one or more private offerings, in the form of Qualified Institutions Placement (**"QIP"**), or any other method and by way of a placement document (**"Offering Document/ Disclosure Document / Information Memorandum"**), to eligible investors (whether or not such investors are Indian or foreign, including, without limitation, financial institutions, commercial banks, mutual funds, foreign portfolio investors, multilateral and bilateral development financial institutions, venture capital funds, foreign venture capital investors, insurance companies and other qualified institutional buyers as permitted by applicable statutes and regulations from time to time), at such time/times, in one or more tranches, for cash, at such price or prices, including at a permissible discount (including but not limited to any discount as may be permitted under Chapter VI of ICDR Regulations) / premium to the market price, in such manner and on such terms and conditions including security, rate of interest etc., considering the then prevailing market conditions and other relevant factors wherever necessary, in consultation with the book running lead managers and/or other advisors or otherwise, on such terms and conditions as the Board, may, in its absolute discretion, decide at the time of issue or allotment of Securities"

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices, etc."

"RESOLVED FURTHER THAT, if the Company proposes to allot the Securities pursuant to a qualified institutions placement (**"QIP"**) in terms of Chapter VI of the SEBI ICDR Regulations:

- i. the allotment of Securities shall only be made

- to qualified institutional buyers as defined in the SEBI ICDR Regulations ("QIBs");
- ii. the allotment of Securities shall be completed within 365 days from the date of passing of the Special Resolution or such other time as may be allowed under the ICDR Regulations, Companies Act, and/or applicable and relevant laws/guidelines, from time to time;
 - iii. the relevant date for the purpose of pricing of the Securities shall be the date of the meeting in which the Board or the committee of directors duly authorised by the Board decides to open the QIP;
 - iv. the QIP shall be made at such price not less than the price determined in accordance with the pricing formula provided in terms of Chapter VI of the ICDR Regulations ("QIP Floor Price"), and the price determined for a QIP shall be subject to appropriate adjustments as per the provisions of Regulation 176(4) of the ICDR Regulations, as may be applicable;
 - v. in the event that convertible securities and/or warrants which are convertible into Equity Shares of the Company are issued along with non-convertible debentures to qualified institutional buyers under Chapter VI of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities and/or warrants simultaneously with non-convertible debentures or any other date in accordance with applicable law, and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations;
 - vi. the Board, at its absolute discretion, may offer a discount of not more than 5% (five percent) or such other percentage as may be permitted under applicable law on the QIP Floor Price.;
 - vii. the Securities allotted shall not be eligible to be sold by the allottee for a period of 1 year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the ICDR Regulations;
 - viii. no single allottee shall be allotted more than 50% of the proposed QIP size and the minimum number of allottees shall not be less than two
- (in case the issue size is less than or equal to Rs. 250 Crore) or five (in case the issue size is more than Rs. 250 Crore), as applicable, or in a manner as may be prescribed from time to time under the SEBI ICDR Regulations;
- ix. no partly paid-up Equity Shares or other Securities shall be issued/allotted;
 - x. no allotment shall be made, either directly or indirectly, to any person who is a promoter or any person related to promoters in terms of the SEBI ICDR Regulations; and
 - xi. the Company shall not undertake any subsequent QIP until the expiry of two weeks or such other time as may be prescribed in the SEBI ICDR Regulations, from the date of prior QIP made pursuant to one or more special resolutions."
- "RESOLVED FURTHER THAT** in pursuance of the aforesaid resolutions:
- i. the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
 - ii. the Equity Shares as may be required to be issued and allotted in accordance with the terms of the offer shall rank pari passu inter-se and with the then existing Equity Shares of the Company in all respects including dividend, which shall be subject to relevant provisions on that behalf contained in the Articles of Association of the Company; and
 - iii. the number and/or price of the Equity Shares to be issued on conversion of Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division, reclassification of equity shares into other securities, issue of equity shares by way of capitalization of profits or reserves or any such capital or corporate re-organisation or restructuring."
- "RESOLVED FURTHER THAT**, without prejudice to the generality of the above, the Board be and is hereby authorized to do such acts, deeds and things as the Board in its absolute discretion deems necessary or desirable in connection with offering, issuing and allotting the Securities,
- and to give effect to these resolutions, including, without limitation, the following:
- i. offer, issue and allot the Securities or any/all of them, subject to such terms and conditions, as the Board may deem fit and proper in its absolute discretion, including inter alia, (a) terms for issue of additional Securities, (b) terms as are provided in domestic offerings of this nature, and, (c) terms and conditions in connection with payment of interest, dividend, voting rights, premium and redemption or early redemption, conversion into Equity Shares, pricing, variation of the price or period of conversion, and/or finalizing the objects of the issue/s and the monitoring of the same;
 - ii. approve, finalise and execute any preliminary as well as final offer document, (including inter alia any draft offer document, offering circular, registration statement or placement document or private placement offer letter and/or other letter or circular ("**Offering Document/Disclosure Document/ Information Memorandum**"), and to approve and finalise any term sheets in this regard;
 - iii. issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking pari passu with the existing Equity Shares of the Company in all respects;
 - iv. approve, finalise and execute any number of powers of attorney;
 - v. taking decision to open the issue, and in this regard, to decide the opening and closing dates;
 - vi. approve, finalise and execute agreements and documents, including lock-up letters, agreements in connection with the creation of any security, and agreements in connection with the appointment of any intermediaries and/or advisors, (including for underwriting, marketing, listing, trading, appointment of lead manager(s)/merchant banker(s), legal counsel, depository(ies), banker(s), advisor(s), credit rating agencies, monitoring agency(ies), registrar(s), trustee(s), and other intermediaries as required), and to pay any fees, commission, costs, charges and other outgoings in connection therewith;
 - vii. to provide such declarations, affidavits, certificates, consents and/or authorities as required from time to time, to amend or modify any of the above agreements powers or documents, as required;
 - viii. seek any consents and approvals, including, inter alia, the consent from the Company's lenders, customers, vendors, parties with whom the Company has entered into agreements with, and from concerned statutory and regulatory authorities;
 - ix. file requisite documents with the SEBI, BSE Limited / National Stock Exchange of India Limited, the Reserve Bank of India, and any other statutory and/or regulatory authorities, and any amendments, supplements or additional documents in relation thereto, as may be required;
 - x. seeking the listing of the Securities on any stock exchange/s, submitting the listing application to such stock exchange/s and taking all actions that may be necessary in connection with obtaining such listing approvals, (both in principle and final listing and trading approvals);
 - xi. open one or more bank accounts in the name of the Company in Indian currency, in relation to the Issue, and the director/s and/or officer/s of the Company as authorized by the Board who shall be authorized to sign and execute the application form and other documents required for opening the said account/s, to operate the said account/s, and to give such instructions including closure thereof as may be required and deemed appropriate by the said signatories, and that the said bank/s be and is/ are hereby authorized to honor all cheques and other negotiable instruments drawn, accepted or endorsed and instructions given by the aforesaid signatories on behalf of the Company;
 - xii. do all such incidental and ancillary acts and things as may be deemed necessary, and to give such directions that may be necessary or arise in regard to or in connection with any such offer, issue or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution

and all actions taken by the Board or any duly authorised committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects;

- xiii. settle any issues, questions, difficulties or doubts that may arise;
- xiv. approving the issue price, finalize the basis of allotment of the Securities on the basis of the bids/applications and over-subscription thereof as received, where applicable;
- xv. acceptance and appropriation of the proceeds of the issue of the Securities; and
- xvi. further to constitute and/ or authorise any committee and/or director/s and/or officer/s of the Company to seek the aforementioned consents and approvals, and/or to execute and/or file the above documents and/or to carry out any/all of the aforesaid actions."

8. Alteration of the Object Clause of the Memorandum of Association of the Company

To consider and if thought fit to pass, with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions under Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other rules/ regulations as may be applicable in this regard, Object clause of the Memorandum of Association of the Company be and is hereby altered and amended as follows:

- A. The word 'deposit' shall be removed from Para 2 of Clause III[A]
- B. The word 'deposit' shall be removed from Para 3 of Clause III[B]

"RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

"RESOLVED FURTHER THAT any of the Directors of the Company or Company Secretary be and is hereby severally authorised to certify the true copy of this

resolution and forward the same to any person or authority for their record and necessary action."

9. Alteration in Article of Association of the Company

To consider and if thought fit to pass, with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof) ("the Act") and Regulation 23(6) of Securities Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 and subject to other permissions and approvals, if any, as may be required, the consent of the members be and is hereby accorded to alter the articles of association of the Company by replacing following clause in the Articles of Association of the Company as under:

Clause 152: Debenture Directors

"Notwithstanding anything contained in this Articles, the Board shall have the power, on receipt of the nomination by the debenture trustee to appoint a Nominee Director on the Board of the Company in events as specified in SEBI (Debenture Trustees) Regulations, 1993 as amended from time to time.

Such Nominee Director may not be required to hold any qualification shares.

The Debenture Trustee may have the right to remove such Nominee Director so appointed and also in the case of death or resignation or vacancy for any reasons whatsoever in the Nominee Director(s) so appointed, at any time appoint any other person as Nominee Director. Such appointment or removal shall be made in writing to the Company".

"RESOLVED FURTHER THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof) ("the Act") and subject to other permissions and approvals, if any, as may be required, the consent of the members be and is hereby accorded to alter the articles of association of the Company by deleting following clause from the Articles of Association of the Company:

Clause 214: Seal

- a) "The Directors shall provide a Common Seal for the purpose of the Company and shall

have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Directors/ Company Secretary shall provide for the safe custody of the Seal for the time being and the seal shall not be affixed to any instrument except with the authority of resolution of the Board / Committee and in the presence of any person authorized by the Board/ Committee in this regard.

- b) The Company shall also be at liberty to have an official seal in accordance with the Act, for use in any territory, district or place outside India."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as "Board" which term shall include a Committee thereof authorised for the purpose) be and is hereby authorised to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its circular no. 20/2020 dated May 5, 2020 read with circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively (collectively referred to as **"MCA Circulars"**) permitted the holding of the Annual General Meeting (**"AGM"**) through VC / OAVM, without the physical presence of the Members at a common venue. MCA had, vide circular no. 10/2022 dated December 28, 2022 has allowed the Companies whose AGM are due to be held in the year 2023, to conduct their AGMs on or before September 30, 2023 in accordance with the requirement provided in this Circular. In compliance with the provisions of the Companies Act, 2013 (**"Act"**), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to MCA Circular no. 14/2020 dated April 8, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint Authorised Representatives by uploading a duly certified copy of the board resolution authorizing their representatives to attend the AGM through VC

/ OAVM and participate thereat and cast their votes through e-voting.

3. The attendance of the members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. The Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. All the members of the Company are encouraged to attend and vote at the AGM through VC / OAVM.
5. The Explanatory Statement pursuant to Section 102(1) and (2) of the Act in respect of the Special Business i.e. Item No. 4 to 9 is annexed hereto.
6. The Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Act, the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in the electronic mode upto the date of AGM and will also be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send the e-mail to secretarial@armanindia.com.
7. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through National Securities Depository Limited ("NSDL") in respect of the business to be transacted at AGM. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL. Members of the Company holding shares as on the cut-off date i.e. Friday, September 22, 2023, may cast their vote either by remote e-voting or e-voting system as on date of AGM. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
8. In compliance with the MCA Circulars and SEBI Circular no. SEBI/HO/CFD/CMD1/CIR1/ CIR/P/2020/79 dated May 12, 2020 read with SEBI

The information with respect to voting process and other instructions regarding e-voting are detailed in Note no. 23.

Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company / DPs. Members may note that the Notice of 31st AGM and the Annual Report of the Company for the year ended March 31, 2023 have been uploaded on the Company's website www.armanindia.com and may be accessed by the members and will also be available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com.

9. Mr. Ishan P. Shah, Advocate and failing him Mr. Gautam Virsadiya, Practicing Company Secretary (Membership No. F12366) has been appointed as the scrutinizer to scrutinize the remote e-voting and e-voting process on the date of AGM in a fair and transparent manner.
10. The Scrutinizer shall submit a consolidated Scrutinizer's Report (votes casted during the AGM and votes casted through remote e-voting) of the total votes cast in favour of or against, if any, not later than 48 hours after the conclusion of the AGM to the Vice Chairman & Managing Director of the Company. The Vice Chairman & Managing Director, or any other person authorised by the him, shall declare the result of the voting. The result declared along with the consolidated Scrutinizer's Report shall be simultaneously placed on the Company's website www.armanindia.com and on the website of NSDL and communicated to the BSE Limited and National Stock Exchange of India Limited.
11. The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of sufficient votes.
12. Members seeking any information or clarification on the accounts or any other matter to be placed at AGM are requested to send written queries to the Company on secretarial@armanindia.com atleast 10 days before the date of the meeting to enable the management to respond appropriately.
13. Regulation 40 of the Listing Regulations, as amended, mandates that requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form. Members holding the shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode.

Further SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25 2022, has mandated that listed companies shall issue the securities in dematerialized form only, in order to enhance ease of dealing in securities markets by investors, for transactions including Issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates / folios, transmission and transposition of shares.

Dematerialization would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. It also substantially reduces the risk of fraud. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.

14. Members wishing to claim dividends that remain unclaimed are requested to correspond with the Company's Registrars and Transfer Agent (RTA). Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.

During the year 2022-23, the Company has transferred 7081 equity shares to the demat account of IEPF Authority.

Pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("**IEPF Rules**"), the Company has uploaded the information in respect of the unclaimed dividends as on March 31, 2023 on its website www.armanindia.com and also on the website of the Investor Education and Protection Fund www.iepf.gov.in.

15. In accordance with the provisions of Section 72 of the Act and SEBI circulars, the facility for nomination is available for the members of the Company in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form No. SH-13. If a Member desires to opt out or cancel the

earlier nomination and record a fresh nomination, he / she may submit the same in Form No. ISR-3 or Form No. SH-14, as the case may be. The said forms are available on the Company's website at www.armanindia.com.

Members are requested to submit the said details to their respective DPs, in case the shares are held by them in dematerialized form and to the Company / RTA in case the shares are held by them in physical form.

16. As required in terms of Secretarial Standard - 2 and Listing Regulations, the information (including profile and expertise in specific functional areas) pertaining to Director recommended for appointment / re-appointment in the AGM has been provided in the explanatory statement to the Notice.
17. SEBI has mandated the submission of PAN (duly linked with Aadhar), KYC details and nomination by holders of physical securities by September 30, 2023 vide its circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023. Members are requested to submit their PAN, KYC and nomination details to the Company's RTA. The forms for updating the same are available at www.armanindia.com.

Members holding shares in electronic form are requested to submit their PAN to their depository participant(s).

The Company has sent individual letters to all the members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details.

In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

18. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends by registering their bank account details with the Company. Members holding shares in dematerialized mode are requested to register complete bank account details with the Depository Participants and members holding shares in physical mode are

requested to send a duly signed request letter to RTA mentioning the name, Folio no, bank details, self-attested copy of PAN Card and original cancelled cheque leaf along with Form ISR-1. In case of absence of name of the first shareholder on the original cancelled cheque, bank attested copy of first page of the bank passbook / statement of accounts in original along with Original cancelled cheque. Format of the Form ISR-1 and other required details are available on the website of the Company at www.armanindia.com.

19. Process for those Members whose email ids are not registered with the Depositories or the Company for obtaining login credentials for e-voting
 - Members holding shares in physical form may request for the same along with providing necessary details like Folio No., Name of Member, self attested scan copy of PAN Card and Aadhar Card by email to secretarial@armanindia.com.
 - Members holding shares in demat form may request for the same along with providing Demat account details (CDSL-16 digit beneficiary ID or NSDL - 8 character DPID + 8 character Client ID), Name of Member, client master or copy of Consolidated Account statement, self attested scan copy of PAN Card and Aadhar Card by email to secretarial@armanindia.com.
20. Process for updation of email ids / mobile no of the members whose email ids / mobile no. are not registered with the Company or Depositories:
 - Members holding shares in physical form - Update your email id and mobile no by providing Form ISR-1 and ISR-2 available on the website of the Company / RTA.
 - Members holding shares in demat form – Update your email id & mobile no. with your respective Depository Participant (DP); for individual members holding shares in demat form, updation of email id & mobile no. is mandatory for e-voting and joining virtual meetings through depositories.
21. Since the AGM will be held through VC / OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to the Notice.
22. The Register of Members and the Share Transfer Books in respect of the Equity Shares will remain closed from Saturday, September 23, 2023 to Friday, September 29, 2023 (both days inclusive) for the purpose of AGM.

23. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has appointed National Securities Depository Limited ("NSDL") as the authorized agency, for facilitating voting through electronic means i.e. remote e-Voting and e-Voting during the AGM.
- II. Mr. Ishan P. Shah, Advocate and failing him Mr. Gautam Virsadiya, Practicing Company Secretary (Membership No. F12366), has been appointed as the scrutinizer to scrutinize the remote e-voting and e-voting process on the date of AGM in a fair and transparent manner.
- III. The Results of voting will be declared within 2 working days from the conclusion of the AGM. The declared Results, along with the Scrutinizer's Report will be submitted to the Stock Exchanges where the Company's equity shares are listed (BSE Limited & National Stock Exchange of India Limited) and shall also be displayed on the Company's website www.armanindia.com and NSDL's website www.evoting.nsdl.com.
- IV. Voting rights of the Members for voting through remote e-Voting and voting during the AGM shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, September 22, 2023. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-Voting and voting during the AGM.
- V. The remote e-Voting facility will be available during the following period:
 - a. Commencement of remote e-Voting: 09:00 A.M. (IST) on Tuesday, September 26, 2023

- b. End of remote e-Voting: 5:00 P.M. (IST) on Thursday, September 28, 2023
 - c. The remote e-Voting will not be allowed beyond the aforesaid date and time and the remote e-Voting module shall be disabled by NSDL upon expiry of aforesaid period.
- VI. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.
 - VII. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
 - VIII. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in mentioning their demat account number/ folio number, PAN, name and registered address. However, if he/ she is already registered with NSDL for remote e-Voting then he/ she can use his/ her existing User ID and password for casting the vote

PROCESS AND MANNER FOR REMOTE E-VOTING

How do I vote electronically using NSDL e-Voting system?













The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method				
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td> App Store</td> <td> Google Play</td> </tr> <tr> <td></td> <td></td> </tr> </table>	 App Store	 Google Play		
 App Store	 Google Play				
					
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. 5. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. 				

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022- 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk evoting@cdslindia.com or contact at 022- 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below **in process for those shareholders whose email ids are not registered.**
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - "Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 - After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - Now, you will have to click on "Login" button.
 - After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ipshah13@gmail.com with a

copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022-488607000 and 022-2499 7000 or send a request at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@armanindia.com.
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@armanindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:

- The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

- Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

- Members are encouraged to join the Meeting through Laptops for better experience.
 - Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 - Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@armanindia.com. The same will be replied by the company suitably.
 - Those Members who have registered themselves as a speaker will only be allowed to express their views /ask questions during the AGM. The Company reserves the rights to restrict the number of speakers depending on availability of time for the AGM.
24. Details of the Directors seeking appointment / re-appointment at the 31st (Thirty First) Annual General Meeting Pursuant to Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as per Secretarial Standard -2 are provided below:

Particulars	Retire by rotation
Name of Director	Mr. Aakash Patel
DIN	02778878
Date of Birth (Age)	October 29, 1979 (44 years)
Relationships with other Directors	Son of Mr. Jayendra Patel & Mrs. Ritaben Patel; and Brother of Mr. Aalok Patel
Date of first appointment	October 24, 2000
Expertise / Brief Resume	Expertise: Well conversant with IT along with Management Techniques Brief Profile: Aakash Patel has a B. A. degree in Computer Science and in Business Management from Gettysburg College in the USA, and an MBA from Bentley College in Boston-USA. He has over 18 years of computer and business experiences, which includes over 3 years of experience as a consultant with Deloitte, 2 years with Intellitools as a software developer, and amongst others companies such as Hewlett Packard, EMC Corporation, SoftscapInc, Sumtotals Systems. Currently, he works as a Manager- PMO (USA) for Bullhorn Inc.
Remuneration	Siting fee is paid to him for attending the Board Meeting
Qualification	B. A. in Computer Science, Business Management; Masters of Business Administration.
No. of Equity Shares held	Nil
Terms and conditions of appointment/re-appointment	He was appointed as a Non-Executive Director of the Company since October 24, 2000.
No. of Board meetings attended during FY 2022-23	3
List of other Companies in which directorship are held	Nil
Chairmanship / Membership of Committees (includes only Audit and Stakeholder Relationship Committee)	Nil

Particulars	Retire by rotation
Name of Director	Mrs. Ritaben Patel
DIN	00011818
Date of Birth (Age)	August 27, 1950 (73 Years)
Relationships with other Directors	Wife of Mr. Jayendra Patel; and Mother of Mr. Aakash Patel & Mr. Aalok Patel
Date of first appointment	November 26, 1992
Expertise / Brief Resume	Expertise: Banking & Finance Brief Profile: Mrs. Patel, is a Graduate in Economics. She also holds Banking qualifications from First National Bank of Chicago, USA. She has worked with various US banks like First National Bank of Chicago, Golf Mill Bank, Morton Grove Bank in various capacities for more than a decade.
Remuneration	Sitting fee is paid to her for attending the Board / Committee Meeting
Qualification	B. A. in Economics
No. of Equity Shares held	4,36,089
Terms and conditions of appointment/re-appointment	She was appointed as a Non-Executive Director of the Company since November 26, 1992.
No. of Board meetings attended during FY 2022-23	3
List of other Companies in which directorship are held	Namra Finance Limited
Chairmanship / Membership of Committees (includes only Audit and Stakeholder Relationship Committee)	Arman Financial Services Limited Member - Audit Committee Namra Finance Limited Member - Audit Committee

Place: Ahmedabad
Date: August 14, 2023

Registered Office:
502-503, Sakar III,
Opp. Old High Court,
Off Ashram Road,
Ahmedabad 380014 Gujarat

By Order of the Board

Jayendra Patel
(Vice Chairman & Managing Director)
DIN: 00011814

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No: 4 and 5

The members of the Company in the 26th AGM of the Company held on September 7, 2018 has approved by way of a Special Resolution under Section 180(1)(c) of the Companies Act, 2013, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 500 Crores (Rupees Five Hundred Crores).

The Board of Directors of a Company shall not, except with the consent of Company by Special Resolution borrow money together with the money already borrowed, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceeding the aggregate of the paid up capital and its free reserves as per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") and its rules there under.

The borrowings of the Company are in general required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the Company, in such form, manner and ranking as may be determined by the Board of Directors / any of its authorised Committee of the Company from time to time, in consultation with the lender(s).

It is therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, as set out at Item No. 4 and Item No. 5 of the Notice, to enable the Board of Directors to borrow money upto Rs. 1,500 Crores (Rupees One Thousand Five Hundred Crores) and inter alia, authorised the Board to secure its borrowing by mortgage / charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company.

The Board recommends the Special Resolution as per the accompanying Notice, for approval by the Shareholders of the Company.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

Item No. 6

Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("**Prospectus and Allotment Rules**") deals with private placement of securities by a company. Rule 14(1) of the Prospectus and Allotment Rules prescribes that in case of an offer or invitation to subscribe to securities, the Company shall obtain previous approval of its shareholders/members ("**Members**") by means of a special resolution. Rule 14(1) of the Prospectus and Allotment Rules further prescribes that in case of the issue of non-convertible debentures ("**NCDs**") exceeding the limits prescribed therein, it shall be sufficient to obtain such previous approval only once in a year for all the offers or invitations for such NCDs issued during a period of 1 (one) year from the date of passing of the aforementioned special resolution.

In order to augment resources for on-lending by the Company, repayment/refinance of existing debt, working capital requirement, purchase of assets, investments, general corporate purposes etc. the Company may invite subscription to non-convertible debentures ((a) listed or unlisted, (b) senior secured, (c) senior unsecured, (d) unsecured, (e) subordinated, (f) any others (as may be determined)), in one or more series/tranches on a private placement basis. The NCDs proposed to be issued, may be issued either at par or at premium or at a discount to face value and the issue price (including premium, if any) shall be decided by the board of directors of the Company ("**Board**") on the basis of various factors including the interest rate/effective yield determined, based on market conditions prevailing at the time of the issue(s).

Pursuant to Rule 14(1) of the Prospectus and Allotment Rules, the following disclosures are being made by the Company to the Members:

PARTICULARS OF THE OFFER INCLUDING DATE OF PASSING BOARD RESOLUTION	<p>Rule 14(1) of the Prospectus and Allotment Rules prescribes that where the amount to be raised through offer or invitation of NCDs (as defined above) exceeds the limit prescribed, it shall be sufficient if the company passes a previous special resolution only once in a year for all the offers or invitations for such NCDs during the year.</p> <p>In view of this, pursuant to the resolution under Section 42 of the Companies Act, 2013, the specific terms of each offer/issue of NCDs (whether secured/unsecured/subordinated/senior, rated/unrated, listed/unlisted, redeemable (including market linked debentures) NCDs) shall be decided from time to time, within the period of 1 (one) year from the date of the aforementioned resolution. In line with Rule 14(1) of the Prospectus and Allotment Rules, the date of the relevant board resolution shall be mentioned/disclosed in the private placement offer and application letter for each offer/issue of NCDs.</p>
KINDS OF SECURITIES OFFERED AND THE PRICE AT WHICH THE SECURITY IS BEING OFFERED	<p>Non-convertible debt securities/NCDs.</p> <p>The NCDs will be offered/issued either at par or at premium or at a discount to face value, which will be decided by the Board for each specific issue, on the basis of the interest rate/effective yield determined, based on market conditions prevailing at the time of the respective issue.</p>
BASIS OR JUSTIFICATION FOR THE PRICE (INCLUDING PREMIUM, IF ANY) AT WHICH THE OFFER OR INVITATION IS BEING MADE	<p>Not applicable, as the securities proposed to be issued (in multiple issues/tranches) are non-convertible debt instruments which will be issued either at par or at premium or at a discount to face value in accordance with terms to be decided by the Board, in discussions with the relevant investor(s).</p>
NAME AND ADDRESS OF VALUER WHO PERFORMED VALUATION	<p>Not applicable as the securities proposed to be issued (in multiple issues/tranches) are non-convertible debt instruments.</p>
AMOUNT WHICH THE COMPANY INTENDS TO RAISE BY WAY OF SECURITIES	<p>The specific terms of each offer/issue of NCDs shall be decided from time to time, within the period of 1 (one) year from the date of the aforementioned resolution, provided that the amounts of all such NCDs at any time issued within the period of 1 (one) year from the date of passing of the aforementioned shareholders resolution shall not exceed the limit specified in the resolution under Section 42 of the Companies Act, 2013.</p>
MATERIAL TERMS OF RAISING OF SECURITIES, PROPOSED TIME SCHEDULE, PURPOSES OR OBJECTS OF OFFER, CONTRIBUTION BEING MADE BY THE PROMOTERS OR DIRECTORS EITHER AS PART OF THE OFFER OR SEPARATELY IN FURTHERANCE OF OBJECTS; PRINCIPLE TERMS OF ASSETS CHARGED AS SECURITIES.	<p>The specific terms of each offer/issue of NCDs shall be decided from time to time, within the period of 1 (one) year from the date of the aforementioned resolution, in discussions with the respective investor(s). These disclosures will be specifically made in each private placement offer and application letter for each offer/issue.</p>

Accordingly, consent of the Members is sought in connection with the aforesaid issue of NCDs and they are requested to authorize the Board to issue such NCDs during the year on private placement basis up to INR 500,00,00,000 (Indian Rupees Five Hundred Crore) as stipulated above, in one or more tranches.

None of the directors and key managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding (if any) in the Company. The Board recommends the passing of the resolution as special resolution.

The Board recommends the special resolution set forth in the Item No. 6 of the Notice for approval of the Members.

Item No: 7

- a) **Particulars of the issuance of Securities** - In view of meeting funding requirements and growth objectives of the Company and its businesses,, the Board of Directors of the Company, ("Board" which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in this regard) at its meeting held on August 14, 2023 approved raising of funds/ capital for an aggregate amount not exceeding Rs. 350 Crores (Three Hundred and Fifty Crores Only), and further subject to the prevailing market conditions, receipt of regulatory approvals and other relevant considerations.
- b) **Kind of Securities offered:** The Company may offer, issue, and allot securities including inter alia ordinary equity shares of the face value of Rs. 10/- each (Rupees Ten Only) ("**Equity Shares**"), and/or warrants with an option exercisable by the warrant holder to subscribe for Equity Shares and/or any instruments or securities representing either Equity Shares and/ or convertible securities linked to Equity Shares, or any combination of securities convertible into or exchangeable for Equity Shares and/ or convertible preference shares and/or convertible debentures (compulsorily and/or optionally, fully and/ or partly) and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with the Equity Shares of the Company at a later date simultaneously with the issue of non-convertible debentures and/or any other permitted fully and/ or partly paid securities/ instruments/ warrants, convertible into or exchangeable for Equity Shares at the option of the Company and/or holder(s) of the security(ies) and/ or securities linked to Equity

Shares, in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India (all of which are hereinafter collectively referred to as "**Securities**").

- c) **Amount of the Offering:** This Special Resolution enables the Board to issue Securities for an aggregate consideration not exceeding Rs. 350 Crore (Three Hundred and Fifty Crore Only) or its equivalent in any foreign currency.
- d) **Relevant Date:** In case of a QIP, the "Relevant Date" will be the date when the Board (including any Committee thereof) decides to open the Offering for subscription or any other date in accordance with applicable law. In case of other type of issuance, relevant date shall be as per applicable law.
- e) **Objects of the fund raise:** The Company shall utilise at least 75% of the proceeds from the Offering (after adjustment of expenses related to the Offering, if any) ("Net Proceeds") towards augmenting our Company's capital adequacy to grow its business.

The amount stated for the objects above shall not be added to the general corporate purposes, which shall not exceed 25% of the Net Proceeds and may be utilized for, inter alia, meeting ongoing general corporate exigencies and contingencies, expenses of the Company, investment in subsidiaries of the Company, as applicable in such a manner and proportion as may be decided by the Board from time to time and/or any other general purposes as may be permissible under applicable laws.

The aforementioned objects are based on management estimates, and other commercial and technical factors and accordingly, are dependent on a variety of factors such as timing of completion of the Offering, financial, market and sectoral conditions, business performance and strategy, competition, interest or exchange rate fluctuations and other external factors, which may not be within the control of the Company.

Pending utilization of the proceeds from the Offering, the Company shall invest such proceeds in money market instruments including money market mutual funds, deposits in scheduled commercial banks or any other investment as permitted under Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 issued by RBI and the Investment Policy of the Company.

f) **Basis or justification of pricing** - The issue of Securities may be consummated in one or more tranches, at such time or times, at such price, at a discount or premium to market price in such manner and on such terms and conditions as the Board may in its absolute discretion decide taking into consideration prevailing market conditions and other relevant factors and wherever necessary in consultation with the book running lead manager(s) and other agencies and subject to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**") and other applicable laws, regulations, rules and guidelines. The price at which Securities shall be allotted in the Offering shall not be less than the price determined in accordance with the SEBI ICDR Regulations, through either the book building mechanism (in case of a public offer) or a prescribed formula, as the case maybe.

g) **Interest of Promoter, Directors and Key Managerial Personnel:** If a QIP is undertaken in terms of Chapter VI of SEBI ICDR Regulations, the Promoter, member of the Promoter Group, Directors and Key Managerial Personnel of the Company will not subscribe to the QIP.

h) **Schedule of the Offering:** The detailed terms and conditions for the offering will be determined in consultation with the advisors, book running lead managers and underwriters and such other authority or authorities as may be required, considering the prevailing market conditions and other regulatory requirements for different kinds of issuances. The allotment of the Securities pursuant to the Offering shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event a QIP is undertaken, the allotment shall be completed within 365 days from the date of this resolution.

Other material terms:

- i) The Equity Shares issued, if any, shall rank pari passu in all respects with the existing Equity Shares of the Company, including entitlement to dividend, if any.
- j) None of the Directors or the Key Managerial Personnel of the Company and/or their relatives are concerned or interested in the said resolution, other than to the extent of their shareholding in the Company. The Directors or Key Managerial Personnel

of the Company or their relatives may be deemed to be concerned or interested in the proposed resolution to the extent of Equity Shares that may be subscribed by the companies/ institutions in which they are Directors or Members.

k) As the Issue will result in the issue of Securities of the Company to investors who may not be members of the Company, consent of the members is being sought, for passing the Special Resolution as set out in the said item 6 of the Notice, pursuant to Sections 23, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 and any other law for the time being in force and being applicable and in terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The resolution proposed is an enabling resolution and the exact price, proportion and timing of the issue of the securities the detailed terms and conditions for the issue will be decided by the Board in consultation with lead managers, advisors and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors after meeting the specific requirements. The proposal therefore seeks to confer upon the Board the absolute discretion to determine the terms of issue.

Therefore, an enabling resolution is being proposed to give Board an adequate flexibility and absolute discretion to determine the terms of issue in consultation with the lead managers and others.

In the event of the issue of the Equity Shares as aforesaid by way of QIP, the special resolution also seeks to empower the board to undertake QIP as defined by ICDR Regulations.

In connection with the proposed issue of Securities, the Company is required, inter alia, to prepare various documentations and execute various agreements. The Company is yet to identify the investor(s) and decide the quantum of Securities to be issued to them. Hence, the details of the proposed allottees, percentage of post preferential offer capital that may be held by them and shareholding pattern of the company are not provided. Accordingly, it is proposed to authorize the Board to identify the investor(s), issue such number of Securities, negotiate, finalize and execute such documents and agreements as may be

required and do all such acts, deeds and things in this regard for and on behalf of the Company.

The issue/allotment/conversion would be subject to the applicable regulatory approvals, if any. The issuance and allotment of Equity Shares including Equity Shares to be allotted on conversion of Securities to foreign/non-resident investors would be subject to the applicable foreign investment cap.

The Board believes that such an issue of Securities of the Company is in the interest of the Company and therefore Board recommends the special resolution set forth in the Item No. 7 of the Notice for approval of the Members.

Item No: 8

The Board of Directors of the Company in its meeting held on Feb 23, 2023, has voluntarily decided to convert its license from "Deposit taking" to "Non-Deposit taking" after considering the fact that from the inception of the Company in the year 1992, the Company has neither solicited nor received any public deposits and merely holding the deposit taking license was neither a business necessity nor serving the Company's best interests.

For converting from "Deposit taking" to "Non-Deposit taking" license, the Reserve Bank of India ("**RBI**") has asked the Company to amend the Memorandum of Association ("**MOA**") and Article of Association ("**AOA**") by deleting the clauses pertaining to deposit taking activity.

To comply with this requirement, the Company has given the confirmation to the RBI that the Company would amend the MOA and AOA by deleting the clauses pertaining to deposit taking activity in the next General Meeting of the Company to be held in the Year 2023. And based on the said confirmation, the RBI has accepted Company's request for convert itself from "Deposit taking" to "Non-Deposit taking" and has issued a new license of Non Deposit Taking NBFC (NBFC -ICC) dated May 12, 2023.

Accordingly, with a view to align the existing MOA of the Company to the new Certificate of Registration (Not valid for accepting deposits) dated May 12, 2023, and in accordance with Section 4 and 13 of the Companies Act, 2013, it is proposed to alter the MOA of the Company by removing the word 'deposit' from Para 2 of Clause III[A] and Para 3 of Clause III[B]. The present AOA does not contain any article relating to accepting the public deposit and hence, it does not require to be altered.

The Board at its meeting held on August 14, 2023 has approved alteration of the MOA of the Company as per the above para and recommends the special resolution set forth in the Item No. 8 of the Notice for approval of the Members.

A copy of the proposed MOA of the Company would be available for inspection for the Members at the Registered Office of the Company during the office hours on any working day, between 11.00 a.m. to 5.00 p.m. till the date of AGM.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed resolution.

Item No: 9

SEBI vide its notification dated February 2, 2023 amended the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 wherein it mandated that Articles of Association ("**AOA**") of an issuer of debt securities should contain a clause authorising the Board of Directors of such issuer company to appoint a person nominated by the debenture trustee(s) in terms of Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a director on its Board. Further, in case AOA of issuer companies whose debt securities are already listed on the date of SEBI Notification does not contain a provision for appointing a Nominee Director by Debenture Trustee then such issuer companies should amend their AOA on or before September 30, 2023.

The existing AOA of the Company does not contain suitable provisions with respect to appointment of Nominee Director by the Debenture Trustee in terms of Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.

For the above purpose, the AOA of the Company is required to be amended to include provisions for the appointment of Nominee Director.

Further, as per the Companies Act, 2013, use of Common seal has now become optional for companies. Further Company being a Non-Banking Finance Company has to execute various agreements, documents etc. towards its business matters including for borrowing proposals and other administrative necessities. The Board is of the view that, to facilitate administrative convenience for execution of such documents on behalf of the Company, the Company shall remove the clause of Seal from its AOA.

The Board at its meeting held on August 14, 2023 has approved alteration of the AOA of the Company as per the above para(s) by altering the clause of Debenture Director and removing the clause of Seal and recommends the special resolution set forth in the Item No. 9 of the Notice for approval of the Members.

A copy of the proposed AOA of the Company would be available for inspection for the Members at the Registered Office of the Company during the office hours on any working day, between 11.00 a.m. to 5.00 p.m. till the date of AGM.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed resolution.

Place: Ahmedabad
Date: August 14, 2023

By Order of the Board

Registered Office:
502-503, Sakar III,
Opp. Old High Court,
Off Ashram Road,
Ahmedabad 380014 Gujarat

Jayendra Patel
(Vice Chairman & Managing Director)
DIN: 00011814

Arman Financial Services Limited

Directors' Report • Auditor's Report • Account Statements • Notes

Board's Report

Dear Members,

The Board of Directors of the Company with immense pleasure present their 31st Director's Report together with the Audited Financial Statement for the year ended on March 31, 2023.

You are our valued partners in the Company and we are happy to share our vision of growth with you. Our guiding principles are a blend of optimism and conservatism, which has been and will be the guiding force of all our future endeavors.

The summary of operating results for the year is given below:

1. FINANCIAL PERFORMANCE

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Total Revenue	42,390.47	23,500.56	9,614.02	6,621.85
Profit Before Interest and Depreciation	29,810.49	13,592.12	6,841.76	3,929.00
Finance Charges	17,199.63	8,945.03	3,069.78	1,789.01
Depreciation	115.49	95.27	13.03	10.03
Net Profit Before Tax	12,495.37	4,551.82	3,758.95	2,129.96
Current Tax	2,832.90	1,495.10	787.90	490.10
Deferred Tax (Asset)/Liability	266.24	(115.84)	134.90	16.42
Short/(Excess) provision of income tax of earlier year	15.10	0.28	0.00	0.00
Net Profit After Tax	9,381.13	3,172.28	2,836.15	1,623.44
Basic Earnings Per Share (In ₹)	110.47	37.36	33.40	19.12
Diluted Earnings Per Share (In ₹)	107.28	37.35	33.02	19.12

2. OPERATIONS

Your Company continues to engage in the business of Asset Finance, MSME and Microfinance. The Parent Company, Arman Financial Services Limited, is engaged in two-wheeler finance and MSME; while the microfinance business is managed through Arman's wholly owned subsidiary, Namra Finance Limited. The financial statements of both Arman and Namra, as well as the consolidated financials of Arman are included within the Annual Report.

Consolidated Performance Highlights

- AUM was ₹1,942.93 Crores in FY 2022-23 as compared to ₹1,233.22 Crores in FY 2021-22, increased by 58%.
- Disbursement was ₹1,766.75 Crores in FY 2022-23 as compared to ₹1,023.29 Crores in FY 2021-22, increased by 73%.

- Total income was ₹423.91 Crores in FY 2022-23 as compared to ₹235.01 Crores in FY 2021-22, increased by 80%.
- Profit before taxes was ₹124.95 Crores in FY 2022-23 as compared to ₹45.52 Crores in FY 2021-22, increased by 174%.
- Profit for the year attributable to owners of the Company was ₹93.81 Crores in FY 2022-23 as compared to ₹31.72 Crores in FY 2021-22, increased by 196%.
- The basic Earning Per Share was ₹110.47 as compared to ₹37.36, increased by 196%.
- The diluted Earning Per Share was ₹107.28 as compared to ₹37.35, increased by 187%.

Standalone Performance Highlights

- AUM was ₹315.29 Crores in FY 2022-23 as compared to ₹211.22 Crores in FY 2021-22, increased by 49%.

- Disbursement was ₹281.86 Crores in FY 2022-23 as compared to ₹183.18 Crores in FY 2021-22, increased by 54%.
- Total income was ₹96.14 Crores in FY 2022-23 as compared to ₹66.22 Crores in FY 2021-22, increased by 45%.
- Profit before taxes was ₹37.59 Crores in FY 2022-23 as compared to ₹21.30 Crores in FY 2021-22, increased by 77%.
- Profit for the year attributable to owners of the Company was ₹28.36 Crores in FY 2022-23 as compared to ₹16.23 Crores in FY 2021-22, increased by 75%.
- The basic Earnings Per Share was ₹33.40 as compared to ₹19.12, increased by 75%.
- The diluted Earnings Per share was ₹33.02 as compared to ₹19.12, increased by 73%.

3. DIVIDEND

In order to conserve capital, the Directors of your Company do not recommend any dividend payment at the ensuing Annual General Meeting ("AGM").

The Dividend Distribution Policy of the Company approved by the Board is in line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Policy has been uploaded on the website of the Company at <https://armanindia.com/policyncode.aspx> -> Dividend Distribution Policy.

4. APPROPRIATIONS

The Company proposes to transfer ₹568.00 Lakhs (previous year ₹325 Lakhs) to Special Reserve created u/s 45-IC of the Reserve Bank of India Act, 1934 ("RBI Act"). The Company has also transferred ₹10.00 Lakhs (previous year ₹10.00 Lakhs) to the general reserve.

5. COST RECORDS

The Company is not required to maintain cost records as per the provisions of Section 148(1) of the Companies Act, 2013.

6. MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, that would affect financial position of the Company from the end of the financial year of the Company to which the financial statements relate and the date of the director's report.

7. CREDIT RATING & GRADING

During the year under review, Acuité reviewed the ratings on various bank facilities and debt instrument of the Company and its subsidiary. Acuité has reaffirmed its rating for long term bank facility and debt instruments to "ACUITE A-"; (A minus; outlook stable).

CARE has also reaffirmed its rating for various Non-Convertible Debentures ("NCDs") at "CARE BBB+"; stable (Triple B plus; outlook stable). The Grading of Namra Finance Limited (WOS) was also upgraded to 'MFI 1' (MFI one) by CARE Advisory Research & Training Limited during the year 2022-23.

8. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company has one wholly owned subsidiary, named 'Namra Finance Limited' as on date. During the year, no changes took place in the group corporate structure of your Company. The Company has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"). The said policy is available at the Company website at the link <https://armanindia.com/policyncode.aspx> -> Policy for Material Subsidiary.

The consolidated financial statements presented by the Company include financial information of its subsidiary prepared in compliance with applicable accounting standards. The salient features of Namra Finance Limited in Form AOC-1 is attached hereunder as per "Annexure-1" as required under Section 129 (3) of the Companies Act, 2013.

Further pursuant to Section 136 of Companies Act, 2013, financial statements of the Company, consolidated along with relevant documents and separate audited accounts in respect of subsidiary are available on the website of the Company.

9. INVESTMENT IN SUBSIDIARY

During the year under review, the Company has further invested ₹80.00 Crore in Namra Finance Limited (wholly owned subsidiary) by subscribing 80,00,000 Lakhs equity shares of ₹10/- each at the rate of ₹100.00 per share (including premium of ₹90.00 per share). Total investment in wholly owned subsidiary stood at ₹185.63 Crore.

10. SURRENDERED RBI CATEGORY "A" LICENSE

The Board of Directors of the Company in its meeting held on Feb 23, 2023, has voluntarily decided to convert its license from "Deposit taking" to "Non-Deposit taking" after considering the fact that from the inception of the Company in the year 1992, the Company has neither solicited nor received any public deposits and merely holding the deposit taking license was neither a business necessity nor serving the Company's best interests. RBI has accepted Company's request for convert itself from "Deposit taking" to "Non-Deposit taking" and has issued a new license of Non Deposit Taking NBFC (NBFC -ICC) dated May 12, 2023.

11. UNCLAIMED DIVIDEND & SHARES

During the year Company has transferred unclaimed dividend for the year 2014-15 of ₹3,52,038/- to Investor Education and Protection Fund (IEPF) pursuant to provision of Section 124 of the Companies Act, 2013 which remained unclaimed for a period of more than seven years.

Members desirous of claiming their shares and dividend which have been transferred to the IEPF, may refer to the refund procedure, as detailed on www.iepf.gov.in. Underlying shares on which dividend has remained unclaimed from FY 2015-16 onwards, will be due for transfer to IEPF account during the year and individual notices to that effect has been sent to concerned shareholders. Shareholders who have not yet encashed their unclaimed/unpaid amounts are requested to correspond with the Company's Registrar and Transfer Agents, at the earliest to avoid transfer of dividend and underlying shares to IEPF.

12. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY

Except the loans, guarantees and investments made in subsidiary Company, there were no other loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

13. PUBLIC DEPOSITS

During the year under review, your Company has not accepted or renewed any Deposit within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement of furnishing details of

deposits which are not in compliance with Chapter V of the Companies Act, 2013 is not applicable.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations, with an appropriate combination of Non-Executive Directors and Independent Directors. The complete list of Directors of the Company has been provided as part of the Corporate Governance Report.

The Board of Directors consists of 9 (Nine) members, of which 4 (Four) are Independent Directors and 1 (One) is a Nominee Director. The Board also comprises of 2 (two) women Directors, including 1 (one) Independent Director. In accordance with the Articles of Association of the Company and pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Aakash Patel [DIN- 02778878] and Mrs. Ritaben Patel [DIN- 00011818] will retire by rotation at the ensuing AGM and being eligible, offer themselves for reappointment.

The terms and conditions of appointment of Independent Directors are available on the website of the Company at <https://armanindia.com/policyncode.aspx> -> Policy for Appointment of Independent Director. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, expertise and hold highest standards of integrity.

a) Key Managerial Personnel (KMP)

The Board has identified the following officials as Key Managerial Personnel pursuant to Section 203 of the Companies Act, 2013:

- 1) Mr. Jayendrabhai B. Patel – Vice Chairman & Managing Director and C.E.O.
- 2) Mr. Aalok J. Patel – Joint Managing Director
- 3) Mr. Vivek A. Modi – Chief Financial Officer
- 4) Mr. Jaimish G. Patel – Company Secretary & Compliance Officer

15. MEETING OF THE BOARD & AUDIT COMMITTEE

The Board during the financial year 2022-23 met 6 (six) times and Audit Committee met 4 (four) times. All the recommendations made by the Audit Committee during the year were accepted by the Board. The details of the constitution and meetings

of the Board and the Committees held during the year are provided in the Corporate Governance Report which forms part of this Annual Report.

16. NOMINATION AND REMUNERATION COMMITTEE

As per the Section 178(1) of the Companies Act, 2013 the Company has constituted Nomination and Remuneration Committee, details of which are provided in the Corporate Governance Report which forms part of this Annual Report.

17. REMUNERATION POLICY

Remuneration to Executive Directors

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in the Board meeting, subject to the subsequent approval of the shareholders at the ensuing Annual General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such:

- Level of skill, knowledge and core competence of individual.
- Functions, duties and responsibilities.
- Company's performance and achievements.
- Compensation of peers and industry standard.

The Company may if the need arise, strike a balance between the fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goal. The Nomination & Remuneration Committee of Board of Directors shall recommend periodic revision in the remuneration of Executive Directors to the Board and the Board shall fix their remuneration taking into consideration above factors as also ceiling limits prescribed under the Companies Act, 2013 and other statutes. The same shall also be approved by the shareholders where required.

Remuneration to Non-Executive Directors

Non-Executive Directors are paid sitting fees for each meeting of the Board and Committees of Directors attended by them. They are also given the traveling and other expenses they incur for attending to the Company's affairs, including attending Committee, Board and General meetings of the Company.

Remuneration of KMP (Excl. MD) & Other Employees

The authority to structure remuneration for KMP

(Excl. M.D.) & other employees and the annual revision thereof has been delegated to the Managing Director and Joint Managing Director of the Company, based on Company performance, individual performance evaluation, recommendations of respective functional heads and other factors having a bearing.

If there is any specific regulatory requirement for fixation / revision of remuneration of KMP or any other employee, by the Board or any committee, then the same shall be done in compliance thereof.

18. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required pursuant to Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished hereunder as per "Annexure-2".

However, the information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136(1) of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

19. DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy for prevention, prohibition and redressal of sexual harassment at workplace. Further, the Company has constituted an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, where complaints in the nature of sexual harassment can be registered. Appropriate reporting mechanisms are in place for ensuring protection against sexual harassment and the right to work with dignity. There were no complaints / cases filed / pending with the Company during the financial year.

20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- a) In the preparation of the annual accounts for the year ended on March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit and loss of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis;
- e) That the Directors have laid down internal financial controls to be followed by the Company and that the financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. SECRETARIAL STANDARDS

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

22. DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have submitted the declaration of independence, pursuant to the provisions of Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulations 16(1) (b) of the SEBI Listing Regulations and they are not aware of any circumstance or situation, which exist

or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgment and without any external influence.

23. FAMILIARIZATION PROGRAMME

The Company has familiarized the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The details relating to the familiarization programme are available on the website of the Company at <https://armanindia.com/policyncode.aspx> -> Familiarization Programme For Independent Directors.

24. AUDITORS AND AUDIT REPORTS

a) Statutory Auditors

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 and the rules made thereunder and RBI requirements, the Members at their 29th AGM held on September 29, 2021, has appointed M/s Talati & Talati LLP, Chartered Accountants, (Firm Registration No. 110758W/W100377), as the Statutory Auditors of the Company for a term of three years, i.e., from the conclusion of 29th AGM till the conclusion of the 32nd AGM.

The Auditors' Report to the Members for the year under review is unmodified. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act.

b) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has appointed M/s GKV & Associates, Practising Company Secretary (Membership No.: F12366 and Certificate of Practice No.: 19866) to undertake the Secretarial Audit of the Company for the financial year 2022-23.

Further, in terms of the provisions of Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Circular No. CIR/ CFD/CMD1/27/2019 dated February 8, 2019 issued by SEBI, M/s GKV & Associates has issued the Annual Secretarial Compliance Report,

confirming compliance by the Company of the applicable SEBI regulations and circulars / guidelines issued thereunder.

The Secretarial Audit Report is appended as "Annexure-3" to this Report. There is no adverse remark, qualification, reservation or disclaimer in the Secretarial Audit Report.

25. RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board, may be accessed on the Company's website at the link <https://armanindia.com/policyncode.aspx> -> Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions.

26. RISK MANAGEMENT FRAMEWORK

The Company has constituted a Risk Management Committee in terms of the requirements of Regulation 21 of the Listing Regulations and has also adopted a Risk Management Policy. The details of the Risk Management Committee are disclosed in the Corporate Governance Report.

The Company has a risk management framework and Board members are periodically informed about

the proceedings of the Risk Management Committee to ensure management controls risk by means of a properly designed framework. The Board is kept apprised of the proceedings of the meetings of the Risk Management Committee. The Company, as it advances towards its business objectives and goals, is often subjected to various risks.

Risk Management is at the core of our business and ensuring we have the right risk-return trade-off in line with our risk appetite is the essence of our Risk Management while looking to optimize the returns that go with that risk.

27. INTERNAL CONTROL SYSTEM

The Company has in place, adequate systems of Internal Control to ensure compliance with policies and procedures. It is being constantly assessed and strengthened with new / revised standard operating procedures and tighter information technology controls. Internal audits of the Company are regularly carried out to review the internal control systems. Further, the Company has been conducting management audit report by an external agency. The Internal Audit Report and Management Audit Report, along with auditor's recommendations and implementation contained therein are regularly reviewed by the Audit Committee of the Board. Internal Auditor has verified the key internal financial control by reviewing key controls impacting financial reporting and overall risk management procedures of the Company and found the same satisfactory. It was placed before the Audit Committee of the Company.

28. INTERNAL FINANCIAL CONTROL

The Company has, in all material respects, an adequate internal financial controls system and such internal financial controls were operating effectively based on the internal control criteria established by the Company considering the essential components of internal control, stated in the Guidance Note on Audit of Internal Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

29. INTERNAL AUDIT

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the organization's risk management, internal control and governance processes. The

framework is commensurate with the nature of the business, size, scale and complexity of its operations. The audit plan is approved by the Audit Committee, which regularly reviews compliance to the plan.

30. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act and the SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually and the Committees of the Board.

Manner of Evaluation

The Nomination & Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board as a whole, individual directors and its various Committees is being made.

It includes circulation of evaluation response / feedback sheet separately for evaluation of the Board and its Committees, Independent Directors / Non-Executive Directors / Managing Director / Chief Executive Officer / Chairperson of the Company.

The evaluation of Board as a whole, individual directors and its various Committees is being carried out by the Nomination & Remuneration Committee of the Company and subsequently it gives the report of evaluation to the Board for review.

31. CORPORATE GOVERNANCE

We strive to maintain high standards of Corporate Governance in all our interactions with our stakeholders. The Company has conformed to the Corporate Governance code as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on Corporate Governance along with a certificate from the M/s. GKV & Associates, Practicing Company Secretary, confirming the level of compliance is attached and forms a part of the Board's Report.

32. DEPOSITORY SYSTEM

The Company's Equity Shares are compulsorily tradable in electronic form. As on March 31, 2023, out of the Company's total equity paid-up share capital comprising of 84,92,334 Equity Shares, only 1,48,810 (1.75%) Equity Shares were in physical form and the remaining capital was in dematerialised.

As per SEBI notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide notification No. SEBI/LAD-NRO/

GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities is not processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories.

Further, transmission or transposition of securities held in physical or dematerialised form is also effected only in dematerialised form. Therefore, Members holding securities in physical form are requested to take necessary action to dematerialize their holdings.

33. WHISTLE BLOWER POLICY

The Company has implemented a Whistle Blower Policy, whereby employees and other stakeholders can report matters such as generic grievances, corruption, misconduct, illegality and wastage / misappropriation of assets to the Company. The policy safeguards the whistle blowers to report concerns or grievances and also provides direct access to the Chairman of the Audit Committee. The details of the Whistle Blower Policy are available on Company's website at the link: <https://armanindia.com/policyncode.aspx> -> Whistle Blower Policy

34. GREEN INITIATIVE

In accordance with the 'Green Initiative', the Company has been sending the Annual Report / Notice of AGM in electronic mode to those shareholders whose Email Ids are registered with the Company and / or the Depository Participants. Your Directors are thankful to the Shareholders for actively participating in the Green Initiative.

35. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Act, the Annual Return in form MGT-7 for the Company for the financial year 2022-23 is available on the website of the Company at <https://armanindia.com/OtherReports.aspx?Page=Annual-return> -> Annual Return 2022-23

36. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

A. Conservation of energy and technology absorption:

Since the Company does not carry out any manufacturing activity, the particulars regarding conservation of energy, technology absorption and other particulars as required by the Companies (Accounts) Rules, 2014 are not applicable.

B. Foreign exchange earnings and outgo:

There were no foreign exchange earnings during the year (previous year also Nil) while the expenditure in foreign currency by the Company during the year was USD equivalent of ₹28,87,500 (previous year: Nil) towards due diligence fees.

37. SHARES & SHARE CAPITAL

• Authorized Share Capital:

During the year under review, the authorized share capital of the Company was reclassified to 1,40,00,000 ordinary equity shares of the Company of the face value of ₹10/- each aggregating to ₹14,00,00,000/- and 10,00,000 Optionally Convertible Redeemable Preference Shares of ₹10/- each aggregating to ₹1,00,00,000/-.

• Paid up Share capital:

As on March 31, 2023, the Company's paid-up Equity Share Capital was ₹8,49,23,340/- divided into 84,92,334 Equity Shares of ₹10/- each and Optionally Convertible Redeemable Preference Shares capital was ₹31,09,720/- divided into 3,10,972 Optionally Convertible Redeemable Preference Shares.

• Buy Back of Securities:

The Company has not bought back any of its securities during the year under review.

• Sweat Equity:

The Company has not issued any Sweat Equity Shares during the year under review.

• Bonus Shares:

No Bonus Shares were issued during the year under review.

• Issue of Compulsorily Convertible Debentures (CCDs)

Your Company has issued and allotted 6,24,388 Unsecured Compulsorily Convertible Debentures ("CCDs") of ₹1,230/- each aggregating ₹76.80 cr. on September 28, 2022 on a private placement basis to various investors pursuant to shareholder's approval obtained in Extra Ordinary General meeting of the Company held on September 15, 2022.

The CCDs shall carry a coupon of 15% (fifteen percent) simple interest per annum calculated on the basis of a 365 (three hundred sixty five) day year and the actual number of days

elapsed. These CCDs will be converted into 6,24,388 ordinary equity shares of Rs.10/- each on the earlier of following events:

- a) the Investor electing to convert the CCDs into equity shares by issuing a conversion notice to the Company; and
- b) the date of expiry of 18 (eighteen) months from the date of allotment of CCDs ("Conversion Date").

• Issue of Optionally Convertible Redeemable Preference Shares (OCRPS)

Your Company has issued and allotted 3,10,972 Optionally Convertible Redeemable Preference Shares ("OCRPS") of ₹10/- each at a premium of ₹1,220/- per shares aggregating ₹38.25 cr. on September 28, 2022 on a private placement basis to various investors pursuant to shareholder's approval obtained in Extra Ordinary General meeting of the Company held on September 15, 2022.

The OCRPS shall carry a cumulative right of dividend at a fixed amount of ₹123/- (Indian Rupees One Hundred and Twenty Three only) per annum out of the profits of the Company and the payment of such dividend shall have priority over any dividend rights of the equity shares of the Company.

The OCRPS will either:

- a) be convertible into equivalent of 3,10,972 equity shares of the face value of ₹10/- each of the Company, at a conversion price of ₹1,230/- per equity share (including a premium of ₹1,220/- per share) at the option of the allottee within a period not exceeding 18 months from the date of allotment of OCRPS; or
- b) be redeemed at a price of ₹1,230/- per OCRPS at the option of the allottee if the allottee chooses not to convert the OCRPS.

• Employees Stock Option Plan

There has been no material change in the ESOP Schemes during the year under review. The ESOP Scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBSE Regulations").

During the financial year under the review, the Company has allotted 750 ordinary equity

shares of ₹10/- each on May 17, 2022 to the eligible employees of the Company/ Subsidiary Company pursuant to 'Arman Employee Stock Option Plan 2016'. Particulars of Employee Stock Options granted, vested, exercised and allotted are given in "Annexure-4".

38. CORPORATE SOCIAL RESPONSIBILITY

In accordance with Section 135 of the Act, your Company has constituted a Corporate Social Responsibility ("CSR") Committee. The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy is available on the website of the Company at <https://armanindia.com/policynode.aspx> -> Corporate Social Responsibility Policy.

Further, the details including Composition of the CSR Committee, the CSR Policy and the CSR Report are given at "Annexure-5".

39. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

Your Company forms part of the top 1000 listed entities on BSE Limited and National Stock Exchange of India Limited as on March 31, 2023. Accordingly, pursuant to Regulation 34 (2) (f) of SEBI Listing Regulations, Company is required to submit a Business Responsibility Sustainability Report ("BRSR") as a part of the Annual Report. The Company's BRSR describing the initiatives taken by the Company is uploaded on the website of the Company at <https://armanindia.com/OtherReports.aspx?Page=BRSR> -> BRSR 2022-23.

40. CODE OF CONDUCT

The Code of Conduct for all Board members and Senior Management of the Company have been laid down and are being complied with in words and spirit. The compliance on declaration of Code of Conduct signed by Managing Director & CEO of the Company is included as a part of this Annual Report.

41. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's discussion and analysis forms a part of this annual report and is annexed to the Board's report.

42. DETAILS OF FRAUDS REPORTED BY THE AUDITORS

During the year under review, neither the Statutory Auditor nor the Secretarial Auditor have reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees.

43. ANY SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNAL

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

44. PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There was no proceeding initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 during the financial year under review.

45. DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

The Company has not made any such valuation during the FY23.

46. GRATITUDE & ACKNOWLEDGEMENTS

The Board expresses its sincere thanks to all the employees, customers, suppliers, investors, lenders, regulatory / government authorities and stock exchanges for their co-operation and support and look forward to their continued support in future.

For and on behalf of the Board of Directors of,
Arman Financial Services Limited

Jayendra Patel

(Vice Chairman & Managing Director)

DIN: 00011814

Aalok Patel

(Joint Managing Director)

DIN: 02482747

Date: August 14, 2023

Place: Ahmedabad

FORM NO. AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES

Pursuant to first provision of Section 129(3) of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014

Part A - Subsidiaries

SRN	Particulars	(₹ in Lakhs)
1.	Name of the Subsidiary Company	Namra Finance Limited
2.	Reporting period of the Subsidiary Company	March 31, 2023
3.	Reporting Currency of the Subsidiary Company	INR
4.	Share Capital	4,536.00
5.	Reserves & Surplus	28,026.22
6.	Total Assets	167,776.24
7.	Total Liability	135,214.02
8.	Investment	1,825.75
9.	Turnover	33,151.53
10.	Profit before tax	8,911.20
11.	Provision for tax	2,191.44
12.	Profit after tax	6,719.76
13.	Dividend	Nil
14.	Extent of shareholding (in percentage)	100%

- There is no subsidiary which is yet to commence operation
- No Subsidiary is liquidated or sold during the year.

Part B - Associates and Joint Ventures: None

ANNEXURE-2
PARTICULARS OF REMUNERATION

Information in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

i. The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2022-23:

Name of Director	Designation	Remuneration of the Directors for 2022-23 (₹ in Lakhs)	Ratio of remuneration of the directors to the median remuneration of the employees
Alok Prasad	Chairman & Independent Director	2.13	1.20:1
Jayendra Patel	Vice Chairman & Managing Director	20.04	11.29:1
Aalok Patel	Joint Managing Director	10.19	5.74:1
Ramakant Nagpal	Independent Director	1.33	0.75:1
Ritaben Patel	Non-Executive Director	0.75	0.42:1
Aakash Patel	Non-Executive Director	Nil	N.A.
Mridul Arora	Nominee Director	Nil	N.A.
Geeta Solanki	Independent Director	0.83	0.46:1
Yash Shah	Independent Director	1.40	0.79:1

Note: Sitting Fees paid to Non-Executive Directors; Independent Directors and Nominee Director are classified as remuneration to Directors.

ii. The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year:

Name of Director	Designation	Nature of Payment	Percentage increase in remuneration
Alok Prasad	Chairman & Independent Director	Sitting fee	23.19%
Jayendra Patel	Vice Chairman & Managing Director	Remuneration	(0.49%)
Aalok Patel	Joint Managing Director	Remuneration	2.31%
Ramakant Nagpal	Independent Director	Sitting fee	(20.90%)
Ritaben Patel	Non-Executive Director	Sitting fee	0.00%
Aakash Patel	Non-Executive Director	Sitting fee	Nil
Mridul Arora	Nominee Director	Sitting fee	Nil
Geeta Solanki	Independent Director	Sitting fee	(2.94%)
Yash Shah	Independent Director	Sitting fee	43.59%
Vivek Modi	Chief Financial Officer	Remuneration	0.49%
Jaimish Patel	Company Secretary	Remuneration	88.67%

- iii. The percentage increase in the median remuneration of employees in the financial year 2022-23: 5.49%
- iv. There were 694 employees on the rolls of Company as on March 31, 2023.
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average percentage increase of the employee of the Company other than managerial personnel is 5.22%. Increase in remuneration of managerial personnel is 22.75%. There were no exceptional circumstances for increase in the managerial remuneration during the year.
- vi. Affirmation that the remuneration is as per the remuneration policy of the Company:
It is affirmed that the remuneration is as per the Remuneration Policy of the Company.

ANNEXURE-3

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

 To,
 The Members,
Arman Financial Services Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Arman Financial Services Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2023 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
 - i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
6. Specifically, applicable Laws to the Company, as identified and confirmed by the Management:
 - i. The Reserve Bank of India Act, 1934,

7. Labor Laws applicable to the Employees of the Company:
 - i. Provident Fund Act, 1952;
 - ii. Employees State Insurance Act, 1948;
 - iii. Profession Tax Act, 1975;
 - iv. The Payment of Gratuity Act, 1972

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

- a) Secretarial Standards issued by the Institute of Company Secretaries of India;
- b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that:

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

We further report that:

We have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory auditor and other designated professionals.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that:

Based on our review of Compliance Mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the MD/CEO and taken on record by the Board of Directors at their meeting(s), we are of opinion that, there are adequate systems and processes in place in the Company, which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As informed, the Company has responded appropriately to the notices received from various statutory/regulatory authorities including initiating action for corrective measures, wherever focused necessary.

We further report that:

During the audit period there are no events/actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines etc. referred above.

 For, **GKV & Associates,**
 Company Secretary

Gautam Virsadiya
 Proprietor

 C. P. No. / F.C.S. No.: 19866/12366
 UDIN: F012366E000684391

 Place: Ahmedabad
 Date: July 26, 2023

Note: This report is to be read with our letter of even date which is annexed as **Annexure-3A** forms an integral part of this report.

ANNEXURE-3A

To,
The Members,
Arman Financial Services Limited
Our report of even date is to be read along with this letter.

Management Responsibility:

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

Auditors Responsibility:

- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the Company or verified compliances of Laws other than those mentioned above. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
- The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, **GKV & Associates,**
Company Secretary

Gautam Virsadiya
Proprietor

C. P. No. / F.C.S. No.: 19866/12366
UDIN: F012366E000684391

Place: Ahmedabad
Date: July 26, 2023

ANNEXURE-4
Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 For Financial Year 2022-23

The Nomination and Remuneration Committee (Compensation Committee) of the Company, inter alia, administers and monitors the Arman Employee Stock Option Plan 2016 ("ESOP 2016") of the Company in accordance with applicable SEBI regulations.

- Relevant disclosures in terms of the "Guidance Note on Accounting for Employee Share-based Payments" issued by ICAI has been made in Note no. 40 of the Notes to Accounts forming part of the Annual Report 2022-23 of the Company.
- Diluted earnings per share pursuant to the issue of share on exercise of options will be calculated in accordance with relevant Accounting Standard issued by ICAI when shares will be allotted from time to time.
- Details related to Arman Employee Stock Option Plan 2016 ("ESOP 2016"):
 - The description of the existing scheme is summarized as under:

SRN	Particulars	ESOP 2016					
		Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI
a)		Grant I May 26, 2017 (Option Granted 97,500)	Grant II May 25, 2018 (Option Granted 9,000)	Grant III October 13, 2018 (Option Granted 2,500)	Grant IV February 12, 2021 (Option Granted 3,500)	Grant V February 14, 2022 (Option Granted 2,000)	Grant VI February 14, 2023 (Option Granted 4,500)
b)	Date of shareholders' approval	September 22, 2016					
c)	Total number of options approved under ESOP	1,25,000 options					
d)	Vesting requirements	The options would vest not earlier than one year and later than three years from the date of grant of options.					
e)	Exercise price or pricing formula	₹50/-					
f)	Maximum term of options granted	3 years					
g)	Source of shares	Primary					
h)	Variation in terms of options	None					

- Method used to account for ESOP: **Intrinsic Value**
- The difference between the employee compensation cost so computed as per intrinsic value and the employee compensation cost if Company would have used the fair value of the options and the impact of this difference on profits and on EPS of the Company: **Not Applicable**

d. Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	4,500
Number of options granted during the year	4,500
Number of options forfeited / lapsed during the year	--
Number of options vested during the year	1,350
Number of options exercised during the year	750
Number of shares arising as a result of exercise of options	750
Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹37,500
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	8,250
Number of options exercisable at the end of the year	8,250

e. Weighted-average exercise prices and weighted-average fair values of that options whose exercise price either equal or exceed or is less than the market price of the stock:

Particulars	Weighted average exercise price	Weighted average fair value of options
Exercise price equals/exceeds than market price of the stock	Not Applicable	Not Applicable
Exercise price less than market price of the stock	₹50/-	₹1210.85

f. Employee-wise details of options granted during the financial year 2022-23:

i. Senior managerial personnel:

Name of Employee	Designation	No of Options Granted during the year	Exercise Price
Srinivasraghavan. S	Group Chief Risk Officer- Arman	2,000	₹50/-
Sanjeev Mishra	Chief Operating Officer- Namra Finance Limited	2,500	₹50/-

ii. Other Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year: **Nil**

iii. Employees who were granted option, during one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant: **Nil**

g. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

i. Weighted-average values of:	Details					
	Grant trench	Grant IV	Grant V	Grant VI		
Vesting Date	12.02.2024	14.02.2024	14.02.2025	12.02.2025	14.02.2026	14.02.2027
ii. Share price at grant date	₹729/-	₹748/-	₹748/-	₹1511/-	₹1511/-	₹1511/-
Exercise price	₹50/-	₹50/-	₹50/-	₹50/-	₹50/-	₹50/-
Expected volatility	50.97%	50.97%	50.97%	22.02%	22.02%	22.02%
Expected option life	3.12 years	2.12 years	3.12 years	1.12 years	2.12 years	3.12 years
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
The risk-free interest rate	5.00%	4.93%	5.40%	7.93%	7.31%	7.39%
Any other inputs to the model	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fair Value of Option	₹687.15	₹702.61	₹705.43	₹1465.25	₹1468.18	₹1471.30
iii. The method used and the assumptions made to incorporate the effects of expected early exercise	Black – Scholes Method					
iv. How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The calculation of expected volatility is based on historical stock prices. Volatility was calculated using standard deviation of daily change in stock price.					
v. Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition	N.A.					

ANNEXURE-5

CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to clause (o) of Sub-Section 3 of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline of Companies CSR Policy:

Arman Financial Services Limited believes in making a difference to the lives of thousands of people who are underprivileged. It promotes social and economic inclusion by ensuring that marginalized communities have equal access to health care services, educational opportunities and proper civic infrastructure. Your Company's CSR activities are implemented in aligned with requirements of Section 135 of the Companies Act, 2013 along with objective specified in CSR Policy of the Company.

2. Composition of CSR Committee:

The CSR Committee of our Board provides oversight of CSR Policy and monitors execution of various activities to meet the set CSR objectives. The members of the CSR Committee are:

SRN	Name of Director	Designation of the Committee	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Jayendra Patel	Chairman	2	2
2.	Mr. Alok Prasad	Member	2	2
3.	Mr. Aalok Patel	Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://armanindia.com/OtherReports.aspx?Page=Other-Disclousers>

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

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable**

6. Average net profit of the Company as per section 135(5): **₹18,34,25,209/-**

7. (a) Two percent of average net profit of the company as per section 135(5): **₹30,90,672/-**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

(c) Amount required to be set off for the financial year, if any: **Nil**

(d) Total CSR obligation for the financial year (7a+7b-7c): **₹30,90,672/-**

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

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
₹30,90,672/-	-	-	-	-	-

(b) Details of CSR amount spent against Ongoing Projects for the financial year: **Nil**

SRN	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Location of the Project			Project Duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Through Implementing Agency	Mode of Implementation - Direct (Yes/No)	Name	CSR Registration Number
			Local Area (Yes/No)	State	District								
1	Providing educational support to the poor and needy children	Promoting Education	Yes	Gujarat	Ahmedabad	3 years	₹15,00,000/-	₹15,00,000/-	-	No	Arman Foundation	CSR00018622	
2	Providing healthcare support to the poor and needy	Promoting healthcare	Yes	Gujarat	Ahmedabad	3 years	₹15,90,672/-	₹15,90,672/-	-	No	Arman Foundation	CSR00018622	

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SRN	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the Project	Amount spent for the project (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State District			CSR Registration Number

(d) Amount spent in Administrative Overheads: **Nil**

(e) Amount spent on Impact Assessment, if applicable: **Nil**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹30,90,672/-**

(g) Excess amount for set off, if any: **Not Applicable**

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

SRN	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
1	2021-22	₹15,25,795/-	₹7,00,000/-	-	-	-	₹8,25,795/-
2	2020-21	-	-	-	-	-	-
3	2019-20	-	-	-	-	-	-

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SRN	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed / Ongoing
1	FY 31.03.2022_1	Financial support for construction of occupational therapy center	2021-22	3 Years	₹21,25,795/-	₹7,00,000/-	₹14,00,000/-	Ongoing
2	FY 31.03.2022_2	Financial support for education to the children of poor families and also to provide healthcare support to the needy people of the society	2021-22	3 Years	₹1,00,000/-	Nil	Nil	Ongoing

 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **Not Applicable**

 (a) Date of creation or acquisition of capital asset(s): **Not Applicable**

 (b) Amount of CSR spent for creation or acquisition of capital asset: **Nil**

 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not Applicable**

 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**

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

Corporate Governance Report

This section on Corporate Governance forms part of the Annual Report to the shareholders. This report is given in reference of relevant provisions of Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMPANY'S PHILOSOPHY & CODE OF GOVERNANCE

Corporate Governance at Arman has been framed with the aim of adopting the best management practices, compliance of law and adherence to ethical standards to achieve the Company's objectives. Arman also believes that sound corporate governance is critical to enhance and retain investor trust. Hence Arman's business policies are based on ethical conduct, transparency, professionalism, independency and a commitment to building long term sustainable relationships with relevant stakeholders. The Company continues to strengthen its governance principles to generate long term value for its stakeholders on sustainable basis thus ensuring ethical and responsible leadership both at the Board and Management levels.

At Arman, we also consider it as our inherent responsibility to disclose timely and accurate information regarding our financials and performance, as well as the leadership and governance of the Company. We are committed to a balanced corporate governance system which provides the framework for attaining the Company's objectives encompassing practically every sphere of management from action plans and internal controls to corporate disclosure.

Your Company is not only in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to corporate governance but is also committed to sound corporate governance principles & practices and constantly strives to adopt emerging best corporate governance practices being followed.

CODE OF CONDUCT AND ETHICS

The Code of Conduct ("the Code") for Board members and senior management personnel as adopted by the Board is a comprehensive Code applicable to Directors and senior management personnel. The Code lays down in detail, the standards of business conduct, ethics and strict governance norms for the Board and senior management personnel. The Code has been circulated to Directors and senior management personnel and its compliance is affirmed by them annually. A declaration signed by the Company's Chief Executive Officer to this effect is published in this report.

CEO / CFO CERTIFICATION

The Vice Chairman & Managing Director cum C.E.O. and C.F.O. have issued certificate pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

1. BOARD OF DIRECTORS

• COMPOSITION OF THE BOARD OF DIRECTORS

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board of Directors ("the Board"). The Board acts with autonomy and independence in exercising its strategic supervision, discharging its fiduciary responsibilities and ensuring that the management observes the highest standards of ethics, transparency and disclosure. Every member of the Board, including the Non-Executive Directors, has full access to any information related to the Company.

As on March 31, 2023, the strength of the Board was 9 (Nine) comprising of Vice Chairman and Managing Director and Joint Managing Director, 2 (two) Non-Executive Directors, (1) one Nominee Director and 4 (four) Independent Directors which includes 1 (one) Woman Independent Director. Independent Directors are free from any business or other relationship that could materially influence their judgment.

None of the Directors on the Board hold directorships in more than 8 (eight) Listed Companies or 10 (ten) public companies or act as an Independent Director in more than 7 (seven) Listed Companies. Further, none of them is a member of more than 10 (ten) committees or Chairman of more than 5 (five) committees across all the public companies in which he / she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2023 have been made by the Directors.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and Section 149(6) of the Act.

In the opinion of the Board, the Non-Executive Independent Directors fulfil the conditions as specified in Schedule V of the SEBI LODR Regulations and are independent of the management. None of the Non-Executive Independent Directors had resigned before the expiry of their respective tenures during the financial year 2022-23.

Details of Directors as on March 31, 2023 and their attendance at the Board meetings and Annual General Meeting ("AGM") during the financial year ended March 31, 2023 are given below:

Name of the Director	Category	Attendance Particular		Director-ship including Arman@	Name & Category of Directorships of the Listed Companies (including Arman)	Committee Membership#	
		Board Meeting	Last AGM			Chairman	Member
Alok Prasad	C-ID	6	No	3	Arman Financial Services Limited (Independent Director)	1	4
Jayendra Patel	VC-MD	6	Yes	2	Arman Financial Services Limited (Vice Chairman & Managing Director)	-	1
Aalok Patel	JMD	6	Yes	2	Arman Financial Services Limited (Joint Managing Director)	-	1
Aakash Patel	NED	3	No	1	Arman Financial Services Limited (Non-Executive Director)	-	-
Ritaben Patel	NED	3	No	2	Arman Financial Services Limited (Non-Executive Director)	-	2
Yash Shah	ID	6	Yes	2	Arman Financial Services Limited (Independent Director) Restile Ceramics Limited (Independent Director)	1	2
Ramakant Nagpal	ID	6	No	3	Arman Financial Services Limited (Independent Director)	1	1
Mridul Arora	ND	5	No	2	Arman Financial Services Limited (Nominee Director)	-	-
Geeta Solanki	ID	6	No	1	Arman Financial Services Limited (Independent Director)	-	-

{C-Chairman, VC-MD-Vice Chairman & Managing Director, JMD-Joint Managing Director, NED-Non-Executive Director, ID-Independent Director, ND-Nominee Director}

@ Exclude Private Limited companies and as per Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Membership/Chairmanship of the Audit Committee and Stakeholders Relationship Committee in Indian public companies have been reported.

None of the Directors except Mr. Jayendra Patel, Mr. Aalok Patel, Mrs. Ritaben Patel and Mr. Aakash Patel have relationships amongst directors inter-se.

• RE-APPOINTMENT OF DIRECTORS RETIRING BY ROTATION

Brief profile of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting, as per Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is annexed to the Notice convening the Annual General Meeting and forming part of this Annual Report.

• MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS

SRN	Name of the Directors	Skills/Expertise/Specialization
1.	Alok Prasad	Mr. Alok Prasad is a veteran banker with over 37 years of regulatory, banking, and financial services experience. He is regarded as an expert for financial inclusion and more broadly, access to finance matters. Currently, he is connected with a number of Banks and NBFCs as a Strategic Adviser and Board Member.
2.	Jayendra Patel	Mr. Jayendra Patel has more than 31 years of Senior Managerial and board level experience in the finance sector and has managed the Company's growth. He has the ability to combine experience, knowledge & perspective to make sound business decisions. His understanding and the vision are among the key enablers for the consistent performance of the Company.
3.	Aalok Patel	Mr. Aalok Patel brings a vast array of innovative knowledge to the Company. His Understanding of finance sector with specific emphasis on various factors influencing the business in the sector. He has the ability to analyse key financial statements, assess financial viability, contribute to strategic financial planning & efficient use of resources. He also excels to equity analysis and valuation as well; his research has been quoted in reputable business journals.
4.	Aakash Patel	Mr. Aakash Patel has over 18 years of computer and business experiences, which includes over 3 years of experience as a consultant with Deloitte, 2 years with Intellitools as a software developer, and amongst others companies such as Hewlett Packard, EMC Corporation, SoftscapInc, Sumtotals Systems.
5.	Ritaben Patel	Mrs. Ritaben J. Patel, is a Graduate in Economics. She also holds Banking qualifications from First National Bank of Chicago, USA. She has worked with various US banks like First National Bank of Chicago, Golf Mill Bank, Morton Grove Bank in various capacities for more than a decade.
6.	Yash Shah	Mr. Yash is currently partner with DBS, an organisation having 15 chartered accountants and offices in Ahmedabad, Baroda and Mumbai. His prime area of expertise is consulting for clients in the fields of Mergers & Acquisitions and Valuations. He also heads the overall business development of the firm and ensures all projects are run with utmost efficiency and to the best of the firm's ability. Prior to DBS, Mr. Yash was with KPMG, Mumbai for nearly 3 years wherein he was a part of the MA division. He has worked for various clients such as Siemens, Orchid Pharma, Pratibha Industries, Siyarams, WIMCO etc. He has written various papers for organisations such as Chartered Accountant Association (CM) and Jain International Trade Organisations on the topic of Domestic Transfer Pricing, and Cross Border Transactions. He has also given lectures in forums such as YEO (Young Entrepreneur's Organisation) in the topic of Mergers & Acquisition.

SRN	Name of the Directors	Skills/Expertise/Specialization
7.	Ramakant Nagpal	Mr. Ramakant Nagpal is a performance driven professional having over 3 decades of experience in Banking & NBFC sector. In his long and vast career in Banking, he acted among other positions as Senior Internal auditor of Central Bank of India and played a crucial role in unearthing scams and frauds. He has also carried out large number of special audit assignments involving inspection of large borrower accounts for reporting of diversion of funds and unearthed Maritime Import/Export LC frauds.
8.	Mridul Arora	Mr. Mridul Arora focuses on consumer internet/mobile investments with a keen interest in fin-tech and health-tech. Prior to joining SAIF, Mridul was an Engagement Manager with McKinsey & Company where he focused on financial services, in particular banking, insurance, and asset management.
9.	Geeta Solanki	Mrs. Geeta Solanki is a serial social entrepreneur in Women's health, hygiene, and social development. Post her career as a marketing professional, she was involved in improving women's health during pregnancy by providing guidance on exercise, diet and medication for 6 years. As a woman with family roots in rural agriculture, she was acutely aware of the issues and taboo surrounding menstrual hygiene in rural areas. She received the 'Bharat Ki Laxmi' award from The Ministry of Women and Child Development, and also serves as an expert on numerous panels and summits on Women's hygiene.

• BOARD MEETINGS

The Company held one Board Meeting in each quarter and the gap between two Board meetings was in compliance with the provisions contained in Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board met 6 (six) times in financial year and details of which are summarized as below:

SRN	Date of Meeting	Board Strength	No. of Director Present
1.	May 30, 2022	9	8
2.	August 14, 2022	9	9
3.	August 20, 2022	9	8
4.	November 14, 2022	9	7
5.	February 14, 2023	9	8
6.	February 23, 2023	9	7

• MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of your Company met once during the year without the presence of Non-Independent Directors and members of the management. The meeting was conducted in formal way to enable the Independent Directors to, inter alia, discuss matters pertaining to review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company after taking into account the views of the Executive and Non-Executive Directors, assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

2. AUDIT COMMITTEE

• BRIEF DESCRIPTION OF TERMS OF REFERENCE

The powers, role and terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee discharges such duties and functions generally indicated under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; Companies Act, 2013 and such other functions as may be specifically assigned to it by the Board from time to time.

• COMPOSITION

The Audit Committee comprises following Directors:

SRN	Name of Director	Designation	Chairman / Member
1.	Mr. Yash Shah	Independent Director	Chairman
2.	Mr. Alok Prasad	Independent Director	Member
3.	Mr. Ramakant Nagpal	Independent Director	Member
4.	Mrs. Ritaben Patel	Non-Executive Director	Member

The Committee members possess sound knowledge of accounts, finance, audit, governance and legal matters.

• MEETING AND ATTENDANCE DURING THE YEAR

During the period under review, the Audit Committee met 4 (four) times on May 30, 2022; August 14, 2022; November 14, 2022; and February 14, 2023. The attendance at the meetings is as under:

Name of Directors	No. of Meetings attended
Mr. Yash Shah- Chairman	4
Mr. Alok Prasad	4
Mr. Ramakant Nagpal	4
Mrs. Ritaben Patel	3

3. NOMINATION AND REMUNERATION COMMITTEE

• BRIEF DESCRIPTION OF TERMS OF REFERENCE

The terms of reference of the Nomination and Remuneration Committee are in line with the provisions of Section 178 of the Companies Act, 2013 and part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee has been vested with the authority to, inter alia, recommend nominations for Board membership, develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company, establish criteria for selection of Board members with respect to competencies, qualifications, experience, track record, integrity, devise appropriate succession plans and determine overall compensation policies of the Company.

The scope of the Committee also includes review & decides on remuneration packages to the Executive Director(s), lay down performance parameters for the Chairperson & Managing Director, the Executive Director(s), Senior Management, Key Managerial Personnel etc. and review the same.

In addition to the above, the Committee's role includes identifying persons who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal. The Committee also formulates the criteria for determining qualifications, positive attributes and independence of a Director and recommends to the Board periodically, policies relating to the remuneration of the Directors, Key Managerial Personnel and other Employees.

• COMPOSITION

The following Directors are the members of the Committee:

SRN	Name of Director	Designation	Chairman / Member
1.	Mr. Ramakant Nagpal	Independent Director	Chairman
2.	Mr. Alok Prasad	Independent Director	Member
3.	Mr. Yash Shah	Independent Director	Member
4.	Ms. Geeta Solanki	Independent Director	Member

• **MEETING AND ATTENDANCE DURING THE YEAR**

During the period under review, the Nomination & Remuneration Committee met 1 (One) time on February 14, 2023. The attendance at the meetings is as under

Name of Directors	No. of Meetings attended
Mr. Ramakant Nagpal- Chairman	1
Mr. Alok Prasad	1
Mr. Yash Shah	1
Mrs. Geeta Solanki	1

• **REMUNERATION TO DIRECTORS**

The Vice Chairman Managing Director and Joint Managing Director get the salary including perquisites. Remuneration paid for the year ended March 31, 2023 was as under:

Name of the Director	Remuneration	Period of appointment	Approving Authority
Jayendra Patel	20.04 Lakhs	Five years w.e.f. September 29, 2021	29 th AGM
Aalok Patel	10.19 Lakhs	Five years w.e.f. September 23, 2019	27 th AGM
Total	30.23 lakhs		

The criteria for making payments to the Vice Chairman Managing Director and Joint Managing Director were:

- i. Salary, as recommended by the nomination and Remuneration Committee and approved by the Board and the shareholders of the Company. Perquisites and performance pay are also paid/ provided in accordance with the Company's compensation policies, as applicable to all employees and the relevant legal provisions.
- ii. Remuneration is determined keeping in view the industry benchmarks.

Apart from above criteria, no other performance linked incentives or any other fees are paid to any of the Directors. The criteria for making payments to the non-executive directors were:

The Non-Executive Directors and Independent Directors were paid sitting fees for attending the meetings of the Board and Committees. The sitting fees paid to the Directors is given below:

Name of the Director	Sitting Fees Paid (₹ In Lakhs)	No. of Equity Shares held
Mr. Alok Prasad	2.13	-
Mr. Yash Shah	1.40	-
Mr. Ramakant Nagpal	1.33	-
Mr. Aakash Patel	Nil	-
Mr. Mridul Arora	Nil	-
Mrs. Ritaben Patel	0.75	4,36,089
Ms. Geeta Solanki	0.83	-

During financial year 2022-23, there were no pecuniary relationship/transactions of any non-executive directors with the Company, apart from remuneration as directors and transactions in the ordinary course of business and on arm's length basis at par with any member of general public. During financial year 2022-23, the Company did not advance any loans to any of its directors.

The Company has not entered into any Service Contract with the Directors. The Notice Period of the Executive Directors of the Company is 6 months. Further, there is no notice period for the Independent Directors of the Company. The Company does not pay any severance fees to any of the Directors.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: **Not Applicable**

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

• **BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The terms of reference of the Stakeholders' Relationship Committee are in line with the provisions of Section 178 of the Act and part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Stakeholders' Relationship Committee is primarily responsible for redressal of shareholders' / investors' / security holders' grievances including complaints related to transfer of shares, non-receipt of declared dividends, annual reports etc.

• **COMPOSITION**

The following Directors are the members of the Committee.

SRN	Name of Director	Designation	Chairman / Member
1.	Mr. Alok Prasad	Independent Director	Chairman
2.	Mr. Yash Shah	Independent Director	Member
3.	Mr. Jayendra Patel	Vice Chairman & Managing Director	Member

• **MEETING AND ATTENDANCE DURING THE YEAR**

During the period under review, the Stakeholders Relationship Committee met 1 (one) time on February 14, 2023. The attendance at the meetings is as under

Name of the Director	No. of Meetings attended
Mr. Alok Prasad - Chairman	1
Mr. Yash Shah	1
Mr. Jayendra Patel	1

• **SHARE TRANSFER COMMITTEE**

The Stakeholder Relationship Committee has delegated power of approving transfer of securities to Share Transfer Committee comprising of Mr. Jayendra Patel and Mr. Aalok Patel. The Committee reviews and approves the transfer/ transmission/ D-mat of equity shares as submitted by Bigshare Services Private Limited, the Registrar & Transfer Agent of the Company.

During the year, the Company has received one complaint from the shareholder which was duly resolved. The quarterly statements on investor complaints received and disposed of are filed with stock exchanges within 21 days from the end of each quarter and the statement filed is also placed before the subsequent meeting of Board of Directors.

• **NAME AND DESIGNATION OF THE COMPLIANCE OFFICER**

Mr. Jaimish Patel, Company Secretary is the Compliance Officer for resolution of Shareholders' /Investors' grievances.

• **NUMBER OF COMPLAINTS NOT SOLVED TO THE SATISFACTION OF SHAREHOLDERS**

During the financial year 2022-23, one complaint was received from investors/shareholders of the Company, which was duly resolved in time. As at March 31, 2023, no complaints were pending unsolved.

5. CORPORATE SOCIAL RESPONSIBILITY MEETING

• **BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The terms of reference of the Corporate Social Responsibility Committee are wide enough to cover the matters specified under Section 135(3) of the Companies Act, 2013, are as follows:

- i. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in area or subject, specified in Schedule VII;
- ii. recommend the amount of expenditure to be incurred on the activities referred to in above clause; and
- iii. monitor the Corporate Social Responsibility Policy of the Company from time to time.

- **COMPOSITION**

The following Directors are the members of the Committee.

SRN	Name of Director	Designation	Chairman / Member
1.	Mr. Jayendra Patel	Vice Chairman & Managing Director	Chairman
2.	Mr. Aalok Patel	Joint Managing Director	Member
3.	Mr. Alok Prasad	Independent Director	Member

- **MEETING AND ATTENDANCE DURING THE YEAR**

During the period under review, the Corporate Social Responsibility Committee met 2 (two) times on November 14, 2022 and February 14, 2023. The attendance at the meetings is as under

Name of the Director	No. of Meetings attended
Mr. Jayendra Patel	2
Mr. Aalok Patel	2
Mr. Alok Prasad	2

6. FINANCE & INVESTMENT COMMITTEE

- **BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The role of the Finance & Investment Committee is:

- To obtain secured/unsecured loan, not exceeding the limit prescribed under section 180(1)(c) of the Companies Act, 2013 from time to time as may be required for the purposes of the business of the Company;
- To raise fund through portfolio sale / securitization / direct assignments of book debts;
- To enter into routing transactions with banks / financial institutions;
- To make short term investments on behalf of the Company;
- To grant loan/giving guarantee(s) or providing any security(s) to banks, financial institutions or any other lending institutions, firms, proprietorship concern, bodies corporate, companies or persons, in one or more tranches, and on such other terms and conditions in the interest of the subsidiary Company.

- **COMPOSITION**

The Finance & Investment Committee comprises following members:

SRN	Name of Director	Designation	Chairman / Member
1.	Mr. Jayendra Patel	Vice Chairman & Managing Director	Chairman
2.	Mr. Aalok Patel	Joint Managing Director	Member
3.	Mr. Vivek Modi	Chief Financial Officer	Member

7. RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been constituted pursuant to the provisions of Regulation 21 of the SEBI Listing Regulations and RBI Master Directions, to frame, implement and monitor the risk management plan of the Company.

- **BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The role of the Risk Management Committee is to:

- Overall responsibility to monitor and approve the Risk Management Framework;
- Ensuring proper identification of the risk associated with the Company;
- Assistance to the Board in determining the measures that can be adopted to mitigate the risk;
- Ensuring that appropriate measures are being taken to achieve prudent balance between risk and reward in

both ongoing and new business activities and continuously aim to add value to the Company's stakeholders by growing business that supports inclusive growth;

- **COMPOSITION**

The Risk Management Committee was reconstituted on February 14, 2023 as under:

SRN	Name of Director	Designation	Chairman / Member
1.	Mr. Alok Prasad	Independent Director	Chairman
2.	Mr. Jayendra Patel	Vice Chairman & Managing Director	Member
3.	Mr. Aalok Patel	Joint Managing Director	Member
4.	Mr. Vivek Modi	Chief Financial Officer	Member
5.	Mr. Srinivasraghavan. S*	Chief Risk Officer	Member

*appointed as a member of Risk Management Committee w.e.f. February 14, 2023.

- **MEETING AND ATTENDANCE DURING THE YEAR**

During the period under review, the Risk management Committee met 4 (four) times on June 30, 2022, September 30, 2022, December 28, 2022 and March 30, 2023. The attendance at the meetings is as under

Name of the Director	No. of Meetings attended
Mr. Alok Prasad	4
Mr. Aalok Patel	4
Mr. Jayendra Patel	4
Mr. Vivek Modi	4
Mr. Srinivasraghavan. S*	1

*appointed as a member of Risk Management Committee w.e.f. February 14, 2023.

8. ASSET & LIABILITY MANAGEMENT COMMITTEE

The Asset-Liability Management Committee has been constituted under RBI Master Directions and in line with regulations / directions and guidelines issued by the Reserve Bank of India.

- **BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The role of the Asset & Liability Management Committee is to:

- Implementing the liquidity risk management strategy and Capital Planning
- Review the Liquidity Risk Measurement basis various approaches;
- Monitor Liquidity Risk basis various Tools;
- Review the Credit Sanction Process for High Value Proposals;
- Review the Pricing of Assets & Liability and Monitor the Sensitivity of Interest Rates; and
- Ensuring Liquidity through maturity matching

- **COMPOSITION**

The Asset & Liability Management Committee was reconstituted on February 14, 2023 as under:

SRN	Name of Director	Designation	Chairman / Member
1.	Mr. Jayendra Patel	Vice Chairman & Managing Director	Chairman
2.	Mr. Aalok Patel	Joint Managing Director	Member
3.	Mr. Vivek Modi	Chief Financial Officer	Member
4.	Mr. Srinivasraghavan. S*	Chief Risk Officer	Member

*appointed as a member of Asset & Liability Management Committee w.e.f. February 14, 2023.

9. PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

The Nomination and Remuneration Committee is empowered by the Board to carry out the entire performance evaluation process. Further, at a separate meeting held on February 23, 2023, Independent Directors evaluated performance of individual Directors, Board as a whole and Chairman. The director, whose performance was being evaluated did not take part in such evaluation. Evaluation form on various parameters enumerated below:

- **Board Evaluation**

Strategy, Composition, performance management, financial performance, execution, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.

- **Executive Directors Evaluation**

Leadership, Initiative in terms of new ideas and planning for the Company, Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, community involvement and image building, interface with industry forums etc.

- **Independent Directors Evaluation**

Participation, managing relationship, ethics and integrity, objectivity, brining independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.

- **Chairman Evaluation**

Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.

- **Committees Evaluation**

Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

10. GENERAL BODY MEETINGS

During the preceding three years, the Company's Annual General Meetings ("AGM") were held as under:

Year	Venue of A.G.M	Day, Date & Time	No. of Special Resolutions
2019-20	Virtual Meeting	Tuesday, September 29, 2020, 12.00 p.m.	4
2020-21	Virtual Meeting	Wednesday, September 29, 2021, 12.00 p.m.	3
2021-22	Virtual Meeting	Thursday, September 29, 2022 at 12.00 p.m.	2

11. FAMILIARIZATION PROGRAMME

The Company, in compliance with Regulation 25(7) of SEBI (LODR) Regulations, 2015 has apprised/ familiarized about the business performance, product and processes, business model, nature of the industry in which the Company operates, roles and responsibilities of the Board Members under the applicable laws, etc., on a periodic basis and the details of such familiarization programme is available at <https://armanindia.com/policyncode.aspx> -> Familiarization Programme.

All new Directors inducted into the Board, if any during the year under review are introduced to the Company through appropriate orientation sessions. Presentations are made by senior management officers to provide an overview of the Company's operations and to familiarize the new Directors with the operations. They are also introduced to the organization's culture, services, constitution, Board procedures, matters reserved for the Board.

12. DISCLOSURE ON MATERIAL SIGNIFICANT RELATED PARTY TRANSACTIONS

During the year, there has been no materially significant related party transactions undertaken by the Company under Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 that may have potential conflict with the interest of the Company at large. All related party transactions are placed on quarterly basis before the Audit Committee and also before the Board for approval. Register under Section 188 of the Companies Act, 2013 is maintained and particulars of transactions are entered in the Register, wherever applicable.

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

The Board has laid down a policy on dealing with related party transactions and it is posted on the Company's website at the link <https://armanindia.com/policyncode.aspx> -> Policy on Materiality of Related Party Transactions and Dealing With Related Party Transactions.

13. STRICTURES AND PENALTIES

The Company has complied with requirements of the stock exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years and they have not imposed any penalties on, or passed any strictures against the Company.

14. WHISTLE BLOWER POLICY

The Company has implemented a Whistle Blower Policy, whereby employees and other stakeholders can report matters such as generic grievances, corruption, misconduct, illegality and wastage / misappropriation of assets to the Company. The policy safeguards the whistle blowers to report concerns or grievances and also provides direct access to the Chairman of the Audit Committee. The details of the Whistle Blower Policy are available on Company's website at the link: <https://armanindia.com/policyncode.aspx> -> Whistle Blower Policy

15. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results are sent to the Stock Exchanges immediately after the Board approves the same. Thereafter, the same were published in the newspapers - English and Gujarati language editions in Ahmedabad. Disclosures pursuant to various Regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 were promptly communicated to the Stock Exchanges. Press Release / Presentation on quarterly result was made at the end of each quarter for the benefit of the investors and analysts the said Press Releases / Presentation are available on the website of the stock exchanges as well as the Company's website. Senior Management of the Company interacts with the interested stakeholders via Conference call to discuss on financial performance of the Company after declaring the results on every half year. The transcripts of the Conference call are also available on the website of the Company at www.armanindia.com.

Management Discussion and Analysis forms Part of the Annual Report, which is being sent to the Shareholders of the Company.

16. SUBSIDIARY COMPANIES

Namra Finance Limited is a material subsidiary of the Company pursuant to Regulations 24(1) of the Listing Regulations. Audited annual financial statements of Namra Finance Limited are placed before the Audit Committee and Board Meetings. Minutes of the Board Meetings of subsidiary company held during the previous quarter, are circulated to all the Directors and are tabled at the Board Meetings. Board also reviews compliances made by such subsidiary and the statement of all significant transactions and arrangements entered into by subsidiary on a periodic basis. Web link of policy for determining material subsidiaries is <https://armanindia.com/policyncode.aspx> -> Policy For Material Subsidiary.

17. GENERAL SHAREHOLDER INFORMATION

a) Exclusive E-Mail id for investor grievances

Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the following Email id has been exclusively designated for communicating investor grievances: secretarial@armanindia.com
Compliance Officer: Mr. Jaimish G. Patel

b) Toll Free Number for Investor Grievances

Exclusive toll free number 18001027626 has been established for the Shareholders for communicating any grievances.

c) Annual General Meeting

The 31st Annual General Meeting will be held on Friday, September 29, 2023 at 12.00 noon through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).

d) Financial Calendar

First quarter results: July/August 2023
 Second quarter results: October/November 2023
 Third quarter results: January/February 2024
 Annual results: April/May 2024
 Annual General Meeting: August/September 2024

e) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 23, 2023 to Friday, September 29, 2023 (both days inclusive) for determining the name of members eligible to attend the AGM.

f) Dividend Payment

In order to conserve the capital, the Directors of your Company do not recommend any dividend payment at the ensuing Annual General Meeting ("AGM").

g) Transfer of Unclaimed amounts to Investor Education and Protection Fund

The Investors are advised to claim the un-encashed dividends lying in the unpaid dividend accounts of the Company before the due date before the entire amount of unclaimed dividend amount is transferred to central governments' investor education and protection fund.

h) Shares listed at

- The BSE Limited
- National Stock Exchange of India Limited

Annual Listing fee for the year 2023-24 has been paid to both the exchanges. The Company has also paid the Annual Custodial fees to both the depositories.

i) Stock Codes

The script code of the Company at BSE is - 531179

The trading symbol of the Company at NSE is - ARMANFIN

j) International Securities Identification Number (ISIN)

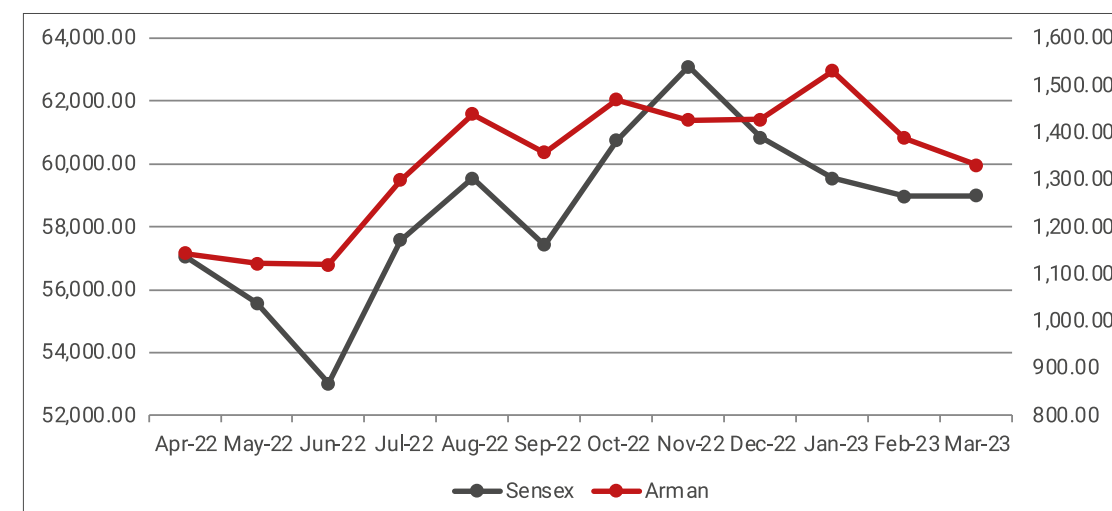
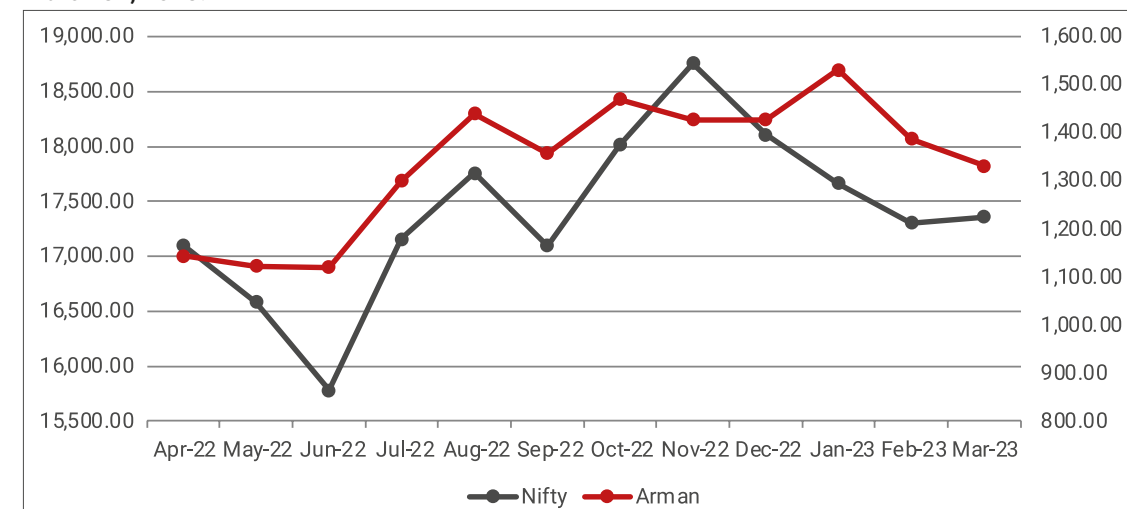
The ISIN of the equity shares of the Company is - INE109C01017.

k) Corporate Identity Number (CIN)

CIN of the Company, allotted by the Ministry of Corporate Affairs, Government of India: L55910GJ1992PLC018623.

l) High/Low of monthly market price of the Company's equity shares traded on the BSE Limited and National Stock Exchange of India Limited during the financial year 2022-23 is furnished below:

Months	Share price BSE		Share price NSE	
	High (In Rs.)	Low (In Rs.)	High (In Rs.)	Low (In Rs.)
April, 2022	1,275.15	949.05	1,275.00	950.10
May, 2022	1,190.00	893.65	1,179.95	901.05
June, 2022	1,233.00	971.65	1,241.00	957.80
July, 2022	1,419.00	1,069.05	1,390.00	1,089.95
August, 2022	1,524.00	1,150.00	1,520.00	1,149.50
September, 2022	1,565.00	1,283.00	1,528.90	1,282.60
October, 2022	1,506.00	1,295.25	1,507.90	1,316.05
November, 2022	1,706.00	1,407.00	1,705.00	1,405.00
December, 2022	1,545.00	1,318.10	1,535.00	1,326.05
January, 2023	1,565.00	1,406.00	1,553.90	1,410.05
February, 2023	1,694.00	1,351.50	1,690.00	1,350.00
March, 2023	1,410.00	1,189.45	1,447.00	1,190.00

m) Performance of Company's equity shares as compared with S&P BSE SENSEX during financial year ended March 31, 2023:

n) Performance of Company's equity shares as compared with NSE NIFTY 50 during financial year ended March 31, 2023:


o) Share transfer system

SEBI has mandated transfer of securities of listed companies only in dematerialised form with effect from April 1, 2019, barring certain exceptions.

The Company is in compliance of SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 whereby SEBI has suggested measures to make the systems and processes among the RTAs, Issuer Companies and Bankers, more robust and transparent.

In terms of Regulation 40(9) of the Listing Regulations, half yearly audit of share transfer related activities is done by Company Secretary in practice and compliance certificate is submitted to the Stock Exchanges.

p) Distribution of Shareholding as on March 31, 2023

• **On the basis of Share held:**

SRN	Category (Shares)	Electronic			Physical			Total		
		Holders	Shares	% to total shares	Holders	Shares	% to total shares	Holders	Shares	% to total shares
1	1-500	9,689	611,378	7.33	1,048	118,810	79.84	10,737	730,188	8.60
2	501-1000	336	245,298	2.94	17	14,600	9.81	353	259,898	3.06
3	1001-2000	159	223,553	2.68	6	8,700	5.85	165	232,253	2.73
4	2001-3000	49	123,437	1.48	1	2,200	1.48	50	125,637	1.48
5	3001-4000	30	107,514	1.29	-	-	-	30	107,514	1.27
6	4001-5000	20	88,488	1.06	1	4,500	3.02	21	92,988	1.09
7	5001-10000	28	205,714	2.47	-	-	-	28	205,714	2.42
8	Above 10000	59	6,738,142	80.76	-	-	-	59	6,738,142	79.34
TOTAL		10,370	8,343,524	100.00	1,073	148,810	100.00	11,443	8,492,334	100.00

• **On the basis of Category:**

Category	No of Shares Held	% to Total Shares Held
Promoters	23,19,210	27.31%
Foreign Portfolio Investor	4,28,122	5.04%
Individual	26,63,991	31.37%
Bodies Corporate	2,95,880	3.48%
NRIs & Foreign Nationals	24,68,357	29.07%
Alternate Investment Fund	64,194	0.76%
HUF	44,999	0.53%
IEPF Authority	1,91,236	2.25%
Clearing Members	16,315	0.19%
Central/ State Government	30	0.00%
TOTAL	84,92,334	100.00%

q) Dematerialization of shares and liquidity

Shares of the Company are available for dematerialisation with NSDL & CDSL with whom the Company has established direct connectivity. The demat requests are continually monitored to expedite the process of dematerialization. The demat requests are confirmed to the depositories within five working days of receipt.

During the year, the Company has electronically confirmed demat requests for 12,200 equity shares. As on March 31, 2023, 98.25% of the total shares issued by the Company were held in dematerialised form. The Company requesting to those shareholders who have their shares in physical form to convert it in Demat form.

Liquidity: The Company's Shares are actively traded on BSE Limited and National Stock Exchange of India.

r) Code of conduct for prevention of insider trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013 with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares beyond threshold limits. Further, it prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Code has been disseminated through the Company's website for easy access to the employees and is updated from time to time.

s) Reconciliation of share capital audit report

Pursuant to the provisions of the SEBI (Depositories & Participants) Regulations, 2018, quarterly audit is being undertaken by a Practising Company Secretary for reconciliation of share capital of the Company.

The audit report inter alia covers and certifies that the total shares held in CDSL, NSDL and those in physical form tally with the issued and paid-up capital of the Company, the Register of Members is duly updated, demat requests are confirmed within stipulated time etc. The Reconciliation of Share Capital Audit Report is submitted with both the stock exchanges and is also placed before the meetings of the Board of Directors and the Stakeholder Relationship Committee.

t) Outstanding GDRs/ADRs/Warrants or any convertible instrument as on March 31, 2023

There were no outstanding GDRs/ADRs/Warrants or any convertible instrument as on March 31, 2023.

u) Employees Stock Option Scheme

During the year 750 options were exercised by employees of the Company / subsidiary Company and subsequently allotted and listed on the Stock Exchanges. During the year under review, the Company has not granted any fresh option under the "ARMAN ESOP 2016".

v) Plant Locations

The Company is in the business of providing financial services and therefore Company has no plant.

w) Address for Correspondence

All enquiries, clarification and correspondence should be addressed to the compliance officer at the following Addresses.

(1) Arman's Address

502-503, Sakar III, Opp. Old High Court, Off Ashram Road, Ahmedabad 380014, Gujarat
Phone: +91-79-40507000; 27541989, E-mail: finance@armanindia.com

(2) Bigshare Services Private Limited (Registrar & Share Transfer Agent)

A/802- Samudra Complex, Nr. Klassic Gold Hotel, Girish Cold Drink, Off C.G. Road, Ahmedabad- 380009, Gujarat.
Phone: +91-79-40024135 E-mail: bssahd@bigshareonline.com

x) Commodity price risks and commodity hedging activities: N.A.

y) Credit Ratings

During the year under review, Acuité reviewed the ratings on various bank facilities and debt instruments of the Company and it's subsidiary. Acuité has reaffirmed its rating for long term bank facility and debt instruments to "ACUITE A-"; (A minus; outlook stable). CARE has also reaffirmed its rating for various Non-Convertible Debentures ("NCDs") at "CARE BBB+"; stable (Triple B plus; outlook stable). The Grading of Namra Finance Limited (WOS) was also upgraded from 'MFI 2' (MFI Two) to 'MFI 1' (MFI One) by CARE Edge Advisory, CARE during the year 2022-23.

z) Details of utilization of funds raised

During the year under review, the Company has raised ₹76.80 cr. by way of issuance of 6,24,388 Unsecured Compulsorily Convertible Debentures ("CCDs") of ₹1,230/- each and ₹38.25 cr. by way of issuance of 3,10,972 Optionally Convertible Redeemable Preference Shares ("OCRPS") of ₹10/- each at a premium of ₹1220/- per share. Further, the Company has raised the debt fund from Banks / Financial Institutions. The Company has utilized the above fund towards working capital as well as capital expenditure to support business expansion, repayment of loan and investments by the Company.

- aa)** We have obtained a certificate from Practicing Company Secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- bb)** There were no circumstances where board had not accepted any recommendation of any committee of the board during the year.
- cc)** The Consolidated fees paid by the Company and its subsidiary to statutory auditors is ₹20.63 Lakhs (towards audit fees, tax audit, certification work and income tax consultancy fee) for the financial year 2022-23.
- dd)** The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.
- ee)** The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It has obtained a certificate affirming the compliances from Practicing Company Secretary, CS Gautam Virsadiya and the same is attached to this Report.
- ff)** During the year under review, there were no complaint i.e. incidences of sexual harassment reported.
- gg)** There is no non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule V read with Regulation 34(3) of SEBI LODR Regulations.

hh) Details of Debenture Trustee:

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> • Catalyst Trusteeship Limited
Windsor, 6th Floor, Office No-604,
C.S.T. Road, Kalina, Santacruz
(East),
Mumbai-400 098
Maharashtra
Email: ComplianceCTL-Mumbai@
ctltrustee.com
Phone: 022-49220555 | <ul style="list-style-type: none"> • IDBI Trusteeship private Limited
Asian Building, Ground Floor, 17,
R. Kamani Marg
Ballard Estate, Mumbai - 400001
Maharashtra
Email: itsl@idbitrustee.com
Phone: 022-40807016 | <ul style="list-style-type: none"> • Vardhman Trusteeship Private
Limited
The Capital, A Wing, 412 A,
Bandra Kurla Complex (BKC),
Bandra (East),
Mumbai - 400051,
Maharashtra
Email: rushabh@
vardhmantrustee.com
Phone: 022-42648335 |
|---|---|---|

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To,
The Members,
Arman Financial Services Limited,
Ahmedabad

I have examined the Compliance Conditions of Corporate Governance by Arman Financial Services Limited for the year ended on March 31, 2023 as per para E of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period April 01, 2022 to March 31, 2023. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of regulations of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, **GKV & Associates,**
Company Secretary

Gautam Virsadiya
Proprietor

C. P. No. / F.C.S. No.: 19866/12366
UDIN: F012366E000684092

Place: Ahmedabad
Date: July 26, 2023

Declaration on adherence to the code of conduct under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

All the Board Members of Board of Directors and senior management personnel have affirmed compliance with the code of conduct of Board of Directors and senior management of Arman Financial Services Limited for the financial year ended March 31, 2023.

For, and on behalf of the Board

Jayendra Patel
Chief Executive Officer
DIN: 00011814

Place: Ahmedabad
Date: August 14, 2023

CEO-CFO CERTIFICATION

Pursuant to Regulation 17(8) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Jayendra Patel, Vice Chairman and Managing Director (CEO) and Vivek Modi, CFO do hereby certify to the Board that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ending March 31, 2023 and that to the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
 - a. significant changes in internal control over financial reporting during the year;
 - b. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For, Arman Financial Services Limited For, Arman Financial Services Limited

Jayendra Patel
(Chief Executive Officer)

Vivek Modi
(Chief Financial Officer)

Date: August 14, 2023

Place: Ahmedabad

Independent Auditor's Report

To
The Members of
Arman Financial Services Limited
Ahmedabad
Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated Financial Statements of Arman Financial Services Limited ("Herein after referred to as "the Holding Company"), and its Subsidiary – Namra Finance Limited (the Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated statement of Profit and Loss (Including other Comprehensive Income), the Consolidated statement for Changes in Equity and the Consolidated statement of Cash flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information ("herein after referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on separate financial statements of a subsidiary – Namra Finance Limited as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2023, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made 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 along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

KEY AUDIT MATTERS

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

Key audit matters identified in our audit is in respect of Provision for Expected Credit Losses on loans as follows: Provision for Expected Credit Losses on loans [Refer Para 3.6 for the accounting policy and Note 3 for the related disclosures]

Key Audit Matter	How our audit addressed the key audit matter
<p>As at March 31, 2023 the Group has financial assets (loans) amounting to ₹1,53,670.75 Lakhs. As per Ind AS 109 - Financial Instruments, the Company is required to recognize allowance for expected credit losses on financial assets. Under Ind-AS framework, the management had to estimate the provision for expected credit losses as at March 31, 2023. Expected credit loss cannot be measured precisely, but can only be estimated through use of statistics. The calculation of expected credit losses is complex and requires exercise of judgment around both the timing of recognition of impairment provisions and estimation of the amount of provisions required in relation to loss events. However, it is important to note that the impact of the COVID-19 pandemic and the subsequent progress of vaccination campaigns have reduced the uncertainties surrounding future outcomes. This change in circumstances has influenced the estimation of expected credit losses. The management has recognized a provision of ₹188.30 Lakhs in Consolidated Statement of Profit and Loss for the year ended March 31, 2023. Considering the significance of above matter to the Consolidated financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.</p>	<p>Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognized in the Consolidated financial statements were reasonable and the related disclosures made by the management were adequate. These procedures included, but not limited, to the following:</p> <ol style="list-style-type: none"> Obtaining an understanding of the model adopted by the Company for calculation of expected credit losses including how management calculated expected credit losses and the appropriate data on which the calculation is based; Testing the accuracy of inputs through substantive procedures and assessing the reasonableness of the assumptions used; Developing a point estimate by making reference to the ECL recognized by entities that carry comparable financial assets; Testing the arithmetical calculation of ECL; Verifying the adequacy of the related disclosures; and Obtaining written representations from management whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

OTHER INFORMATION

The Holding Company's management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITIES FOR CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit / loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act.

The respective Management and the Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for

ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and the Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under

section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 ability of the Group 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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Holding Company and its Subsidiary to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statement regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate

with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

OTHER MATTER

We did not audit the financial statements of a subsidiary Namra Finance Limited included in the consolidated financial Statements, whose financial statements (before consolidation adjustments) reflects total assets of ₹1,67,776.24 Lakhs as at March 31, 2023 and total revenues (Including Other Income) ₹33,151.53 Lakhs for the year ended on March 31, 2023, total net profit after tax of ₹6719.76 Lakhs for the year ended March 31, 2023, total comprehensive income of ₹6356.24 Lakhs for the year ended on March 31, 2023 and net cash outflow of ₹1973.01 Lakhs for the year ended on March 31, 2023, as considered in the consolidated Financial Statements. The independent auditor's report on financial statements of this entity has been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. With respect to matters specified in paragraph 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order" or "CARO"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, according to the information and explanations given to us and based on the CARO reports issued by the respective auditors of companies included in the consolidated financial statements, to which reporting under CARO is applicable, we report as under:

There are no qualifications or adverse remarks in the

Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

2. As required by Section 143 (3) of the Act, we report to the extent applicable 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 of Consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Financial Statements;
- d) In our opinion, the aforesaid Consolidated 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 of Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and

3. 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:

- a) The Consolidated Financial Statement disclose the impact of pending litigations on its financial position in its Consolidated Financial Statements – Refer Note 31 to the Consolidated Financial Statements.
- b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- d) (i) The management has represented that, to the best of its knowledge and belief, 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 persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material misstatement.
- e) The Company has not declared any Dividend during the year as prescribed under Section 123 of the Companies Act, 2013.

4. With respect to the matter to be included in the Auditor's report under section 197 (16):

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditor of a subsidiary company incorporated in India which was not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act.

For **Talati and Talati LLP**
Chartered Accountants
FRN: 110758W/W100377

CA Kushal U. Talati
Partner

Place: Ahmedabad
Date: 30.05.2023

UDIN:23188150BGQHGR4698
Membership No. 188150

ANNEXURE "A"

To Independent Auditor's Report on Consolidated Financial Statements of Arman Financial Services Limited for the year ended on March 31, 2023

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

(Referred to in paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

OPINION

We have audited the internal financial controls over financial reporting of ARMAN FINANCIAL SERVICES LIMITED as of March 31, 2023, in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2023, based on the internal control over financial reporting criteria established by the Holding 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.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI

and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, with reference to the Consolidated financial Statements. 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 Holding Company and its subsidiary's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

The Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. The Group's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company;

- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorizations of management and directors of the Holding Company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group assets that could have a material effect on the Consolidated 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 deteriorate.

OTHER MATTERS

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statements insofar as it relates to a subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For **Talati and Talati LLP**
Chartered Accountants
FRN: 110758W/W100377

CA Kushal U. Talati
Partner

Place: Ahmedabad
Date: 30.05.2023

UDIN:23188150BGQHGR4698
Membership No. 188150

Consolidated Balance Sheet

as at March 31, 2023

(₹ in Lakhs)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	1	2,622.12	7,552.76
(b) Bank Balance other than (a) above	2	40,409.67	6,681.27
(c) Loans	3	1,53,670.75	1,05,760.67
(d) Investments	4	1,947.93	591.74
(e) Other financial assets	5	2,888.59	1,299.67
(2) Non-financial Assets			
(a) Deferred tax Assets (Net)	6	1,546.51	1,651.02
(b) Property, Plant and Equipment	7	482.28	329.86
(c) Other Intangible assets	7	34.04	35.34
(d) Intangible assets under development	7	-	2.62
(e) Right-of-Use Assets	7	94.03	121.93
(f) Other non-financial assets	8	120.49	112.89
Total Assets		2,03,816.41	1,24,139.76
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) (i) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	9	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		161.88	154.88
(b) Debt securities	10	24,335.49	19,507.59
(c) Borrowings (Other than debt securities)	11	1,29,747.16	76,961.46
(d) Subordinated liabilities	12	6,358.45	2,500.00
(e) Other financial liabilities	13	5,629.41	3,226.80
(2) Non-Financial Liabilities			
(a) Provisions	14	199.71	115.74
(b) Current Tax Liabilities (Net)	15	459.56	274.23
(c) Other non-financial liabilities	16	355.70	130.45
(3) EQUITY			
(a) Equity share capital	17	849.23	849.16
(b) Other equity	18	35,719.82	20,419.45
Total Liabilities and Equity		2,03,816.41	1,24,139.76

See accompanying notes to the financial statements

1 to 45

As per our report of even date attached herewith

For, Arman Financial Services Limited

For, Talati & Talati LLP
Chartered Accountants
[Firm Regd. No. 110758W/W100377]

Jayendra Patel
Vice Chairman & Managing Director
(DIN - 00011814)

Vivek Modi
Chief Financial Officer

[Kushal Talati]
Partner
[M.No.188150]

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

Place: Ahmedabad
Date: 30.05.2023

Consolidated Statement of Profit & Loss

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
(1) Revenue from operations			
Interest income	19	38,672.03	22,056.71
Gain on Assignment of Financial Assets	20	1,877.61	579.07
Fees and Commission Income	21	1,640.12	698.28
Net gain on fair value changes	22	200.36	166.50
Total revenue from operations (1)		42,390.12	23,500.56
(2) Other income			
	23	0.34	0.00
(3) Total income (1+2)		42,390.47	23,500.56
(4) Expenses			
Finance Costs	24	17,199.63	8,945.03
Impairment of Financial Assets	25	4,473.22	3,733.18
Employee Benefits Expenses	26	5,465.29	4,185.26
Depreciation, amortization and impairment	27	115.49	95.27
Others expenses	28	2,641.47	1,989.99
Total Expenses (4)		29,895.10	18,948.74
(5) Profit / (loss) before tax (3-4)			
		12,495.37	4,551.82
(6) Tax expense:			
(1) Current tax	29	2,832.90	1,495.10
(2) Short / (excess) provision of income tax/deferred tax of earlier years	29	15.10	0.28
(3) Deferred tax	29	266.24	(115.84)
(7) Profit/(loss) for the period (5-6)			
		9,381.13	3,172.28
(8) Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit obligations		(46.60)	2.28
(ii) Income tax relating to items that will not be reclassified to profit or loss		11.73	(0.57)
Sub total (A)		(34.87)	1.71
(B) (i) Items that will be reclassified to profit or loss			
- Fair valuation gain / (loss) on financial instruments measured at FVOCI		(596.00)	(790.66)
(ii) Income tax relating to items that will be reclassified to profit or loss		150.00	198.99
Sub total (B)		(446.00)	(591.67)
Other comprehensive income (A + B)		(480.87)	(589.96)
(9) Total comprehensive income for the period (7+8)			
(Comprising Profit (Loss) and other comprehensive income for the period)		8,900.25	2,582.32
(10) Earnings per equity share			
Basic (₹)	30	110.47	37.36
Diluted (₹)	30	107.28	37.35

See accompanying notes to the financial statements

1 to 45

As per our report of even date attached herewith

For, Arman Financial Services Limited

For, Talati & Talati LLP
Chartered Accountants
[Firm Regd. No. 110758W/W100377]

Jayendra Patel
Vice Chairman & Managing Director
(DIN - 00011814)

Vivek Modi
Chief Financial Officer

[Kushal Talati]
Partner
[M.No.188150]

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

Place: Ahmedabad
Date: 30.05.2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(₹ in Lakhs)

(A) Equity share capital (Refer Note 17)

FY - 2022-23

Particulars	Balance as at March 31, 2022	Changes in equity share capital due to prior period errors	Restated Balance as at March 31, 2022	Changes during the year	Balance as at March 31, 2023
Ordinary Equity share capital	849.16	-	849.16	0.07	849.23
FY - 2021-22					
Particulars	Balance as at March 31, 2021	Changes in equity share capital due to prior period errors	Restated Balance as at March 31, 2021	Changes during the year	Balance as at March 31, 2022
Ordinary Equity share capital	848.84	-	848.84	0.32	849.16

(B) Other equity (Refer note 18)

(₹ in Lakhs)

Particulars	Equity component of compound financial instruments	Reserves and surplus				Share Based Payment Reserve	Other Comprehensive Income	Total
		General Reserve	Reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Retained earnings			
FY 2022-23								
Balance as at 31st March, 2022	-	151.35	3,176.30	6,897.96	10,411.66	12.10	-229.92	20,419.45
Profit for the year	-	-	-	-	9,381.13	-	-	9,381.13
Other comprehensive income (net of taxes)	-	-	-	-	-	-	-480.87	-480.87
Total Comprehensive Income for the period	-	-	-	-	9,381.13	-	-480.87	8,900.25
Transactions with Owners in the capacity as Owners								
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	-	1,912.00	-	-1,912.00	-	-	-
Additions during the year in security premium	-	-	-	5.41	-5.41	-	-	0.30
Transfer during the year in General Reserve	-	11.00	-	-	-11.00	-	-	-
Issue of CCD and OCRPS	6,383.05	-	-	-	-	-	-	6,383.05
Share based payment to employees (ESOP)	-	-	-	-	-	16.76	-	16.76
Balance as at March 31, 2023	6,383.05	162.35	5,088.30	6,903.37	17,869.78	23.75	-710.79	35,719.82

Particulars	Equity component of compound financial instruments	Reserves and surplus				Share Based Payment Reserve	Other Comprehensive Income	Total
		General Reserve	Reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Retained earnings			
FY 2021-22								
Balance as at March 31, 2021	-	140.35	2,482.30	6,885.98	7,944.38	14.58	360.05	17,827.63
Profit for the year	-	-	-	-	3,172.28	-	-	3,172.28
Other comprehensive income (net of taxes)	-	-	-	-	-	-	-589.97	-589.97
Total Comprehensive Income for the period	-	-	-	-	3,172.28	-	-589.97	2,582.31
Transactions with Owners in the capacity as Owners								
Transfer to reserve u/s. 45-IA of RBI Act, 1934	-	-	694.00	-	-694.00	-	-	-
Additions during the year in security premium	-	-	-	11.98	-	-10.70	-	1.28
Share Issue Expense securities premium	-	-	-	-	-	-	-	-
Transfer during the year in General Reserve	-	11.00	-	-	-11.00	-	-	-
Share based payment to employees (ESOP)	-	-	-	-	-	8.23	-	8.23
Balance as at March 31, 2022	-	151.35	3,176.30	6,897.96	10,411.66	12.10	-229.92	20,419.45

As per our report of even date attached herewith

For, Talati & Talati LLP

Chartered Accountants
[Firm Regd. No. 110758W/W100377]

[Kushal Talati]

Partner

[M.No.188150]

Place: Ahmedabad

Date: 30.05.2023

Jayendra Patel

Vice Chairman & Managing Director
(DIN - 00011814)

Aalok Patel

Joint Managing Director
(DIN - 02482747)

For, Arman Financial Services Limited

Vivek Modi

Chief Financial Officer

Jaimish Patel

Company Secretary
(M. No. A42244)

Consolidated Statement Cash Flow

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A: Cash from Operating Activities:		
Net profit before taxation	12,495.37	4,551.82
Adjustment For:		
Depreciation and amortisation	87.59	67.38
Interest Income	(38,672.03)	(22,056.71)
Net gain on equity instruments measured through profit and loss	7.25	(17.69)
Finance cost Expense	17,199.63	8,924.95
Provision for impairment on financial assets	188.30	1,268.63
Depreciation on Right of Use Assets	27.90	27.90
(Profit) / loss on sale of property, plant and equipment	-	0.57
Gain On Assignment of Assets (Net of Expense)	(1,877.61)	(579.07)
Loss / (Profit) on sale of Current Investment	(207.62)	(146.72)
Remeasurement of define benefit plan	(46.60)	2.28
Employee Stock Option Plan Expense	16.76	8.23
Interest on shortfall of advance Tax	-	36.12
Financial Guarantee Income	(23,276.43)	(12,464.13)
Operating profit before working Capital changes:	(10,781.06)	(7,912.30)
Adjustment For Increase/(Decrease) in Operating Assets:		
Loans and Advances	(48,649.59)	(33,578.69)
Financial Assets	1,222.41	(593.53)
Non Financial Assets	(7.61)	(27.05)
Bank balance other than Cash and Cash equivalents	(33,728.40)	1,398.66
Adjustment For Increase/(Decrease) in Operating Liabilities:		
Trade Payables	34.56	41.68
Other Non Financial liability	188.28	(20.37)
Other Financial Liabilities	152.02	390.03
Subordinated Debts	269.83	-
Provision	2,045.79	26.20
	(78,472.70)	(32,363.07)
Cash Generated From Operations	(89,253.76)	(40,275.38)
Interest Income Received	37,685.39	22,355.79
Finance Cost Paid	(17,535.05)	(8,395.72)
Income tax paid	(2,662.68)	(1,754.95)
	17,487.67	12,205.12
Net Cash From Operating Activities:	(71,766.09)	(28,070.26)
B: Cash Flow From Investing Activities:		
Purchase of Property, Plant & Equipment	(236.10)	(87.39)
Sale of Property, Plant & Equipment	-	0.18
Purchase of investments	(48,752.21)	(50,845.53)
Sale of investments	47,726.68	50,735.92
Net Cash from Investment Activities:	(1,261.63)	(196.82)

Consolidated Statement Cash Flow (contd.)

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
C: Cash Flow From Financing Activities :		
Proceeds from issue of share capital (including Premium)	0.38	1.60
Proceeds from issue of OCRPS (including Premium)	3,824.96	-
Proceeds from issue of CCD	7,679.97	-
Proceeds from long term borrowings	1,25,215.22	72,235.36
Repayment of borrowings	(84,123.56)	(40,978.32)
Repayment of CCD	(485.92)	-
Net increase / (decrease) in working capital borrowings	16,011.85	(4,209.51)
Repayment of Principal Component of Lease Liability	(25.83)	(21.06)
Net Cash from Financing Activities:	68,097.07	27,028.06
Net Increase/(Decrease) in Cash & Cash Equivalents	(4,930.65)	(1,239.01)
Cash & cash equivalents at the beginning of the year	7,552.76	8,791.77
Cash & cash equivalents at the end of the year	2,622.12	7,552.76

Notes :

1 Cash and bank balance at the end of the year comprises:

Particulars	March 31, 2023	March 31, 2022
Cash on hand	64.86	90.82
Balance with Bank	2,557.25	7,461.95
Cash & cash equivalents as per Balance Sheet	2,622.12	7,552.76

2 The above cash flow statement has been prepared under the "Indirect Method" set out in Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

3 Change in liabilities arising from financing activities:

Particulars	March 31, 2022	Cash Flows	Non Cash Changes	March 31, 2023
Debt Securities	19,507.59	5,095.92	(268.03)	24,335.49
Borrowing other than debt Securities	76,961.46	59,201.65	(6,415.94)	1,29,747.16
Total	96,469.05	64,297.56	(6,683.97)	1,54,082.65

For, Talati & Talati LLP
Chartered Accountants
[Firm Regd. No. 110758W/W100377]

[Kushal Talati]
Partner
[M.No.188150]

Place: Ahmedabad
Date: 30.05.2023

For, Arman Financial Services Limited

Jayendra Patel
Vice Chairman & Managing Director
(DIN - 00011814)

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Vivek Modi
Chief Financial Officer

Jaimish Patel
Company Secretary
(M. No. A42244)

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

1. CORPORATE INFORMATION

Arman Financial Services Limited (the "Holding Company") together with its subsidiary Namra Finance Limited (herein after referred to as the "Company") are public companies domiciled in India. The Holding Company is registered as a deposit taking non-banking finance company ("NBFC") with Reserve Bank of India ("RBI"). Namra Finance Limited is registered as a non-deposit taking Micro Finance Institution ("NBFC-MFI") with Reserve Bank of India ("RBI"). The Group is engaged in the business of providing Small and Medium Enterprise loans ("SME"), Two-Wheeler loans ("TW") and Micro Finance JLG Loans. The Holding Company's equity shares are listed on two recognised stock exchanges in India i.e. BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The Company's registered office is at 502-503, Sakar III, Opp. Old High Court, Off. Ashram Road, Ahmedabad - 380014, Gujarat, INDIA.

2. BASIS OF PREPARATION

2.1 Statement of compliance and principle of Consolidation

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the "Ind AS") prescribed under section 133 of the Companies Act, 2013 (the "Act").

Principle of Consolidation

i) Subsidiaries: -

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

ii) Non-Controlling Interest ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value on the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

iv) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiary used in the consolidation procedure are drawn up to the same reporting date i.e. March 31, 2023. The financial statements of the Holding Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The Group follows uniform accounting policies for like transactions and other events in similar circumstances.

The following subsidiary company has been considered in the preparation of the consolidated financial statements:

Name of Entity	Relationship	Country	Ownership Held By	% of holding And Voting Power as at	
				March 31, 2023	March 31, 2022
Namra Finance Limited	Subsidiary Company	India	Arman Financial Services Limited	100%	100%

2.2 Basis of measurement

The standalone financial statements have been prepared on historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- Loans at fair value through other comprehensive income ("FVOCI") and
- Defined benefit plans - plan assets
- Investment in units of mutual funds at fair value through Profit & Loss ("FVTPL")

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Functional and presentation currency

The standalone financial statements are presented in Indian Rupees which is the currency of the primary economic environment in which the Company operates (the "functional currency"). The values are rounded to the nearest Lakhs, except when otherwise indicated.

2.3 Use of estimates, judgements and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the sole payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the

risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at 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. Monitoring is part of the company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) 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. For further details about determination of fair value refer note 3.8 and note 42.

ii) Effective interest rate (“EIR”) method

The Company’s EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and lifecycle of the instruments, as well as expected changes to interest rates and other fee income/expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company’s expected credit loss (“ECL”) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- a) The Company’s criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss (“LTECL”) basis.
- b) Development of ECL models, including the various formulas and the choice of inputs.
- c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default (“PD”), exposure at default (“EAD”) and loss given default (“LGD”).
- d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company’s business.

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 outflow is considered to be 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.

For further details on provisions and other contingencies refer note 3.15.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

2.4 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 41.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- i) The normal course of business
- ii) The event of default

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
3.1 Recognition of interest income
A. EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets. When a financial asset becomes credit impaired and is, therefore, regarded as ‘stage 3’, the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition
A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially

measured at their fair value (as defined in Note 3.8), except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset’s contractual terms, measured at either:

- i) Amortised cost
- ii) FVOCI
- iii) FVTPL

3.3 Financial assets and liabilities
A. Financial assets
Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company’s business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- a. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company’s key management personnel.
- b. The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- c. managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- d. The expected frequency, value and timing of sales are also important aspects of the Company’s assessment.

The business model assessment is based on reasonably expected scenarios without taking ‘worst case’ or ‘stress case’ scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company’s original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortised cost ("AC")

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

ii) Financial assets measured at FVOCI

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

iii) Financial assets at fair value through profit or loss ("FVTPL")

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

iv) Investments in Mutual Funds

All investments in Mutual Funds are measured at fair value, with value changes recognised in Statement of Profit and Loss ("FVTPL").

B. Financial liability

i) Initial recognition and measurement

All financial liability are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

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

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended March 31, 2023 and March 31, 2022.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. Where the substantial modification is because of financial difficulties of the borrower and the old loan was classified as credit-impaired, the new loan will initially be identified as originated credit-impaired financial asset. On satisfactory performance of the new loan, the new loan is transferred to stage I or stage II of ECL.

B. Derecognition of financial assets other than due to substantial modification

i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights

to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognise the portion retained by it as MRR.

ii) Financial liability

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

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL. Expected credit losses are measured through a loss allowance at an amount equal to:

- i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the

reporting date); or Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument) Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

Loan commitments: When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. Calculation of ECLs

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

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest
LGD Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the

lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward-looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

- i) Gross fixed investment (% of GDP)
- ii) Lending interest rates
- iii) Deposit interest rates

3.7 Write-offs

Financial assets are written off when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

3.8 Determination of fair value

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. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements 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 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;
- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

- Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) Recognition of other income

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 AS 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

A. Dividend income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

B. Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Other Charges in Respect of Loans

Income in case of late payment charges are recognized when there is no significant uncertainty of regarding its recovery.

3.9 (II) Recognition of other expense

A. Borrowing costs

Borrowing costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably. Depreciation is calculated using the straight-line

method to write down the cost of property and equipment to their residual values over their estimated useful lives which are in line with as specified under schedule II of the Act. Land is not depreciated. The estimated useful lives are, as follows:

- i) Buildings - 60 years
- ii) Vehicles - 8 years
- iii) Office equipment - 3 to 10 years
- iv) Furniture and fixtures - 10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.12 Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

3.13 Impairment of non-financial assets - property, plant and equipments and intangible assets

The carrying values of assets / cash generating units at the each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the statement of profit and loss as an expense, for such excess amount. The recoverable amount

is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

3.14 Corporate guarantees

Corporate guarantees are initially recognised in the standalone financial statements (within "other non-financial liabilities") at fair value, being the notional commission. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss. The notional commission is recognised in the statement of profit and loss under the head fees and commission income on a straight line basis over the life of the guarantee.

3.15 Retirement and other employee benefits

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the Life insurance corporation of India who administers the fund of the Company.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets

(excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

A possible obligation that arises from past events and 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; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset 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 Company. Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

3.17 Taxes

A. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is

not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.18 Earnings per share

Basic earnings per share ("EPS") is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity. Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity. Upon distribution of non-cash assets, any difference

between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

4. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

- Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

- Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
1. Cash and Cash Equivalent		
Cash on hand	64.86	90.82
Balance with banks	2,557.25	7,461.95
Total	2,622.12	7,552.76
2. Other Bank Balance		
In fixed deposit accounts:		
Deposits given as security against borrowings	9,571.26	5,346.53
Fixed Deposits given as security against overdraft facilities (Refer Note 2.2)	30,100.00	-
Other Deposits (i.e., free from any encumbrance)	1,839.41	1,489.05
Earmarked balances with banks (Refer Note 2.1)	20.00	15.27
Less: Interest Accrued but not due on Bank Deposits (Refer Note 5)	(1,120.99)	(169.59)
Total	40,409.67	6,681.27
2.1 Earmarked balance with banks represents ₹20 Lakhs (As at March 31, 2022 ₹15.27 Lakhs) in Unpaid Dividend and CSR Deposit Accounts.		
2.2 Deposits includes deposits of ₹30,100 Lakhs (P.Y. ₹ NIL) given to bank for Overdraft facility. Overdraft utilized of ₹16,844.05 Lakhs		
3. Loans		
At FVOCI:		
Secured by Tangible Asset	6,014.53	4,636.32
Unsecured Loans	1,54,986.05	1,08,414.39
Less : Impairment Loss allowance	(6,681.33)	(6,531.69)
	1,54,319.25	1,06,519.02
Less: Interest Due but not Received on Loans and Advances (Note No.5)	(648.50)	(758.35)
Total	1,53,670.75	1,05,760.67
(1) Loans In India		
Public Sector	-	-
Others	1,53,670.75	1,05,760.67
	1,53,670.75	1,05,760.67
(2) Loans Outside India	-	-
Total	1,53,670.75	1,05,760.67

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

3.1 An analysis of changes in the gross carrying amount and the corresponding ECL Allowances:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2021	72,321.29	3,418.17	3,737.24	79,476.70
New Assets originated*	90,604.28	320.77	213.35	91,138.39
Net transfer between stages				
Transfer from stage 1	(6,101.53)	3,537.42	2,564.11	-
Transfer from stage 2	234.87	(1,713.94)	1,479.07	-
Transfer from stage 3	12.76	70.71	(83.47)	-
Assets derecognised or collected	53,974.78	541.91	807.28	55,323.98
Write - offs	519.00	367.88	2,111.86	2,998.75
Gross carrying amount as at March 31, 2022	1,02,577.88	4,723.34	4,991.15	1,12,292.37
New Assets originated*	1,51,586.90	766.72	563.65	1,52,917.27
Net transfer between stages				
Transfer from stage 1	(2,951.68)	1,023.97	1,927.71	-
Transfer from stage 2	851.16	(1,408.59)	557.43	-
Transfer from stage 3	2.92	1.94	(4.86)	-
Assets derecognised or collected	97,727.56	1,444.10	780.34	99,952.01
Write - offs	191.38	1,934.18	2,779.98	4,905.55
Gross carrying amount as at March 31, 2023	1,54,148.23	1,729.09	4,474.76	1,60,352.09

*Note: New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end.

3.2 Reconciliation of ECL balance is given below:

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowances as at March 31, 2021	902.97	1,083.77	3,167.93	5,154.67
Addition During the Year	813.26	1,498.30	3,795.29	6,106.85
Reversal During the Year	(809.84)	(1,126.62)	(2,793.37)	(4,729.83)
ECL Allowances as at March 31, 2022	906.39	1,455.45	4,169.85	6,531.69
Addition During the Year	1,449.38	517.74	2,846.70	4,813.81
Reversal During the Year	(537.05)	(1,334.26)	(2,792.87)	(4,664.17)
ECL Allowances as at March 31, 2023	1,818.72	638.93	4,223.68	6,681.33

Note: Increase in ECLs of the portfolio was driven by an increase in the gross size of the portfolio and movements between stages as a result of increases in credit risk. The significant increase in economic activities post easing of lockdown by the state governments due to Covid-19 had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended March 31, 2023, the Company has written off (Net) ₹4,284.92 Lakhs. The Total ECL provision as at March 31, 2023 of ₹6,681.33 Lakhs out of which ₹2,204.51 Lakhs is retained by the company towards management overlay on account of COVID-19. The additional ECL provision retained on account of COVID-19 is based on the Company's historical experience, collection efficiencies post lockdown, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

3.3 Loans secured by hypothecation of assets (vehicles) are secured by hypothecation of the assets (vehicles) under finance. In the opinion of the Board, the market value of the hypothecated assets (vehicle) as on Balance Sheet date is more than the amount of loan outstanding.

Notes Forming Part of the Consolidated Financial Statements

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(All amounts are in Lakhs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
4. Investments (At Cost)		
A At Fair Value Through Profit & Loss (FVTPL)		
In Mutual Funds		
Nil Unit (As at 31.03.21: 9,27,603.39 Units) of SBI Credit Risk Fund -Regular -Growth	-	335.42
9,08,465.69 Units (As at 31.03.21: Nil Unit) SBI Magnum Gilt Fund Regular Growth	500.86	-
6,98,053.498 Units (As at 31.03.21: Nil Unit) SBI Magnum Medium Duration Fund Regular Growth	300.00	-
B At Amortised Cost		
In Pass through certificates under securitization transactions		
1,87,87,291 Units (As at March 31, 2021 - Nil Unit) of HLF Sydney PTC, Face Value of ₹1/- each.	174.07	158.33
1,13,53,428 Units (As at March 31, 2021 - Nil Unit) Nabsam Albany PTC, Face Value of ₹1/- each.	108.17	97.99
2,15,98,529 Units (As at 31-3-2022 - Nil) of Nimbus 2022 MFI Dunedin, Face Value of ₹1 Each.	203.65	-
1,87,70,074 Units (As at 31-03-2022 - NIL) of Nimbus 2022 MFI Hamilton, Face Value of ₹1 Each	173.75	-
1,23,40,361 Units (As at 31-03-2022 - NIL) of NFL EMERALD 2022, Face Value of ₹1 Each.	108.74	-
1,82,47,719 units (As at 31-03-2022 - NIL) of MFSL 2022 Lynx , Face Value of ₹1 Each	161.11	-
1,00,000 Units (As at 31-03-2022 - NIL) of Sheryl 06 2022. Face Value of ₹1 Each	0.89	-
41,13,949 Units (As at 31-03-2022 - Nil) of Victor July 2022, Face Value ₹1 Each	37.78	-
61,92,788 Units (As at 31-03-2022 - Nil) of Nimbus 2022 MFI Brampton, Face Value of ₹1 Each	56.74	-
1,30,41,310 Units (As at 31.03.22- Nil unit) of Roger July 2022 PTC , Face Value of ₹1 Each.	122.17	-
	1,947.93	591.74
(1) Investment In India	1,947.93	591.74
(2) Investment outside India	-	-
Total	1,947.93	591.74

Note:

Investments represents investments of ₹0.01 Lacs (P.Y. ₹. 0 Lacs) given as collateral security against borrowing from Financial Institution.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

- 4.1 For the investment in subsidiary entity, the Company has opted for the exemption provided in para D15(b)(ii) of Ind AS 101 and accordingly the same has been measured at previous GAAP carrying amount.
- 4.2 As per para 10 of Ind AS 27, the Company has opted to value the investments in subsidiary entity at cost.
- 4.3 Namra Finance Limited (CIN: U65999GJ2012PLC069596) is wholly owned subsidiary Company. The Arman Financial Services Limited has investment in subsidiary company's 4,53,60,000 (As At 31.03.22, 3,32,60,000) Equity Shares of ₹10/- each fully paid up

5. Other Financial Assets	As at March 31, 2023	As at March 31, 2022
Interest Due but not Received on Loans and Advances (Note No.3)	648.50	758.35
Interest Accrued but not due on Bank Deposits (Note No.2)	1,120.99	169.59
Deposits	25.48	413.19
Other Advances	1,632.35	450.49
Fair valuation of Derivative Instrument measured Through Profit & Loss Account	-	8.12
Less : Provision on Interest Receivable on Credit Impaired Loans and Advances	(538.72)	(500.06)
Total	2,888.59	1,299.67

- 5.1 Deposits includes deposits ₹ Nil Lakhs (P.Y. ₹384.49 Lakhs), given as collateral security against loans from financial Institutes.

5.2 Reconciliation of Provision on Interest Receivable on Credit Impaired Loans given below:

ECL Allowances As at beginning of the year	500.06	608.45
Addition During the Year	382.02	260.53
Reversal During the Year	(343.36)	(368.92)
ECL Allowances As at end of the year	538.72	500.06

- 5.3 There are no dues/loans from directors or other officers of the company or any firm or private company in which any director is a partner or director or a member.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

6. Deferred Tax	As at March 31, 2023	As at March 31, 2022
A Deffered Tax Assets on Account of:		
Provision for employee benefits that are allowable for tax purpose in the year of payment	50.26	29.13
Financial assets measured at amortised cost	430.58	279.34
Shares issue expenses that are allowable for tax purpose on deferred basis	5.32	1.16
Provision for CSR	-	13.06
Fair valuation of financial instruments through Other Comprehensive Income	226.96	76.96
Impairment on Financial Assets	1,711.68	1,698.68
Total Deferred Tax Assets	2,424.81	2,098.32
B Deferred Tax Liability on Account of:		
Difference in written down value as per Companies Act and Income Tax Act	(13.77)	(12.30)
Financial liabilities measured at amortised cost	(340.38)	(174.42)
Fair valuation of Derivative Contract measured Through Profit & Loss Account	-	(2.04)
Interest Receivable on NPA Assets	(135.59)	(125.86)
Fair valuation of Investment in Mutual Fund	(0.22)	(24.00)
Direct Assignment Income Receivable -DA	(388.34)	(108.69)
Total Deferred Tax Liabilities	(878.30)	(447.31)
Total Asset/(Liability) (Net)	1,546.51	1,651.02

6.1 The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

Particulars	As at March 31, 2022	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other compreh- ensive income	As at March 31, 2023
Assets				
Provision for employee benefits that are allowable for tax purpose in the year of payment	29.13	9.40	11.73	50.26
Shares issue expenses that are allowable for tax purpose on deferred basis	1.16	4.17	-	5.32
Impairment on Financial Assets	1,698.68	13.00	-	1,711.68
Financial assets measured at amortised cost	279.34	151.25	-	430.58
Provision for CSR	13.06	(13.06)	-	-
Fair valuation of financial instruments through Other Comprehensive Income	76.96	-	150.00	226.96

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Particulars	As at March 31, 2022	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2023
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	(12.30)	(1.47)	-	(13.77)
Financial liabilities measured at amortised cost	(174.42)	(165.96)	-	(340.38)
Interest Receivable on NPA Assets	(125.86)	(9.73)	-	(135.59)
Fair valuation of Derivative Contract measured Through Profit & Loss Account	(2.04)	2.04	-	-
Fair valuation of Investment in Mutual Fund	(24.00)	23.78	-	(0.22)
Direct Assignment Income Receivable -DA	(108.69)	(279.65)	-	(388.34)
Total Asset/(Liability) (Net)	1,651.02	(266.24)	161.73	1,546.51

Particulars	As at March 31, 2021	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2022
Assets				
Provision for employee benefits	22.54	7.17	(0.57)	29.13
Share Issue Expense that are allowable for tax purpose in the year of payment	1.73	(0.58)	-	1.16
Impairment on financial asset	1,450.46	248.22	-	1,698.68
Financial assets measured at amortised cost	135.55	143.78	-	279.34
Provision for CSR	-	13.06	-	13.06
Fair valuation of financial instruments through OCI	(122.04)	(0.00)	198.99	76.96
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	(11.53)	(0.77)	-	(12.30)
Financial liabilities measured at amortised cost	(118.90)	(55.52)	-	(174.42)
NPA Interest Receivable	-	(125.86)	-	(125.86)
Fair valuation of Derivative Contract measured Through Profit & Loss Account	(1.52)	(0.53)	-	(2.04)
Fair valuation of Investment in Mutual Fund	(19.55)	(4.45)	-	(24.00)
Direct Assignment Income Receivable -DA	-	(108.69)	-	(108.69)
Total Asset/(Liability) (Net)	1,336.75	115.84	198.42	1,651.02

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

7. Property, Plant & Equipment

Carrying Value	Buildings	Furniture & Fixtures	Office Equipment	Vehicles	Computers	Total Property, Plant & Equipment	Intangible Assets	Intangible asset under development	Total Assets	Right of Use Assets
At March 31, 2021	149.49	141.20	52.92	150.42	119.90	613.93	56.82	-	0.01	88.72
Addition	14.58	5.31	6.09	27.76	9.93	63.67	21.10	2.62	0.00	90.68
Disposal	-	-	-	-	1.40	1.40	-	-	0.00	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-
At March 31, 2022	164.07	146.52	59.01	178.18	128.43	676.21	77.92	2.62	0.01	179.40
Addition	17.44	2.99	12.69	30.82	166.16	230.10	8.61	-	0.00	-
Disposal	-	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	2.62	0.00	-
At March 31, 2023	181.51	149.51	71.70	209.00	294.58	906.30	86.53	-	0.01	179.40
Accumulated Depreciation	Buildings	Furniture & Fixtures	Office Equipment	Vehicles	Computers	Total Property, Plant & Equipment	Intangible Assets	Intangible asset under development	Total Assets	Right of Use Assets
At March 31, 2021	44.44	43.58	31.19	94.69	74.01	0.00	34.28	-	0.00	29.57
Change for the year	10.20	4.40	9.23	24.15	11.10	0.00	8.30	-	0.00	27.90
Disposal	-	-	-	-	0.65	0.00	-	-	0.00	-
At March 31, 2022	54.65	47.98	40.42	118.84	84.46	0.00	42.58	-	0.00	57.47
Change for the year	11.99	4.32	11.22	25.62	24.53	0.00	9.91	-	0.00	27.90
Disposal	-	-	-	-	-	-	-	-	-	-
At March 31, 2023	66.64	52.30	51.64	144.46	108.99	0.00	52.49	-	0.00	85.37
Net Carrying Value										
At March 31, 2022	109.42	98.54	18.59	59.34	43.97	329.86	35.34	2.62	367.81	121.93
At March 31, 2023	114.88	97.21	20.06	64.54	185.59	482.28	34.04	-	516.32	94.03

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

7.1

A. Intangible assets under development aging schedule :

	March 31, 2023			Total
	Amount in CWIP for a period of			
	Less than 1 year	1-2 Years	More than 3 years	
Intangible assets under development				
Projects in progress	-	-	-	-
Projects temporarily suspended	-	-	-	-
Intangible assets under development				
Projects in progress	2.62	0.00	0.00	2.62
Projects temporarily suspended	-	-	-	-

B. For intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan :

	March 31, 2023			Total
	To be completed in			
	Less than 1 year	1-2 Years	More than 3 years	
Intangible assets under development				
Project 1	-	-	-	-
Project 2	-	-	-	-
Intangible assets under development				
Project 1	-	-	-	-
Project 2	-	-	-	-

(a) **Capitalised Borrowing Cost** : Borrowing Cost Capitalised on Property, Plant and Equipment during the year ₹. Nil (PY. ₹. Nil).

(b) **Contractual Obligations**: Refer Note.31 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

(c) Title deeds of immovable property (other than proper taken on lease by duly executed lease agreement) are held in the name of the company.

(d) No proceedings have been initiated or pending against the company for holding any benami property under the Benami transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

8. Other Non - Financial Assets

	As at March 31, 2023	As at March 31, 2022
Prepaid Expenses	12.35	9.36
Balance with Government Authorities	54.64	23.54
Advances to staff	13.61	19.16
Advance to Suppliers	39.90	60.82
Total	120.49	112.89

9. Trade Payables

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of other than micro enterprises and small enterprises	161.88	154.88
Total	161.88	154.88

9.1 Trade Payable ageing schedule :

AS on March 31, 2023	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	-	-	161.88
Outstanding between 1 year to 2 Years	-	-	-	0.37
Outstanding between 2 year to 3 Years	-	-	-	-
Outstanding More than 3 Years	-	-	-	-

As on March 31, 2022	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	-	-	154.88
Outstanding between 1 year to 2 Years	-	-	-	0.37
Outstanding between 2 year to 3 Years	-	-	-	-
Outstanding More than 3 Years	-	-	-	-

*Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management. This has been relied upon by the Auditors.

Notes Forming Part of the Consolidated Financial Statements

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(All amounts are in Lakhs unless otherwise stated)

9.2 Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The disclosure as required by section 22 of MSMED Act has been given below:

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
1	Principal amount payable to suppliers as at year end	-	-
2	Interest due thereon as at year end	-	-
3	Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates.	-	-
4	Amount of delayed payment actually made to suppliers during the year	-	-
5	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
6	Interest accrued and remaining unpaid at the end of the year	-	-
7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

10. Debt Securities (At Amortised Cost)

	As at March 31, 2023	As at March 31, 2022
Secured Debenture (Refer note 10.1)		
11.80% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each (C.Y. 300 Unit, P.Y. 300)	2,000.00	3,000.00
11.30% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,88,750 Unit, P.Y. Nil)	2,887.50	-
13.15% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each (C.Y. Nil Unit, P.Y. 378)	-	3,780.00
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹1 Lakh Each (C.Y. 2500 Unit, P.Y. Nil)	2,500.00	-
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹10 Lakh Each (C.Y. 200 Unit, P.Y. Nil)	2,000.00	-
11.20% Secured, Redeemable, Non Convertible Debenture of ₹1,000/- each (C.Y. 2,22,654 Units, P.Y. Nil Units)	2,226.54	2,226.54
11.80% Secured, Redeemable, Non Convertible Debenture of ₹10,000/- each (C.Y. 34,550 Units, P.Y. Nil Units)	3,455.00	3,455.00
12.39% Secured, Redeemable, Non Convertible Debenture of ₹10,000/- each (C.Y. 48,750 Units, P.Y. 48,750 Units)	4,875.00	4,875.00
Market Linked Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each (368 Unit as at 31.03.23, Nil Units)	3,680.00	-

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Debt Securities (At Amortised Cost) (contd..)	As at March 31, 2023	As at March 31, 2022
Market Linked Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh each (C.Y. 2,350 Units, P.Y. 2,350 Units)	-	2,350.00
Unsecured Debenture (Refer note 11.1)		
Debt Component of 15% Unsecured Compulsory Convertible Debenture of ₹1230 Each	1,047.33	-
Less: Unamortised borrowing costs	(335.88)	(178.95)
Total Debt Securities	24,335.49	19,507.59
Debt Securities in India	24,335.49	19,507.59
Debt Securities Outside India	-	-
Total	24,335.49	19,507.59

10.1 Details of terms of Redemption/ Repayment and security provided in respect of Debt Securities:

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
378, 13.15% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each	-	3,780.00	99.99% on 03-03-2023 and Remaining Bullet Payment at the end of 60 Months From 03-03-2020	Secured Under Hypothecation of Specific Assets Portfolio
48,750, 12.39% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each	4,875.00	4,875.00	99.99% on 12 November 2023 and Remaining Bullet Payment at the end of 60 Months From 12 November 2020	Secured Under Hypothecation of Specific Asset Portfolio
2,350, Market Linked Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh Each	-	2,350.00	Bullet Payment at the end of 18 Months From 27 March 2021	Secured Under Hypothecation of Specific Asset Portfolio
Market Linked Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each (368 Unit as at 31.03.23, Nil Unit as at 31.03.22)	3,680.00	-	Bullet Payment at the end of 24 Months From 06 October 2021	Secured Under Hypothecation of Specific Asset Portfolio
2,22,654, 11.20% Secured, Redeemable, Non Convertible Debenture of ₹1,000 Each	2,226.54	2,226.54	Bullet Payment at the end of 24 Months From 11 March 2022	Secured Under Hypothecation of Specific Asset Portfolio
300, 11.80% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each	2,000.00	3,000.00	33.33% on 31-12-2022, 33.33% on 31-12-2023 & Remaining 33.34% Payment at the end of 34 Months From 23-03-2022	Secured Under Hypothecation of Specific Assets Portfolio

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Debt Securities (contdd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Debt Component of 15% Unsecured Compulsory Convertible Debenture of ₹1230 Each	1,047.33	-	24% on 30-06-2023, 25% on 30-09-2023, 26% on 31-12-2023 & Remaining 25% Payment at the end of 18 Months From 28-09-2022	-
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹10 Lakh Each	2,000.00	-	100% on 04-04-2024 and Remaining Bullet Payment at the end of 18 Months From 04-10-2022	Secured Under Hypothecation of Specific Assets Portfolio
11.30% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each	2,887.50	-	99.99% on 16-06-2025 and Remaining Bullet Payment at the end of 36 Months From 14-12-2022	Secured Under Hypothecation of Specific Assets Portfolio
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹1 Lakh Each	2,500.00	-	100% on 27-07-2024 and Remaining Bullet Payment at the end of 18 Months From 24-01-2023	Secured Under Hypothecation of Specific Assets Portfolio
34,550, 11.80% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each	3,455.00	3,455.00	99.99% on 13 May 2023 and Remaining Bullet Payment at the end of 24 Months From 13 May 2023	Secured Under Hypothecation of Specific Asset Portfolio
Total Debt Securities	24,671.37	19,686.54		

11. Borrowings (at Amortized Cost)

	As at March 31, 2023	As at March 31, 2022
Term Loans		
Secured		
From Banks	54,655.01	38,891.84
From Financial Institutions	58,541.14	37,027.98
Less: Unamortised borrowing costs	(1,016.55)	(514.07)
	1,12,179.60	75,405.75
Loans repayable on demand from banks	723.51	1,555.71
Overdraft from banks - Secured against Fixed Deposit	16,844.05	-
Total Borrowings	1,29,747.16	76,961.46
Borrowings in India	1,29,747.16	72,848.05
Borrowings Outside India	-	4,113.41
Total	1,29,747.16	76,961.46

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

11.1 Security:-

Term Loans & Working Capital Loans are secured under hypothecation of exclusive first charge on specific assets portfolio & personal guarantee of some of the directors. The same are further secured by cash collateral security in the form of fixed deposit which are shown under "Other Bank Balance".

11.2 Interest:

Term loan and Loans repayable on demand from banks carries an interest rate ranging from 6.43% to 15.00% p.a.

11.3 The Company has not defaulted in repayment of borrowings and interest.

11.4 The Company has borrowed funds from banks and financial institutions on the basis of security of book debts. It has filed quarterly returns or statements of book debts with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

11.5 Details of terms of Redemption/ Repayment and security provided in respect of Borrowings:

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Borrowings (Other than Debt Securities)				
Term Loan From Bank 1	-	138.89	Repayable in 36 monthly installments starting from 31 July 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 2	-	85.71	Repayable in 24 monthly installments starting from 31 December 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 3	-	457.14	Repayable in 24 monthly installments starting from 04 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 4	285.71	500.00	Repayable in 24 monthly installments starting from 10 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 5	1,254.55	1,800.55	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.
Term Loan From Bank 6	-	4,130.00	Bullet Payment at the end of 36 Months From 17 March 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 7	-	306.61	Repayable in 36 Months (Monthly installments) starting From 02 February 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Bank 8	27.63	194.42	Repayable in 36 Months (Monthly installments) starting From 31 May 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 9	1,499.08	-	Repayable in 24 Months (Monthly installments) starting From 31 August 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 10	-	3.59	Repayable in 24 Months (Monthly installments) starting From 30 April 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 11	-	2.70	Repayable in 36 Months (Monthly installments) starting From 15 April 2019	Secured against the car
Term Loan From Bank 12	-	466.71	Repayable in 27 Months (Monthly installments) starting From 31 May 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 13	-	929.59	Repayable in 18 Monthly installments Starting From 10 th June 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank 14	-	1,107.40	Repayable in 18 Monthly installments Starting From 15 th August 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank 15	1,085.48	1,818.19	Repayable in 33 Months (Monthly installments) starting From 30 th January 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 16	514.60	878.49	Repayable in 36 Monthly installments from 08 Sep 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 17	513.23	877.94	Repayable in 36 Monthly installments from 15 Oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 18	1,359.37	2,271.84	Repayable in 36 Monthly installments from 28 Sep 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank 19	1,250.01	2,083.33	Repayable in 36 Monthly installments from 31 Aug 2020	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company

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(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Bank 20	1,187.50	1,937.50	Repayable in 36 Monthly installments from 29 Nov 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank 21	545.45	1,636.36	Repayable in 24 Monthly installments from 30 Sep 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 22	272.73	500.00	Repayable in 24 Monthly installments from 30 Mar 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 23	-	1,420.00	Repayable in 21 Monthly installments Starting From 30 th June 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank 24	2,227.27	5,500.00	Repayable in 24 Months (Monthly installments) starting From 29 th Nov'21 and 15 th Dec'21	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 25	-	2,807.73	Repayable in 12 Months (Monthly installments) starting From 25 th April 2022	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank 26	1,067.45	3,048.65	Repayable in 18 Monthly installments from 16 Mar 2022	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank 27	1,395.50	-	Repayable in 24 Monthly installments from 21 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 28	2,697.87	-	Repayable in 30 Monthly installments from 17 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 29	1,999.97	-	Repayable in 26 Monthly installments from 14 Feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 30	452.06	-	Repayable in 36 Monthly installments from 15 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 31	1,818.19	-	Repayable in 36 Monthly installments from 29 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

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(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Bank 32	1,866.67	-	Repayable in 24 Monthly installments from 30 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 33	-	736.12	Repayable in 18 Monthly installments Starting From 17 th April 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank 34	1,000.00	-	Repayable in 24 Monthly installments from 30 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 35	1,200.00	-	Repayable in 24 Monthly installments from 20 Feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 36	1,238.10	-	Repayable in 27 Monthly installments from 20 May 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 37	550.00	-	Repayable in 36 Monthly installments from 18 Nov 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 38	550.00	-	Repayable in 36 Monthly installments from 18 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 39	566.58	-	Repayable in 36 Monthly installments from 18 Nov 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 40	999.69	-	Repayable in 27 Monthly installments from 30 Apr 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 41	6,400.00	-	Repayable in 36 Monthly installments from 30 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 42	1,749.91	-	Repayable in 24 Monthly installments from 16 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

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(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Bank 43	1,999.41	-	Repayable in 36 Monthly installments from 10 Feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 44	-	989.72	Repayable in 18 Monthly installments Starting From 9 th May 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank 45	1,416.67	-	Repayable in 24 Monthly installments from 24 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 46	1,125.00	-	Repayable in 24 Monthly installments from 27 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 47	1,933.33	-	Repayable in 30 Monthly installments from 31 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 48	1,925.74	-	Repayable in 18 Monthly installments from 16 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 49	3,094.03	-	Repayable in 18 Monthly installments from 07 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 50	2,701.40	-	Repayable in 18 Monthly installments from 28 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank 51	111.66	-	Repayable in 36 Monthly installments from 05 Nov 2022	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank 52	218.26	-	Repayable in Monthly installments from 26 Jun 2022	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank 53	1,979.29	-	Repayable in Monthly installments from 01 Jan 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Bank 54	-	625.00	Repayable in 36 Months quarterly installments starting From 16 April 2018	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

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(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Bank 55	211.98	726.55	Repayable in 35 Monthly installments Starting From 31 st October 2020	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank 56	363.64	727.28	Repayable in 36 Monthly installments from 31 Mar 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Bank 57	-	183.81	Repayable in 24 Months (Monthly installments) starting From 31 May 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Total Term Loans From Banks	54,655.01	38,891.82		
Term Loan From Financial Institution 1	-	1,500.00	Repayable in 2 installments of 35 Crore and 15 Crore on 31 st December 2021 and 31 st July 2022 respectively	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 2	-	285.71	Repayable in 21 Monthly installments starting From 10 July 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 3	87.50	-	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 4	204.17	-	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 5	87.50	-	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 6	112.50	-	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 7	112.50	-	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 8	112.50	-	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

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(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 9	262.50	-	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 10	262.50	-	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 11	262.50	-	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 12	306.25	-	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 13	-	285.71	Repayable in 21 Monthly installments starting From 10 July 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 14	131.25	-	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 15	306.25	-	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 16	131.25	-	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 17	306.25	-	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 18	131.25	-	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 19	306.25	-	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

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(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 20	131.25	-	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 21	306.25	-	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 22	131.25	-	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 23	306.25	-	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 24	-	285.71	Repayable in 21 Monthly installments starting From 10 July 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 25	131.25	-	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 26	350.00	-	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 27	150.00	-	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 28	350.00	-	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 29	150.00	-	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 30	350.00	-	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 31	150.00	-	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 32	350.00	-	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 33	150.00	-	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 34	875.00	-	Repayable in 24 Monthly installments from 04 Jan 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 35	1,313.78	-	Repayable in 24 Monthly installments from 22 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 36	1,149.98	-	Repayable in 24 Monthly installments from 31 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 37	1,102.56	-	Repayable in 24 Monthly installments from 09 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 38	1,357.29	-	Repayable in 18 Monthly installments from 15 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 39	1,047.34	-	Repayable in 18 Monthly installments from 15 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 40	2,021.67	-	Repayable in 18 Monthly installments from 08 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 41	741.15	-	Repayable in 18 Monthly installments from 12 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 42	992.76	-	Repayable in 18 Monthly installments from 19 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 43	3,000.00	-	Repayable in 24 Monthly installments from 23 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 44	4,074.15	-	Repayable in 24 Monthly installments from 07 Nov 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 45	126.39	243.06	Repayable in 36 Months (Monthly installments) starting From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 46	2,000.00	-	Repayable in 24 Monthly installments from 15 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 47	999.48	-	Repayable in 24 Monthly installments from 22 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 48	2,500.00	-	Repayable in 36 Monthly installments from 25 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 49	2,219.43	-	Repayable in 24 Monthly installments from 24 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 50	1,600.00	-	Repayable in 27 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 51	695.00	-	Repayable in 24 Monthly installments from 22 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 52	1,024.89	-	Bullet repayment at end of the transaction	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 53	126.39	243.06	Repayable in 36 Months (Monthly installments) starting From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 54	126.39	243.06	Repayable in 36 Months (Monthly installments) starting From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 55	126.39	243.06	Repayable in 36 Months (Monthly installments) starting From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 56	-	46.45	Repayable in 24 Monthly installments starting From 15 June 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 57	-	46.45	Repayable in 24 Monthly installments starting From 15 June 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 58	875.00	1,458.25	Repayable in 36 Monthly installments starting From 31 January 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 59	54.17	104.17	Repayable in 36 Months (Monthly installments) starting From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 60	54.17	104.17	Repayable in 36 Months (Monthly installments) starting From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 61	54.17	104.17	Repayable in 36 Months (Monthly installments) starting From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 62	54.17	104.17	Repayable in 36 Months (Monthly installments) starting From 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 63	-	41.67	Repayable in 36 Months (Monthly installments) starting From 25 October 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 64	-	41.67	Repayable in 36 Months (Monthly installments) starting From 25 October 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 65	-	34.72	Repayable in 36 Months (Monthly installments) starting From 25 September 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 66	-	34.72	Repayable in 36 Months (Monthly installments) starting From 25 September 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 67	-	34.72	Repayable in 36 Months (Monthly installments) starting From 25 September 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 68	-	34.72	Repayable in 36 Months (Monthly installments) starting From 25 September 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 69	-	750.00	Repayable in 4 Half Yearly installments starting From 31 October 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 70	-	34.72	Repayable in 36 Months (Monthly installments) starting From 25 September 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 71	-	44.34	Repayable in 36 Months (Monthly installments) starting From 15 September 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 72	-	33.33	Repayable in 36 Months (Monthly installments) starting From 25 October 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 73	-	13.04	Repayable in 36 Months (Monthly installments) starting From 15 April 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 74	-	300.00	Repayable in 24 Months (Monthly installments) starting From 10 June 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 75	139.91	280.00	Repayable in 60 Months Half Yearly installments starting From 31 January 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 76	0.46	864.76	Repayable in 20 Months (Monthly installments) starting From 13 September 2021 (pay in date)	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 77	450.00	1,500.00	Repayable in 2 bullet payment over 18 Months (Monthly installments) on 31 October 22 & 30 th April 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 78	-	185.37	Repayable in 36 Months (Monthly installments) starting From 22 August 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 79	-	1,400.00	Repayable in 10 Months (Monthly installments) starting From 10 th January 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 80	1,900.00	3,000.00	Repayable in 30 Months (Monthly installments) starting From 10 th May 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 81	624.85	1,375.00	Repayable in 36 Months (Monthly installments) starting From 10 th May 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 82	175.00	291.67	Repayable in 36 Months (Monthly installments) starting From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 83	75.00	125.00	Repayable in 36 Months (Monthly installments) starting From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 84	175.00	291.67	Repayable in 36 Months (Monthly installments) starting From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 85	75.00	125.00	Repayable in 36 Months (Monthly installments) starting From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 86	175.00	291.67	Repayable in 36 Months (Monthly installments) starting From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 87	75.00	125.00	Repayable in 36 Months (Monthly installments) starting From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 88	175.00	291.67	Repayable in 36 Months (Monthly installments) starting From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 89	75.00	125.00	Repayable in 36 Months (Monthly installments) starting From 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 90	175.00	350.00	Repayable in 24 Months (Monthly installments) starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 91	75.00	150.00	Repayable in 24 Months (Monthly installments) starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 92	175.00	350.00	Repayable in 24 Months (Monthly installments) starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 93	75.00	150.00	Repayable in 24 Months (Monthly installments) starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 94	175.00	350.00	Repayable in 24 Months (Monthly installments) starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 95	75.00	150.00	Repayable in 24 Months (Monthly installments) starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 96	175.00	350.00	Repayable in 24 Months (Monthly installments) starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 97	75.00	150.00	Repayable in 24 Months (Monthly installments) starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 98	175.00	350.00	Repayable in 24 Months (Monthly installments) starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 99	75.00	150.00	Repayable in 24 Months (Monthly installments) starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 100	175.00	350.00	Repayable in 24 Months (Monthly installments) starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 101	75.00	150.00	Repayable in 24 Months (Monthly installments) starting From 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 102	1,021.44	1,988.32	Repayable in 30 Months (Monthly installments) starting From 06 September 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 103	1,107.36	2,063.88	Repayable in 30 Months (Monthly installments) starting From 05 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 104	285.71	500.00	Repayable in 24 Months (Monthly installments) starting From 15 April 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 105	285.71	500.00	Repayable in 24 Months (Monthly installments) starting From 15 April 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 106	255.43	766.30	Repayable in 24 Months (Monthly installments) starting From 31 st October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 107	397.70	2,986.52	Repayable in 15 Months (Monthly installments) starting From 15 April 2022-Pay in date	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 108	367.73	1,782.08	Repayable in 17 Months (Monthly installments) starting From 24 April 2022-Pay in date	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 109	-	285.71	Repayable in 21 Monthly installments starting From 10 July 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 110	357.14	-	Repayable in 24 Monthly installments from 01 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 111	357.14	-	Repayable in 24 Monthly installments from 01 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 112	404.76	-	Repayable in 24 Monthly installments from 31 Jul 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 113	323.81	-	Repayable in 24 Monthly installments from 31 Jul 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 114	1,200.00	-	Repayable in 27 Monthly installments from 15 Feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 115	204.17	-	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 116	87.50	-	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 117	204.17	-	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 118	87.50	-	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 119	204.17	-	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 120	-	13.07	Repayable in 36 monthly installments starting from 15 April 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 121	477.08	855.83	Repayable in 30 monthly installments starting from 30 September 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 122	125.00	375.00	Repayable in 24 monthly installments starting from 04 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 123	125.00	375.00	Repayable in 24 monthly installments starting from 18 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 124	130.43	391.30	Repayable in 24 monthly installments starting from 18 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 125	285.71	500.00	Repayable in 24 monthly installments starting from 16 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 126	285.71	500.00	Repayable in 24 monthly installments starting from 16 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 127	243.06	350.00	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 128	104.17	150.00	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 129	243.06	350.00	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 130	104.17	150.00	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 131	-	424.66	Repayable in 36 monthly installments starting from 22 July 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 132	1,259.54	-	Repayable in 18 monthly installments starting from 01 August 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 133	428.57	-	Repayable in 24 monthly installments starting from 27 September 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 134	428.57	-	Repayable in 24 monthly installments starting from 27 September 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 135	900.00	-	Repayable in 24 monthly installments starting from 28 December 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 136	1,200.00	-	Repayable in 36 monthly installments starting from 31 December 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 137	2,293.58	-	Repayable in 21 monthly installments starting from 16 March 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 138	-	41.67	Repayable in 36 monthly installments starting from 04 October 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 139	-	41.67	Repayable in 36 monthly installments starting from 04 October 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 140	-	41.67	Repayable in 36 monthly installments starting from 04 October 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 141	-	41.67	Repayable in 36 monthly installments starting from 04 October 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 142	145.83	395.83	Repayable in 27 monthly installments starting from 30 July 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 143	145.83	395.83	Repayable in 27 monthly installments starting from 30 July 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 144	408.29	795.31	Repayable in 30 monthly installments starting from 06 August 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Total Term Loan From Financial Institution	58,541.14	37,027.98		
Loans repayable on demand from banks				
Cash Credit Facility From Bank 1	90.32	94.32	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed and Bank Deposit.
Cash Credit Facility From Bank 2	-	178.52	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.
Cash Credit Facility From Bank 3	-	339.63	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed and Bank Deposit.
Cash Credit Facility From Bank 4	633.19	905.95	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Cash Credit Facility From Bank 5	-	37.29	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.
Overdraft facility on Fixed Deposit 1	2,832.66	-	-	Secured by a first and exclusive charge Bank Deposits
Overdraft facility on Fixed Deposit 2	2,301.47	-	-	Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft facility on Fixed Deposit 3	2,365.99	-	-	Secured by a first and exclusive charge Bank Deposits
Overdraft facility on Fixed Deposit 4	3,978.82	-	-	Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft facility on Fixed Deposit 5	2,851.90	-	-	Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft facility on Fixed Deposit 6	792.23	-	-	Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft facility on Fixed Deposit 7	370.94	-	-	Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft facility on Fixed Deposit 8	1,350.03	-	-	Secured by a first and exclusive charge on specific Fixed Deposits
Total Loans repayable on demand from banks	17,567.56	1,555.71		

12. Subordinated Liabilities

	As at March 31, 2023	As at March 31, 2022
Liability component of Optionally Convertible Redemption Preference Shares (Refer Note 18.2)		
3,10,972 10% OCRPS issued at face value at ₹10 each on 28 th September 2022	3,858.45	-
Unsecured		
15%, Unsecured Subordinated Term Loan in India	2,500.00	2,500.00
Unsecured Subordinated Debt outside India	-	-
Total	6,358.45	2,500.00

Notes Forming Part of the Consolidated Financial Statements

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(All amounts are in Lakhs unless otherwise stated)

12.1 Details of terms of Redemption/ Repayment of Subordinated Liabilities:

Sr No	Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
1	Subordinated Term Loan From Bank 1	500.00	500.00	Single Bullet Payment at the end of 84 Months from 23 rd June, 2017	Unsecured
2	Subordinated Term Loan From Bank 2	1,000.00	1,000.00	Single Bullet Payment at the end of 84 Months from 23 rd June, 2017	Unsecured
3	Subordinated Term Loan From Bank 3	1,000.00	1,000.00	50% Payment at the end of 66 Months from 30 th Nov,2021 & remaining 50% Payment at the end of 72 Months from 30 th Nov,2021	Unsecured

13. Other Financial Liabilities

	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on Borrowings	1,267.65	943.65
Interest Payable on CCD	180.65	-
Payable to Employees	560.25	444.43
Other Insurance Payable	87.92	192.01
Hospicash Insurance Payable	476.88	-
Micro Insurance Payable	1,195.17	759.26
Security deposits received from Borrowers	27.92	26.90
CSR Payable	8.26	51.91
Other expenses payable	62.41	16.84
Unpaid dividend	11.74	15.27
Payable toward assignment and transactions	1,639.56	639.71
Lease Liability - Right of Use Assets	110.99	136.82
Total	5,629.41	3,226.80

13.1 Unpaid dividend outstanding as on March 31, 2023 is not due for transfer to investor education and protection fund by the Company.

14. Provisions

	As at March 31, 2023	As at March 31, 2022
Provisions for employee benefits - Gratuity	199.71	115.74
Total	199.71	115.74

15. Current Tax (Net)

	As at March 31, 2023	As at March 31, 2022
Advance Tax and TDS	4,444.95	2,802.45
Less: Provision for Tax	(4,904.50)	(3,076.68)
Total	(459.56)	(274.23)

Notes Forming Part of the Consolidated Financial Statements

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(All amounts are in Lakhs unless otherwise stated)

16 Other Non Financial Liabilities	As at March 31, 2023	As at March 31, 2022
Other statutory dues	97.98	69.45
TDS payable	257.72	61.00
Total	355.70	130.45

17 Equity Share Capital	As at March 31, 2023	As at March 31, 2022
Authorized Shares		
1,40,00,000 Equity Shares of ₹10/- each (As at March 31, 2022: 1,50,00,000 Equity Shares of ₹10/- each): 1,50,00,000 Equity Shares of ₹10/- each)	1,400.00	1,500.00
Total	1,400.00	1,500.00
Issued, subscribed and fully paid-up shares:		
8492334 Equity Shares of (As at March 31, 2022: 84,91,584 Equity Shares) of ₹10/- each fully paid up (Ordinary)	849.23	849.16
Total	849.23	849.16

17.1 The reconciliation of the number of shares outstanding and the amount of ordinary equity share capital as at March 31, 2023 & March 31, 2022 is set out below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	(₹ In Lakhs)	No. of Shares	(₹ In Lakhs)
Ordinary Equity Shares:				
Outstanding at the beginning of the year	84,91,584	849.16	84,88,384	848.84
Issued during the year	750	0.08	3,200	0.32
Outstanding at the end of the year	84,92,334	849.23	84,91,584	849.16

17.2 Details of shareholders holding more than 5 % of ordinary shares of the Company are as follows:

Class of shares / Name of shareholder	March 31, 2023		March 31, 2022	
	Number of shares held"	% holding in that class of shares	Number of shares held	% holding in that class of shares
Jayendrabhai Patel	4,27,937	5.04%	4,27,937	5.04%
Ritaben Patel	4,36,089	5.14%	4,36,089	5.14%
Mukul Agrawal	4,00,000	4.71%	4,29,262	5.06%
Elevation Capital V Limited	18,90,417	22.26%	18,90,417	22.26%
Namra Holdings & Consultancy Services LLP	9,48,308	11.17%	9,48,308	11.17%

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

17.3 Shares reserved for issue under options

For details of shares reserved for issue under the Employees Stock Option Plan (ESOP) refer note 38.

17.4 Terms / rights attached to equity shares

In respect of Ordinary Equity Shares having face value of ₹10/-. Each holder of Ordinary Equity Share is entitled to 1 vote per share.

In the event of liquidation of the Company, the holders of both type of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by shareholders.

18. Other Equity (Refer Note 18.1)	As at March 31, 2023	As at March 31, 2022
A. Reserves and Surplus		
i. General Reserve		
Balance as per last financial statement	151.35	140.35
Add: Transfer from statement of profit and loss	11.00	11.00
Closing Balance	162.35	151.35
ii. Special Reserve u/s 45-IC of the RBI Act, 1934		
Balance as per last financial statement	3,176.30	2,482.30
Add: Transfer from statement of profit and loss	1,912.00	694.00
Closing Balance	5,088.30	3,176.30
iii. Securities Premium		
Balance as per last financial statement	6,897.96	6,885.98
Add: Share Premium on shares issued during the year	5.41	11.98
Less: Share Issue Expenses	-	-
Closing Balance	6,903.37	6,897.96
iv. Share Based Payment Reserve		
Balance as per last financial statements	12.10	14.58
Add/(Less): Stock option expenditure for the year	16.76	15.00
Less: amount transferred towards option expired unexercised	-	6.77
Less: Reversal of ESOP reserve on exercised option of stock option	5.11	10.70
Closing Balance	23.75	12.10
v. Surplus in the Statement of Profit and Loss		
Balance as per last financial statement	10,411.66	7,944.38
Add : Profit for the year	9,381.13	3,172.28
Less: Appropriations	-	-
Amount transferred to General Reserve	(11.00)	(11.00)
Amount transferred to Special Reserve u/s 45-IC of RBI Act, 1934	(1,912.00)	(694.00)
Closing Balance	17,869.78	10,411.66

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

18. Other Equity (Refer Note 18.1) (contd..)	As at March 31, 2023	As at March 31, 2022
B. Other Comprehensive Income		
Balance as per last financial statement	(229.92)	360.05
Additions during the year	(480.87)	(589.97)
Closing Balance	(710.79)	(229.92)
C. Equity Component of Financial Instruments		
i. Equity Component of Compulsory Convertible Debentures		
Balance as at the beginning of the period	-	-
Additions during the year	6,146.73	-
Closing Balance	6,146.73	-
ii. Equity component of Optionally Convertible Redeemable Preference shares		
Balance as at the beginning of the period	-	-
Transactions with owners in their capacity as owners	236.33	-
Closing Balance	236.33	-
Total	35,719.82	20,419.45

18.1 Nature and Purpose of Reserve

1 Reserve u/s. 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934"):

Reserve u/s 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2 Securities premium:

Security premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

3 Surplus in the statement of profit and loss:

Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. These reserves are free reserves which can be utilised for any purpose as may be required.

4 FVOCI - loans and advances:

The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity.

5 FVOCI - Remeasurement of the defined benefit liabilities:

Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any.

6 General reserve:

The Company has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

7 Share Based Payment Reserve:

The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option plan.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

18.2 Disclosures in relation to Compound Instruments:

1 Term of conversion of Compulsory Convertible Debenture

The CCDs shall be converted into equity shares on the earlier of following events:

- (i) the Investor electing to convert the CCDs into equity shares by issuing a conversion notice to the Company; and
- (ii) the date of expiry of 18 (eighteen) months from the date of allotment of CCDs (28th September 2022).

It shall be convertible into equity shares at a conversion price of ₹1,230/- per share at a price being not lower than the minimum price calculated under the SEBI Regulations.

2 Disclosures for Optionally Convertible Redeemable Preference shares

A Preference Share Capital	As at March 31, 2023	As at March 31, 2022
Authorized Shares		
10,00,000 Preference Shares of ₹10/- each (As at March 31, 2022: Nil Preference Shares of ₹10/- each)	100.00	Nil
Total	100.00	Nil
B Issued, subscribed and fully paid-up shares:		
3,10,972 Preference Shares of ₹10/- each (As at March 31, 2022: Nil Preference Shares of ₹10/- each)	31.10	Nil
Total	31.10	Nil

C The reconciliation of no. of preference shares outstanding & amount of preference share capital as at March 31, 2023 & March 31, 2022 is set out below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Ordinary Preference Shares:				
Outstanding at the beginning of the year	Nil	Nil	Nil	Nil
Issued during the year	3,10,972	31.10	Nil	Nil
Outstanding at the end of the year	3,10,972	31.10	Nil	Nil

D Details of shareholders holding more than 5 % of preference shares of the Company are as follows:

Class of shares / Name of shareholder	March 31, 2023		March 31, 2022	
	Number of shares held"	% holding in that class of shares	Number of shares held	% holding in that class of shares
Pratul Krishnakant Shroff	81,300	26.14%	-	0.00%
RRM Enterprises Private Limited	40,650	13.07%	-	0.00%
Sandeep Kapadia	40,650	13.07%	-	0.00%
Amlan Hasmukh Shah and Minoti	24,390	7.84%	-	0.00%
Fundscorner Fintech Solutions Private Limited	22,357	7.19%	-	0.00%
Rajiv Narpatmal Bhandari	20,325	6.54%	-	0.00%
Himanjana Ramesh Patel	16,260	5.23%	-	0.00%

Notes Forming Part of the Consolidated Financial Statements

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(All amounts are in Lakhs unless otherwise stated)

E Equity shares reserved for issue under option to convert Optionally Convertible Redeemable Preference shares to equity shares

Particulars	As at March 31, 2023	As at March 31, 2022
Equity shares reserved for issue under option	3,10,972	Nil

F Terms / rights attached to preference shares

The Company has preference shares having a par value of ₹ 10/- per share. Preference shares shall carry voting rights as prescribed under the provisions of the Companies Act, 2013 and/or the Articles. The preference share shall carry a cumulative right of dividend at a fixed amount of ₹123/- (Indian Rupees One Hundred and Twenty Three only) per annum out of the profits of the Company and the payment of such dividend shall have priority over any dividend rights of the equity shares of the Company. The preference shares shall carry a preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment of capital. The OCRPS shall not be entitled to participate in the surplus funds, surplus assets and profits of the Company on winding up, which may remain after the entire capital has been repaid.

G Terms of conversion attached to Optionally Convertible Redeemable Preference shares

The OCRPS, upon issue, will be convertible into equivalent number of equity shares of ₹10/- (Indian Rupees Ten only) at the option of the Proposed Allottee within a period not exceeding 18 (eighteen) months from the Allotment Date (i.e., 28th September 2022). The right to seek conversion of the OCRPS can be exercised by the Proposed Allottee, at its discretion, in respect of all or some OCRPS held by it.

H Terms of redemption of preference shares

In the event the Allottee chooses not to convert the OCRPS within 18 (eighteen) months from the Allotment Date, such OCRPS will be redeemed in the following manner:

- At the option of the Proposed Allottee, all or some of the OCRPS can be redeemed, by providing a written notice to the Company within 15 (fifteen) business days from the expiry of 18 (eighteen) months from the Allotment Date.
- If the option under (i) has not been exercised by the Proposed Allottee, then, all or some of the OCRPS can be redeemed at the option of the Proposed Allottee, by providing a written notice to the Company within 15 (fifteen) business days from the expiry of 24 (twenty four) months from the Allotment Date.
- If the option under (i) or (ii) has not been exercised by the Proposed Allottee, then, all but not less than all of the OCRPS shall be compulsorily redeemed by the Company, within a period of 30 (thirty) days from the expiry of 36 (thirty six) months from the Allotment Date.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

19. Interest Income (Amortised Cost)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost
Interest on Loans	37,213.00	-	21,560.69	-
Interest on Deposits as Security	-	1,459.03	-	496.02
Total	37,213.00	1,459.03	21,560.69	496.02
Total Interest		38,672.03		22,056.71

20. Gain on Assignment of Financial Assets

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Gain on Assignment of Assets (Net of Expense)	1,877.61	579.07
Total	1,877.61	579.07

21. Fees and Commission Income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Loan Processing fees Income	1,187.79	598.99
Service Fees and facilitation Charges	318.27	-
Other Fees and Charges	134.07	99.28
Total	1,640.12	698.28

22. Net Gain on Fair Value Changes

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Income from Investment in Mutual Fund- Fair value through Profit & Loss	0.86	17.69
Net Gain/(Loss) on fair value of derivative contracts measured at fair value through profit or loss	(8.12)	2.09
Profit on Sale of Investment	207.62	146.72
Total	200.36	166.50

23. Other Income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Others	0.34	0.00
Total	0.34	0.00

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(All amounts are in Lakhs unless otherwise stated)

24. Finance Costs (on financial liabilities measured at amortized cost)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Borrowings	11,268.35	5,952.69
Interest on Debt Securities	2,878.87	2,061.73
Interest on Subordinated Liabilities	375.00	273.54
Other interest expense	1,549.61	150.67
Other Borrowing Costs	1,117.78	494.52
Interest Expenses on Lease Liability	10.01	11.88
Total	17,199.63	8,945.03

25. Impairment of Loan Assets (on financial assets measured at FVOCI)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Bad debts written off (Net)	4,284.92	2,464.55
Expected Credit Loss (Net)	188.30	1,268.63
Total	4,473.22	3,733.18

25.1 Details of Expected Credit Loss on loans and Interest Receivable on Credit Impaired Asset please Refer Note 3.2 and 5.2 of Financial Statement.

26. Employee Benefit Expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	4,902.89	3,774.95
Contribution to provident and other funds	362.41	266.80
Gratuity	45.58	34.18
Staff welfare expenses	154.41	109.34
Total	5,465.29	4,185.26

26.1 Employee Benefit Plan:

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

a) Defined contribution plan:

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹ 0 Lakhs (March 31, 2022: ₹ 0 Lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense

b) Defined benefit plan:

Financial assets not measured at fair value:

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

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The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk.

These are discussed as follows:"

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan required under Ind AS 19 is an under:

Reconciliation of opening and closing balances of defined benefit obligation	Year ended March 31, 2023	Year ended March 31, 2022
Opening Defined Benefit Obligation	117.44	90.28
Transfer in/(out) obligation	-	-
Current service cost	39.43	29.67
Interest cost	6.96	5.04
Components of actuarial gain/losses on obligations:	-	-
Due to Change in financial assumptions	(8.64)	(2.22)
Due to change in demographic assumption	-	-
Due to experience adjustments	54.19	(3.12)
Past service cost	-	-
Loss (gain) on curtailments	-	-

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(All amounts are in Lakhs unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Reconciliation of opening and closing balances of defined benefit obligation (Contd..)		
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(9.64)	(2.23)
Closing Defined Benefit Obligation	199.73	117.44
II Reconciliation of plan assets	Year ended March 31, 2023	Year ended March 31, 2022
Opening value of plan assets	1.69	0.73
Transfer in/(out) plan assets	-	-
Expense deducted from the fund	-	-
Interest Income	0.81	0.54
Return on plan assets excluding amounts included in interest income	(1.06)	(3.06)
Assets Distributed on settlements	-	-
Contribution by the company	-	5.70
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange difference on foreign plans	-	-
Benefits paid	(1.43)	(2.23)
Fair value of plan assets at the end of the year	0.02	1.69
III Reconciliation of net defined benefit liability	Year ended March 31, 2023	Year ended March 31, 2022
Net opening provision in books of accounts	115.74	89.55
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense as per Note 26	45.58	34.18
Amounts recognized in Other Comprehensive Income	46.60	(2.28)
	207.93	121.44
Benefits paid by the Company	(7.41)	(3.70)
Contributions to plan assets	(0.80)	(2.00)
Closing provision in books of accounts	199.71	115.74

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(All amounts are in Lakhs unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
IV Composition of plan assets		
Government of India Securities	0.00%	0.00%
High quality corporate bonds	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Policy of Insurance	100.00%	100.00%
Total	100.00%	100.00%
V Expense recognised during the year	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	39.43	29.67
Interest cost	6.15	4.50
Past service cost	-	-
Expense recognised in the statement of profit and loss	45.58	34.18
VI Other comprehensive income	Year ended March 31, 2023	Year ended March 31, 2022
Components of actuarial gains/losses on obligations:		
Due to change in financial assumptions	(8.64)	(2.22)
Due to change in demographic assumption	-	-
Due to experience adjustments	54.19	(3.12)
Return of plan assets excluding amounts included in interest income	1.06	3.06
Components of defined benefits cost/(income) recognised in other comprehensive income	46.60	(2.28)
VII Principal actuarial assumptions	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate (per annum)	6.40%	6.00%
Rate of return on plan assets (per annum)	6.00%	6.00%
Annual increase in salary cost	6.00%	6.00%
Withdrawal rates per annum		
25 and below	25%	25%
26 to 35	25%	25%
36 to 45	20%	25%
46 to 55	10%	5%
56 and above	5%	5%

The discount rate is based on the prevailing market yield of government of India's bond as at the balance sheet date for the estimated terms of the obligations

Notes Forming Part of the Consolidated Financial Statements

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(All amounts are in Lakhs unless otherwise stated)

VIII) Sensitivity analysis

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +0.5%)	204.43	195.26	120.48	114.55
(% change compared to base due to sensitivity)	2.35%	-2.24%	2.75%	-2.61%
Salary growth rate (- / + 0.5%)	195.20	204.44	114.53	120.47
(% change compared to base due to sensitivity)	-2.27%	2.35%	-2.62%	2.74%
Withdrawal rate (W.R.) (W.R.*x 90%/W.R.x 110%)	203.09	196.39	120.68	114.34
(% change compared to base due to sensitivity)	1.68%	-1.67%	3.28%	-3.10%

IX) Asset liability matching strategies

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

X) Effect of plan on the company's future cash flows

a) Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity analysis of defined benefit obligation

The Weighted Average Duration (Years) as at valuation date is 4.96 years.

Particulars	Cash flows (₹)	Distributions (%)
1 st Following year	38.02	12.54%
2 nd Following year	30.77	10.15%
3 rd Following year	28.04	9.25%
4 th Following year	26.69	8.81%
5 th Following year	25.19	8.31%
Sum of years 6 to 10	80.39	26.52%

The future accrual is not considered in arriving at the above cash-flows

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

XI) The expected contribution for the next year is ₹72.75 Lakhs

27. Depreciation and Amortisation

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of Property, Plant & Equipment	77.68	59.08
Amortization of Right of use Asset	27.90	27.90
Amortisation of Intangible Asset	9.91	8.30
Total	115.49	95.27

28. Other Expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Electricity & fuel charges	58.02	46.12
Repairs to Building	41.12	16.11
Insurance	25.32	31.18
Collection Expense	50.55	34.39
Rent	355.96	300.69
Rates & taxes	45.42	23.66
Bank Charges	26.04	40.19
Stationery & printing	102.47	82.49
Advertisement expenses	0.87	0.69
Communication	63.64	82.45
Traveling & conveyance expenses	1,004.76	747.53
Professional fees	439.76	267.87
Auditor's Remuneration		
Audit fees	15.72	13.81
For Tax Audit	1.00	0.75
For certification	0.32	1.18
For Others	3.60	5.30
	20.63	21.03
Corporate social responsibility expenditure (Refer Note 32)	108.15	64.52
Director sitting fees	7.93	7.80
Marketing & incentive expenses	88.88	91.61
Loss/(Gain) due To Moratorium Recognised at Effective Interest Rate Method	-	(39.73)
Net Loss on Derecognition of Property, Plant & Equipment	-	0.57
General charges (including security charges & membership fees etc.)	201.94	170.81
Total	2,641.47	1,989.99

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

29. Tax Expenses

The Components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax	2,832.90	1,495.10
Adjustment in respect of current tax of prior years	15.10	0.28
Deferred tax	266.24	(115.84)
Total Tax Expense	3,114.24	1,379.54
Total tax charge		
Current Tax	2,848.00	1,495.38
Deferred Tax	266.24	(115.84)

29.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2023 and March 31, 2022 is, as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax expense	12,495.37	4,551.82
Income tax rate %	25.168%	25.168%
Computed tax expense	3,144.83	1,145.60
Tax effect of :		
Exempted Items	(419.34)	256.33
Additional deduction	(265.62)	(114.97)
Non Deductible items	178.15	10.04
Adjustment on Account of Change in Tax Rate	1.69	0.07
Others	474.53	82.46
Tax expense Recognised in the Statement of Profit and Loss	3,114.24	1,379.54
Effective Tax Rate	24.92%	30.31%

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

30. Earning Per Share:

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
Numerator used for calculating Basic Earning per share (PAT)	₹ In Lakhs	9,381.13	3,172.28
Dilutive impact of Employee Share Options Scheme	₹ In Lakhs	-	-
Dilutive impact of Compulsorily Convertible Debentures	₹ In Lakhs	73.54	-
Dilutive impact of Optionally Convertible Redeemable Preference Shares	₹ In Lakhs	-	-
Numerator used for calculating Diluted Earning per share (PAT)	₹ In Lakhs	9,454.67	3,172.28
Weighted average no. of shares used as denominator for calculating basic earnings per share	Shares in Lakhs	84.92	84.90
Effect of dilution:			
Dilutive impact of Employee Share Options Scheme	Shares in Lakhs	0.04	0.03
Dilutive impact of Compulsorily Convertible Debentures	Shares in Lakhs	3.16	-
Dilutive impact of Optionally Convertible Redeemable Preference Shares	Shares in Lakhs	-	-
Weighted average no. of shares used as denominator for calculating diluted earnings per share	Shares in Lakhs	88.13	84.93
Nominal value per Share	In ₹	10.00	10.00
Basic earnings per share	In ₹	110.47	37.36
Diluted earnings per share	In ₹	107.28	37.35

31. Contingent liabilities not provided for:

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Contingent liabilities		
(A) Guarantees given on behalf of subsidiary company : (Refer note below)		
Amount of guarantees	48,280.00	23,850.00
Amount of loans outstanding	38,212.19	12,663.87
(B) Disputed Demand of Tax		
i) Income Tax Act	613.24	762.22
ii) TDS	-	-

Notes:

Guarantees are given by the Company to various banks and Financial Institution on behalf of Subsidiary company for the loan taken and accordingly, the same has been shown as contingent liability.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

32. Corporate Social Responsibility ("CSR") expenses:

The gross amount required to be spent by the Group during the year towards CSR is ₹74.04 Lakhs (March 31, 2022: 63.01 Lakhs) as per section 135 of the Act. Details of amount spent towards CSR as below:

Sr. No.	Particulars	In Cash	Transferred to unspent CSR a/c U/s 135(6)	Yet to be paid in Cash	Total
1	Construction/ acquisition of assets	-	-	-	-
2	Other purpose (Other than 1 above)	74.04	-	-	74.04

33. Leasing Arrangements:

The Group has entered into lease and license agreements for taking office premises along with furniture and fixtures as applicable and Branch premises on rental basis ranging from 11 to 60 months. The Company has given refundable, interest free security deposits under certain agreements. Certain agreements contain provision for renewal and further there are no sub-leases.

I. Amount Recognized in Statement of Profit and Loss:

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
i) Expenses related to Short Term Lease	355.96	300.68
ii) Lease Expenses (Interest Expense - Finance Cost)	11.01	11.88
iii) Depreciation charge for right-of-use assets	27.90	27.90
Total	394.87	340.46

II. Amounts recognised in statement of cash flows (including Interest Component)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Total cash outflow for leases	35.84	32.94

III. Additions to right-of-use assets

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Addition to Right of used assets added	-	90.68

IV. Maturity analysis of lease liabilities

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Maturity Analysis of contractual undiscounted cash flows:		
Within one year	36.80	35.84
After one year but not more than five years	91.98	130.36
More than five years	-	-
Total undiscounted lease liabilities as at March 31, 2021	128.78	166.20
Balances of Lease Liabilities		
Non-Current	82.03	110.99
Current	28.97	25.83
Total Lease Liability	111.00	136.82

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

34. Segment Reporting:

Operating segment are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Group are in India. All non-current assets of the Group are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

35. Related Party Disclosures as required by IND AS 24 - Related Party Disclosure:

List of related parties with whom transactions have taken place during the year:

A) Key Managerial Personnel

Mr. Jayendra Patel (Vice Chairman & Managing Director)
 Mr. Aalok Patel (Joint Managing Director)
 Mr. Vivek Modi (Chief Financial Officer)
 Mr. Jaimish Patel (Company Secretary)

B) Non-Executive Directors and Relatives of Key Managerial Personnel

Name of Party	Related party Relationship
Mr. Alok Prasad	Independent Director
Mr. K. D. Shah	Independent Director (upto 12-08-2021)
Mr. Yash K Shah	Independent Director
Mr. Ramakant Nagpal	Independent Director
Mrs. Geetaben Solanki	Independent Director
Mrs. Ritaben Patel	Non Executive Director
Mr. Aakash Patel	Non Executive Director
Jayendra Patel (HUF)	Key Managerial personnel is Karta
Mrs. Sajni Patel	Relative of Key Managerial Personnel
Aalok Patel (HUF)	Key Managerial personnel is Karta
Aakash Patel (HUF)	Director is Karta

C) List of entities in which KMP have control or significant influence with whom transactions have occurred during the year

Namra Holdings & Consultancy Services LLP	Key Managerial Personnel is partner
Raj Enterprise	Key Managerial personnel is proprietor
J. B. Patel & Co.	Key Managerial personnel is co-owner
Arman Foundation	Key Managerial personnel is Trustee

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

D) Details of Transactions with related parties carried out in the ordinary course of business:

Particulars	Year Ended March 31, 2023			Total
	Key Managerial Personnel	Director and Relatives of person who has control or significant influence on KMP	Entities in which KMP have control or significant influence	
Expenses				
Remuneration & perquisites Paid	140.20	-	-	140.20
Sitting fees	-	7.90	-	7.90
Interest expenses	25.78	89.22	80.91	195.92
Rent paid	-	22.18	-	22.18
CSR Expenses	-	-	30.91	30.91
Unsecured Loan				
Unsecured Loan Taken	358.58	2,246.84	2,504.71	5,110.13
Unsecured Loan Repaid (Including Interest)	384.36	2,336.06	2,585.62	5,306.04
	Year Ended March 31, 2022			
Particulars	Key Managerial Personnel	Director and Relatives of person who has control or significant influence on KMP	Entities in which KMP have control or significant influence	Total
Expenses				
Remuneration & perquisites Paid	117.76	-	-	117.76
Sitting fees	-	7.80	-	7.80
Interest expenses	4.61	74.05	35.60	114.26
Rent paid	-	21.13	-	21.13
Dividend paid	-	-	-	-
Unsecured Loan				
Unsecured Loan Taken	43.80	579.83	515.00	1,138.63
Unsecured Loan Repaid (Including Interest)	48.81	653.88	550.60	1,253.29

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

E) List of transactions, out of the transaction reported in the above table, where the transaction entered into with single party exceeds 10% of the total related party transactions of similar nature are as under:

Unsecured loan taken

SRN	Name of relative	2022-23	2021-22
1	Aakash Patel (HUF)	210.24	189.58
2	Aalok PATEL	106.62	-
3	Aalok PATEL (HUF)	2.07	-
4	Jayendra Patel	251.96	41.50
5	Jayendra Patel (HUF)	24.23	121.00
6	Namra Holdings & Consultancy Services LLP	2,474.30	515.00
7	Raaj Enterprise	30.41	-
8	Ritaben Patel	110.30	240.25

Unsecured loan repayments

SRN	Name of relative	2022-23	2021-22
1	Aakash Patel (HUF)	238.48	216.18
2	Aalok PATEL	107.49	-
3	Aalok PATEL (HUF)	2.35	-
4	Jayendra Patel	276.87	45.76
5	Jayendra Patel (HUF)	27.42	135.88
6	Namra Holdings & Consultancy Services LLP	2,551.26	550.60
7	Raaj Enterprise	34.36	-
8	Ritaben Patel	119.71	268.77

Remuneration & Perquisites Paid:

SRN	Name of relative	2022-23	2021-22
1	Aalok Patel	40.02	35.00
2	Jaimish Patel	10.83	6.81
3	Jayendra Patel	56.27	50.63
4	Vivek Modi	33.08	26.40

Interest expenses

SRN	Name of relative	2022-23	2021-22
1	Aakash Patel (HUF)	28.24	26.59
2	Aalok Patel	0.87	-
3	Aalok Patel (HUF)	0.28	-
4	Jayendra Patel	24.91	-
5	Jayendra Patel (HUF)	3.19	14.88
6	Namra Holdings & Consultancy Services LLP	125.06	35.60
7	Raaj Enterprise	3.95	-
8	Ritaben Patel	9.41	28.52

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Sitting fees

SRN	Name of relative	2022-23	2021-22
1	Alok Prasad	2.13	1.72
2	Geetaben Solanki	0.83	0.85
3	K. D. Shah	-	0.57
4	Ramakant Nagpal	2.20	2.52
5	Ritaben Patel	1.35	1.15
6	Yash Shah	1.40	0.97

Rent paid

SRN	Name of relative	2022-23	2021-22
1	J. B. Patel & Co.	0.21	0.21
2	Ritaben Patel	17.62	16.78
3	Mrs. Sajni Patel	2.17	-
4	Aakash Patel (HUF)	2.17	-

CSR Expenses

SRN	Name of relative	2022-23	2021-22
1	Arman Foundation	30.91	-

F) Outstanding Credit Balance of Salary Payable as Follows

SRN	Name of relative	2022-23	2021-22
1	Jayendra Patel	2.47	0.83
2	Aalok Patel	1.49	4.64
3	Vivek Modi	1.17	2.20
4	Jaimish Patel	0.84	0.48

H) Key managerial personnel who are under the employment of the Group are entitled to post employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Post-employment benefits	7.78	2.05
Share Based Payment	-	-
Total	7.78	2.05

36. There have been no events after the reporting date that require disclosure in these financial statements.

37. Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The disclosure as required by section 22 of MSMED Act has been given below:

Notes Forming Part of the Consolidated Financial Statements

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(All amounts are in Lakhs unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount payable to suppliers as at year end	-	-
Interest due thereon as at year end	-	-
Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates.	-	-
Amount of delayed payment actually made to suppliers during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

38. Stock Option Scheme

The Group has instituted 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016' ("ESOP 2016"), pursuant to the approval of the shareholders of the company at their annual general meeting held on September 22, 2016.

During the year ended March 31, 2023, Group has granted 4,500 new stock options (P.Y. 2,000) under the scheme of 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016' ("ESOP 2016"). The details are as under.

Details of grant and exercise of such options are as follows:

Scheme	ESOP-2016										
	ESOP-2016 -1		ESOP-2016 -2		ESOP-2016 -3	ESOP-2016 -4	ESOP-2016 -5	ESOP-2016 -6			
No. of options granted	97,500		9,000		2,500	3,500	2,000	4,500			
Date of grant	May 26, 2017		May 25, 2018		October 13, 2018	Feb 12, 2021	Feb 14, 2022	Feb 14, 2023			
No of Employees	55		3		1	6	2	2			
Financial Year (F.Y.)	F.Y. 2018-19	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2022-23	F.Y. 2022-23	F.Y. 2022-23
No. of employees who have exercised the option	49	48	45	2	2	2	1	1	5	-	-
No. of options exercised	27,645	26,595	34,340	2,400	2,400	3,200	750	750	750	-	-

Notes Forming Part of the Consolidated Financial Statements

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(All amounts are in Lakhs unless otherwise stated)

Particulars	ESOP 2016
Date of Grant	May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; February 14, 2022 and February 14, 2023
Date of board meeting, where ESOP were approved	11-Aug-16
Date of committee meeting where grant of options were approved	May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; February 14, 2022 and February 14, 2023
Date of Shareholder's approval	September 22, 2016
No. of options granted	1,19,000 out of 1,25,000
Method of Settlement	Through allotment of one equity share for each option granted
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Group at the time of exercise of options.
Vesting period	Option will be vested at the End of Year from the Grant Date:- 1 – 30% End of Year 2 – 30% End of Year 3 – 40% End of Year
	Subject to lock in period of one year from the date of transfer of shares and other terms as stipulated in the Scheme and prescribed under the law in force.
Exercise period	It shall commence from the date of vesting of options and expire not later than 3 months from the vesting date of each grant of options

Details of Vesting and Exercise of Options (ESOP 2016):

Vesting Date	Vested Options	No of Option Exercised
May 26, 2018	29,250	27,645
May 25, 2019	2,700	2,400
May 26, 2019	28,485	26,595
October 13, 2019	750	750
May 25, 2020	34,660	34,340
May 26, 2020	2,400	2,400
October 13, 2020	750	750
May 24, 2021	3,200	3,200
February 14, 2022	1,050	750

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

The following table sets forth a summary of ESOP 2016:

Particulars	2022-23	2021-22
Options		
Outstanding at the beginning of the year	4,500	7,700
Vested but not exercised at the beginning of the year	-	-
Granted during the year	4,500	2,000
Forfeited during the year	-	2,000
Exercised during the year	750	3,200
Expired during the year	-	-
Outstanding at the end of the year	8,250	4,500
Exercisable at the end of the year	8,250	4,500
Weighted average exercise price per option	₹50/-	₹50/-

The Group has recognised share based payment expense of ₹17.27 Lakhs (March 31, 2022: ₹15 Lakhs) during the year as proportionate cost.

Scheme	ESOP-2016					
	ESOP-2016-1	ESOP-2016-2	ESOP-2016-3	ESOP-2016-4	ESOP-2016-5	ESOP-2016-6
Date of grant	26.05.2017	25.05.2018	13.10.2018	12.02.2021	14.02.2022	14.02.2023
Date of Board approval	11.08.2016					
Date of Shareholder's approval	22.09.2016					
Number of options granted	97,500	9,000	2,500	3,500	2,000	4,500
Exercise price	₹50/-					
Method of Settlement	Through allotment of one equity share for each option granted.					
Vesting period	I.30% of the options at the end of one year from the date of grant; II.30% of the options at the end of the two years from the date of grant; III.40% of the Options at the end of the three years from the date of grant.					
Exercise period	3 months from the date of vesting					
Vesting conditions	The Option holders are required to continue to hold the services being provided to the Group at the time of exercise of options.					
Name of the plan	'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016' ("ESOP 2016")					

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

39. The Board of Directors has not recommended any dividend for the financial year 2022-23 (P.Y. Dividend Nil per equity share of face value of ₹10/- each).
40. Additional Information As required by Paragraph 2 of the general Instruction for Preparation of the Consolidated Financial Statements to the Schedule III of the Act

Name of the entity	Net Assets i.e. Total assets minus Total liabilities		Share in Profit or Loss		Share in Other Comprehensive income	
	As % of Consolidated net assets	Amounts	As % of Consolidated Profit & Loss	Amounts	As % of Consolidated net assets	Amounts
Parent						
Arman Financial Services Limited	61.97%	22,660.58	26.68%	2,502.69	24.40%	(117.35)
Subsidiaries Indian						
Namra Finance Limited	38.03%	13,908.47	73.32%	6,878.44	75.60%	(363.52)
Foreign	-	-	-	-	-	-
Minority interests in all subsidiaries associates (investments as per the equity method)						
Parent Subsidiaries Indian						
Namra Finance Limited	-	-	-	-	-	-
Foreign						
Total	100.00%	36,569.05	100.00%	9,381.13	100.00%	(480.87)

41. The Amount expected to be Recovered or Settled within or after 12 months from reporting date:

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

Particulars	Note No.	As at March 31, 2023			As at March 31, 2022		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS							
Financial Assets							
Cash and cash equivalents	1	2,622.12	-	2,622.12	7,552.76	-	7,552.76
Bank Balance other than above	2	37,885.39	2,524.28	40,409.67	5,072.52	1,608.75	6,681.27
Loans	3	1,17,382.24	36,288.51	1,53,670.75	73,653.76	32,106.91	1,05,760.67
Investments	4	2,154.18	-206.25	1,947.93	591.74	-	591.74
Other Financial assets	5	2,817.31	71.28	2,888.59	937.85	361.81	1,299.67

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Particulars	Note No.	As at March 31, 2023			As at March 31, 2022		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Non-financial Assets							
Deferred tax Assets (Net)	6	1,546.51	-	1,546.51	1,651.02	-	1,651.02
Property, Plant and Equipment & Other Intangible assets	7	-	516.32	516.32	-	365.20	365.20
Intangible asset under development	7	-	-	-	-	2.62	2.62
Right of Use Assets	7	-	94.03	94.03	-	121.93	121.93
Other non-financial assets	8	120.49	-	120.49	112.89	-	112.89
Total Assets		1,64,528.24	39,288.17	2,03,816.41	89,572.55	34,567.22	1,24,139.76
LIABILITIES AND EQUITY							
LIABILITIES							
Financial Liabilities							
Trade Payables	9	-	-	-	-	-	-
(a) total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		161.88	-	161.88	188.46	-	188.46
Debt Securities	10	13,870.71	10,464.78	24,335.49	6,129.62	13,377.97	19,507.59
Borrowings (Other than Debt Securities)	11	76,507.41	53,239.75	1,29,747.16	58,735.88	18,225.58	76,961.46
Subordinated Liabilities	12	3,858.45	2,500.00	6,358.45	-	2,500.00	2,500.00
Other financial liabilities	13	5,362.65	266.76	5,629.41	3,100.55	126.24	3,226.80
Non-Financial Liabilities							
Provisions	14	58.05	141.66	199.71	39.44	76.31	115.74
Current Tax Liabilities (Net)	15	459.56	-	459.56	274.23	-	274.23
Other non-financial liabilities	16	98.77	256.93	355.70	96.87	-	96.87

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Particulars	Note No.	As at March 31, 2023			As at March 31, 2022		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
EQUITY							
Equity Share capital	17	-	849.23	849.23	-	849.16	849.16
Other Equity	18	-	35,719.82	35,719.82	-	20,419.45	20,419.45
Total Liabilities and Equity		1,00,377.48	1,03,438.93	2,03,816.41	68,565.05	55,574.72	1,24,139.76

42. Fair Value Measurements:

A. Financial instrument by category and their fair value

As at March 31, 2023	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Assets								
Loans	3	-	1,53,670.75	-	-	-	1,53,670.75	1,53,670.75
Fair valuation of Derivative Instrument measured Through Profit & Loss Account	5	-	-	-	-	-	-	-
Cash and Cash Equivalents	1	2,622.12	-	-	2,622.12	-	-	2,622.12
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2	41,530.66	-	-	-	41,530.66	-	41,530.66
Investments	4	1,147.06	-	800.86	800.86	-	1,147.06	1,947.93
Security Deposits	5	25.48	-	-	-	-	25.48	25.48
Other Advance	5	1,632.35	-	-	-	-	1,632.35	1,632.35
Interest Due but not Received on Loans and Advances	5	109.77	-	-	-	-	109.77	109.77
Total		47,067.44	1,53,670.75	800.86	3,422.98	41,530.66	1,56,585.42	2,01,539.06

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

As at March 31, 2023	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Liabilities								
Other Payable	9	161.88	-	-	-	-	161.88	161.88
Debt Securities	10	24,335.49	-	-	-	-	24,335.49	24,335.49
Borrowings (Other than Debt Securities)	11	1,29,747.16	-	-	-	-	1,29,747.16	1,29,747.16
Subordinated Liabilities	12	6,358.45	-	-	-	-	6,358.45	6,358.45
Other financial liabilities	13	5,629.41	-	-	-	-	5,629.41	5,629.41
Total Financial Liabilities		1,66,232.39	-	-	-	-	1,66,232.39	1,66,232.39

As at March 31, 2022	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Assets								
Loans	3	-	1,05,760.67	-	-	-	1,05,760.67	1,05,760.67
Fair valuation of Derivative Instrument measured Through Profit & Loss Account	5	8.12	-	-	8.12	-	-	8.12
Cash and Cash Equivalents	1	7,552.76	-	-	7,552.76	-	-	7,552.76
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2	6,850.86	-	-	-	6,850.86	-	6,850.86
Investments	4	256.32	-	335.42	335.42	-	256.32	591.74
Security Deposits	5	413.19	-	-	-	-	413.19	413.19
Other Advance	5	450.49	-	-	-	-	450.49	450.49
Interest Due but not Received on Loans and Advances	5	258.29	-	-	-	-	258.29	258.29
Total		15,790.02	1,05,760.67	335.42	7,896.30	6,850.86	1,07,138.96	1,21,886.12

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Financial Liabilities									
Other Payable	9	154.88	-	-	-	-	-	154.88	154.88
Debt Securities	10	19,507.59	-	-	-	-	-	19,507.59	19,507.59
Borrowings (Other than Debt Securities)	11	76,961.46	-	-	-	-	-	76,961.46	76,961.46
Subordinated Liabilities	12	2,500.00	-	-	-	-	-	2,500.00	2,500.00
Other financial liabilities	13	3,226.80	-	-	-	-	-	3,226.80	3,226.80
Total Financial Liabilities		1,02,350.73	-	-	-	-	-	1,02,350.73	1,02,350.73

B Reconciliation of level 3 fair value measurement is as follows:

Loans	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	1,05,761	74,322
Addition during the year	1,52,917	91,138
Amount derecognised / repaid during the year	(99,952)	(55,324)
Amount written off	(4,906)	(2,999)
Gains/(losses) recognised in statement of profit or loss	(150)	(1,377)
Balance at the end of the year	1,53,671	1,05,761

C Measurement of fair values

I. Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences from the carrying values presented.

II. Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3."

III. Transfers between levels I and II

There has been no transfer in between level I and level II.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

IV. Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last fifteen days of the year end which is an observable input and therefore these has been considered to be fair valued using Level 3 inputs.

D Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

D.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

I Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Loans and advances:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.

The Company's exposure to credit risk for loans and advances by type of counterparty is as follows:

Particulars	Carrying amount	
	As at March 31, 2023	As at March 31, 2022
Retail assets (Refer Note 3)	1,53,670.75	1,05,760.67
Loans to NBFC-to Create the underlying assets (Refer Note 3)	-	-
Total	1,53,670.75	1,05,760.67

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups.

- a TW Loans
- b SME Loans
- c Retail Asset Channel Loans
- d Microfinance

Staging:

As per the requirement of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition except originated credit-impaired financial assets which are considered to be under stage 3 on day of origination. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument

As per Ind AS 109, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. Company has staged the assets based on the Day past dues criteria and other market factors which significantly impacts the portfolio.

Days past dues status	Stage	Provisions
Current	Stage 1	12 months provision
1-30 days	Stage 1	12 months provision
31-60 days	Stage 2	Lifetime Provision
61-90 days	Stage 2	Lifetime Provision
90+ days	Stage 3	Lifetime Provision

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities, cash and cash equivalents and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. Outstanding customer receivables are regularly monitored and taken up on case to case basis. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit scores of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management team on a regular basis. The Company evaluates the concentration of risk with respect to loan receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in largely independent markets. The credit risk on cash and bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

EXPECTED CREDIT LOSS FOR LOANS:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

Marginal probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from NBFC internal data calibrated with forward looking macroeconomic factors. For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. Company has worked out on PD based on the last five years historical data.

Marginal probability:

The PDs derived from the Vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

Conditional marginal probability:

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

LGD:

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods. Various approaches are available to compute the LGD. Company has considered workout LGD approach. The following steps are performed to calculate the LGD:

- 1) Analysis of historical credit impaired accounts at cohort level.
- 2) The computation consists of five components, which are:

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

- Outstanding balance (POS).
- Recovery amount (discounted yearly) by initial contractual rate.
- Expected recovery amount (for incomplete recoveries), discounted to reporting date using initial contractual rate.
- Collateral (security) amount.

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)

% LGD = 1 – recovery rate

EAD:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. Company has modelled EAD based on the contractual and behavioral cash flows till the lifetime of the loans considering the expected prepayments. Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. So discounting was done for computation of expected credit loss.

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

Changes in ECL allowances in relation to loans from beginning to end of reporting period:

Particulars	March 31, 2023	March 31, 2022
Opening provision of ECL	6,531.69	5,154.67
Addition during the year	4,813.81	6,106.85
Utilization / reversal during the year	(4,664.17)	(4,729.83)
Closing provision of ECL	6,681.33	6,531.69

II Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by unutilized cash credit facility, term loans and direct assignment.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

Capital adequacy ratio of the Holding Company, as on 31 March 2022 is 32.61% against regulatory norms of 15%. Tier I capital is 17.35% as against requirement of 10%. Tier II capital is 15.27% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

Capital adequacy ratio of the Subsidiary Company, as on 31 March 2022 is 25.62% against regulatory norms of 15%. Tier I capital is 23.62% as against requirement of 10%. Tier II capital is 2% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

The total cash credit limit available to the Company is ₹963 Lakhs spread across 4 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand. Majority of the Company's portfolio is MSME loans which qualifies as Priority Sector Lending. During the year, the Company has maintained around 5% to 10% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

The table below summarizes the maturity profile of the Company's non derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

	1 Day to 30/31 Days (One Month)	Over One Month up to 2 Months	Over 2 Months up to 3 Months	Over 3 Months up to 6 Months	Over 6 Months up to 1 Year	Over 1 Year up to 3 Years	Over 3 Year up to 5 Years	Over 5 Years	Total
As at March 31, 2023									
Debt Securities (Refer Note 11)	-	3,454.29	197.57	216.38	10,002.47	10,464.77	-	-	24,335.49
Borrowings & Subordinated Liabilities (Refer Note 12 & 13)	7,148.41	7,764.81	7,827.78	23,529.54	33,082.19	55,752.88	-	1,000.00	1,36,105.62
As at March 31, 2022									
Debt Securities (Refer Note 11)	-	-	-	2,350.00	4,779.62	12,377.98	-	-	19,507.60
Borrowings & Subordinated Liabilities (Refer Note 12 & 13)	6,622.78	4,322.64	4,420.38	15,980.46	26,968.95	20,118.47	27.78	1,000.00	79,461.46

III 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 includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

IV 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's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in bank deposits and variable interest rate borrowings and lending. Whenever there is a change in borrowing interest rate for the Company, necessary change is reflected in the lending interest rates over the timeline in order to mitigate the risk of change in interest rates of borrowings.

The sensitivity analysis has been carried out based on the exposure to interest rates for bank deposits, lending and borrowings carried at variable rate.

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Particulars	For the year ended on March 31, 2023	
	50 bp increase	50 bp decrease
Change in interest rates		
Bank Deposits	40,409.67	40,409.67
Impact on profit for the year	202.05	(202.05)
Variable Rate Borrowings	1,29,747.16	1,29,747.16
Impact on profit for the year	(648.74)	648.74

V Foreign currency risk:

As at March 31, 2023, the company has no outstanding foreign currency borrowings (March 31, 2022: Euro 5 million). The Company has undertaken principal swaps and cross currency swaps to hedge the foreign currency risk of the ECB principals. Whereas the company has entered into floating to fixed coupon only swaps and interest rate swaps along with forward contracts to hedge the floating interest and foreign currency risk of the coupon payments. All the derivative instruments are purely for hedging the underlying ECB transactions as per applicable RBI guidelines and not for any speculative purpose.

The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. To mitigate the Company's exposure to foreign currency risk, non-rupee cash flows are monitored and derivative contracts are entered into in accordance with the Company's risk management policies.

VI Foreign currency risk exposure

The Company exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows:

Particulars	Currency	March 31, 2023	March 31, 2022
Financial liabilities			
External commercial borrowings (Refer Note 11)	Euro	-	4,150.37
(including interest accrued)			
(Gain)/loss: Derivative contract		-	(8.12)

Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	March 31, 2023	March 31, 2022
Euro Sensitivity		
Inr/Euro-increase by 5%	-	(207.52)
Inr/Euro-decrease by 5%	-	207.52

* Holding all other variables constant

- 44 The significant increase in economic activities post easing of lockdown by the state governments due to Covid-19 had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended March 31, 2023, the Company has written off (Net) ₹4,284.92 Lakhs. The Total ECL provision as at March 31, 2023 of ₹6,681.33 Lakhs out of which ₹2,204.51 Lakhs is retained by the company towards management overlay on account of COVID-19. The additional ECL provision retained on account of COVID-19 is based on the Company's historical experience, collection efficiencies post lockdown, internal assessment and other emerging forward

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

- 45 Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year.

As per our report of even date attached herewith

For, **Arman Financial Services Limited**

For, Talati & Talati LLP
Chartered Accountants
[Firm Regd. No. 110758W/W100377]

Jayendra Patel
Vice Chairman & Managing Director
(DIN - 00011814)

Vivek Modi
Chief Financial Officer

[Kushal Talati]
Partner
[M.No.188150]

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

Place: Ahmedabad
Date: 30.05.2023

Independent Auditor's Report

To,
 The Members of
ARMAN FINANCIAL SERVICES LIMITED
 Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Arman Financial Services Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31 2023, the standalone statement of Profit and Loss (including other Comprehensive Income), the standalone statement of changes in Equity and the standalone statement of Cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31 2023, and its profit, and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

KEY AUDIT MATTERS

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

Key audit matters identified in our audit is in respect of Provision for Expected Credit Losses on loans as follows: Provision for Expected Credit Losses on loans [Refer Para 3.6 for the accounting policy and Note 3 for the related disclosures]

Key Audit Matter	How our audit addressed the key audit matter
As at March 31, 2023 the Company has Net financial assets (loans) amounting to 29,696.88 Lakhs. As per Ind AS 109- Financial Instruments, the Company is required to recognize allowance for expected credit losses on financial assets. Under Ind-AS framework, the management had to estimate the provision for expected credit losses as at	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognized in the standalone financial statements were reasonable and the related disclosures in the standalone financial statements made by the management were

March 31, 2023. Expected credit loss cannot be measured precisely, but can only be estimated through use of statistics. The calculation of expected credit losses is complex and requires exercise of judgment around both the timing of recognition of impairment provisions and estimation of the amount of provisions required in relation to loss events. However, it is important to note that the impact of the COVID-19 pandemic and the subsequent progress of vaccination campaigns have reduced the uncertainties surrounding future outcomes. This change in circumstances has influenced the change in estimation of expected credit losses. Considering the favorable market condition in compare to previous years the management has reduced provision of 635.16 Lakhs for the year ended March 31, 2023. Considering the significance of the above matter to the standalone financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.

adequate. These procedures included, but not limited, to the following:

- obtaining an understanding of the model adopted by the Company for calculation of expected credit losses including how management calculated the expected credit losses and the appropriateness data on which the calculation is based;
- testing the accuracy of inputs through substantive procedures and assessing the reasonableness of the assumptions used;
- developing a point estimate by making reference to the expected credit losses recognized by entities that carry comparable financial assets;
- testing the arithmetical calculation of the expected credit losses;
- verifying the adequacy of the related disclosures; and
- Obtaining written representations from management whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information and other information in the Company's annual report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITIES FOR STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude

that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (Including other Comprehensive Income), Standalone Statement of changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
3. 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:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the Standalone financial statements.
 - b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d) (i) The management has represented that, to the best of its knowledge and belief, 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 persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Company or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, 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 ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
 - (iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.
 - e) The Company has not declared or paid any Dividend during the year as prescribed under Section 123 of the Companies Act, 2013.
4. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

For **Talati and Talati LLP**
Chartered Accountants
FRN: 110758W/W100377

CA Kushal U. Talati
Partner

Place: Ahmedabad
Date: 30.05.2023

UDIN:23188150BGQHGQ8448
Membership No. 188150

ANNEXURE "A"

To Independent Auditor's Report on Standalone Financial Statements of Arman Financial Services Limited for the year ended on March 31, 2023

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i) **In respect of its Property, Plant, Equipment and Intangible Asset:**
- (i) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ("PPE").
 - (ii) The Company has maintained proper records showing full particulars of Intangible Assets and Intangible Assets under Development.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular program of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner. In accordance with this program, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the standalone financial statements are held in the name of the Company.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment or Intangible assets or both during the year.
- e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) **In respect of its Inventories:**
- The Company is in the business of providing loans and does not have any physical Inventories and hence clause 3(ii)(a) of the Companies (Auditor's Report) Order, 2020 is not applicable.
 - During the year, the Company has availed sanctioned working capital limit in excess of ₹5 Crores from Banks or Financial Institutions on the basis of security of Loans. Based on our examination of the records of the company, the quarterly returns/ statements filed by the company with the said bank are in agreement with the books of accounts maintained by the Company.
- (iii) a. Since the Company's principal business is to give loans, hence reporting under clause 3(iii)(a) of the Order is not applicable.
- b. The Company, being a Non-Banking Financial Company ("NBFC"), registered under provisions of RBI Act, 1934. In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.
- c. The Company, being a Non-Banking Financial Company ("NBFC"), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of

principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 3 to the Standalone Financial Statements for summarized details of such loans/advances which are not repaid by borrowers as per stipulations. The company has taken reasonable step for recovery of Principal and Interest.

- d. The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer notes 3.1 to the Standalone Financial Statements for summarized details of such loans/advances amounting to ₹818.91 Lakhs which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps as stipulated in regulations and loan Agreements are taken by the Company for recovery thereof.
- e. The Company's principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.
- f. According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

- (iv) According to the information and explanation given to us, the Company has complied with the provisions

of Section 185 & 186 of the Companies Act, 2013, with respect to the loans given, investments made and guarantees and securities given

- (v) In our opinion the Company has complied with the directives issued by the Reserve Bank of India with regard to the deposits accepted and amounts deemed to be deposits during the year. According to the information and explanations given to us, the Company being [Non-Banking Finance Company registered with RBI or Housing Finance Company registered with National Housing Bank]95 provisions of Sections 73to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable and no order has been passed by the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) **In respect of statutory dues:**

- According to the records of the Company, the Company is generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, duty of customs, duty of excise, cess and any other statutory dues with the appropriate authorities applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect statutory dues which remained outstanding as at March 31, 2023 for a period of more than six months from the date they became payable.
- According to the records of the Company, there are no disputed statutory dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess that have not been deposited on account of any dispute, except for the following:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Periods to which the amount relates (A.Y)	Forum where the dispute is pending	Remarks (If any)
Income Tax Act, 1961	Income Tax	594.23	2012-13	CIT (A)	-
Income Tax Act, 1961	Income Tax	13.30	2009-10	CIT (A)	-
Income Tax Act, 1961	Income Tax	5.70	2011-12	CIT (A)	-

- (viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) a. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institutions, banks or debenture holders.
- b. According to the information and explanations given to us, company is not declared wilful defaulter by any Bank or Financial Institution.
- c. Based on an overall examination of balance sheet of the company, in our opinion term loans taken during the year was applied for the purpose for which they were obtained.
- d. According to the information and explanations given to us, company has not utilized fund raised on short term basis for long term purpose.
- e. Based on our audit procedure and according to information and explanation given to us, we are of the opinion that the Company has not raised funds to meet the obligations of its Subsidiary.
- f. According to the information and explanations given to us, company has not raised loan on pledge of securities held in subsidiaries.
- (x) **In Respect of Utilization of Issue Proceeds:**
- a. According to the information and explanations given to us, the Company had not raised any money by way of public issue during the year.
- b. According to the information and explanations given to us, and on an overall examination of the balance sheet, Company has made private placement through CCD (Compulsory Convertible Debenture), OCRPS (Optionally Convertible Redeemable Preference Shares) and Market linked Debenture (MLD) during the year and have been complied with the requirement of section 42 of companies Act, 2013. Funds raised have been utilized for the purpose for which funds were raised.
- (xi) a. Based upon the audit procedures performed and information and explanations given by the management, we report that no material fraud by the Company or any fraud on the Company by its officer or employees has been noticed or reported during the course of our audit.
- b. Based upon the audit procedures performed, No report u/s 143(12) of the Companies Act is required to be filed by the auditor in form ADT-4 as prescribed under rule 13 of Companies Rule, 2014 with Central Government.
- c. According to the information and explanations given to us, No whistle blower complaints has come to the knowledge of Auditor.
- (xii) In our opinion and according to the information and explanations given to us, the provisions of special statute applicable to chit funds and nidhi / mutual benefit funds / societies are not applicable to the company. Hence, clause (xii) of the Company's (Auditor's Report) Order, 2020 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions entered by the Company with related parties are in compliance with the provisions of section 177 and 188 of The Companies Act, 2013 and details thereof are properly disclosed in the Standalone financial statements.
- (xiv) **In Respect of Internal Audit System**
- a. According to the information and explanations given to us, Company has Internal Audit System Commensurate with the size and nature of its business.
- b. We have considered, during the course of our audit, the reports of Internal Audit for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- (xv) According to the information and explanations given to us, in our Opinion during the year the Company has not entered in to any non-cash transactions with its directors or persons connected to its directors during the year, hence section 192 of the Companies Act, 2013 and clause (xv) of Company's (Auditor's Report) Order, 2020 is not applicable.
- (xvi) a. In our opinion and according to the information and explanation given to us the Company is registered under section 45-IA of Reserve Bank of India Act, 1934, and registration certificate for the same has been obtained.
- b. In our opinion and according to the information and explanations given to us, company has not conducted any Non-Banking Financial activities without valid Certificate of Registration from the Reserve Bank of India as per Reserve Bank of India Act, 1934.
- c. In our opinion and according to the information and explanations given to us, Company is not Core Investment Company as defined in the regulation made by the Reserve Bank of India.
- d. According to the information and explanations given to us, The Group to which the company belongs has no Core Investment Company as part of the group.
- (xvii) In our opinion and according to the information and explanation given to us the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and 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 and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) **In Respect to Unspent CSR:**
- a. In our opinion and according to the information and explanation given to us, In respect of other than ongoing projects, the company has no unspent amount as on reporting date which was required to be transferred to a Fund specified in Schedule VII to the companies Act within the period of six months of the expiry of financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act;
- b. In our opinion and according to the information and explanation given to us any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act;

For **Talati and Talati LLP**
Chartered Accountants
FRN: 110758W/W100377

CA Kushal U. Talati
Partner

Place: Ahmedabad
Date: 30.05.2023

UDIN:23188150BGQHGQ8448
Membership No. 188150

ANNEXURE "B"

To Independent Auditor's Report on Standalone Financial Statements of Arman Financial Services Limited for the year ended on March 31, 2023

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

(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

OPINION

We have audited the internal financial controls over financial reporting of Arman Financial services Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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.

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 ("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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the

Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

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

For **Talati and Talati LLP**
Chartered Accountants
FRN: 110758W/W100377

CA Kushal U. Talati
Partner

Place: Ahmedabad
Date: 30.05.2023

UDIN:23188150BGQHGG8448
Membership No. 188150

Standalone Balance Sheet

as at March 31, 2023

(₹ in Lakhs)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	1	144.29	3,101.93
(b) Bank Balance other than (a) above	2	6,395.20	756.52
(c) Loans	3	29,696.88	18,829.51
(d) Investments	4	19,643.87	9,304.06
(e) Other financial assets	5	190.29	109.83
(2) Non-financial Assets			
(a) Current tax assets (Net)	6	176.10	17.40
(b) Deferred tax assets (Net)	7	368.21	463.64
(c) Property, plant and equipment	8	80.07	81.22
(d) Other intangible assets	8	3.19	0.40
(e) Intangible asset under development	8	-	2.62
(f) Other non-financial assets	9	53.01	73.11
Total Assets		56,751.11	32,740.23
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) (I) Trade Payables	10	-	-
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		43.13	70.69
(b) Debt securities	11	10,183.09	6,728.57
(c) Borrowings (Other than debt securities)	12	17,661.69	10,569.96
(d) Subordinated liabilities	13	4,358.45	500.00
(e) Other financial liabilities	14	744.71	427.39
(2) Non-Financial Liabilities			
(a) Provisions	15	67.58	39.93
(b) Other non-financial liabilities	16	756.18	308.40
(3) EQUITY			
(a) Equity share capital	17	849.23	849.16
(b) Other equity	18	22,087.05	13,246.14
Total Liabilities and Equity		56,751.11	32,740.23

See accompanying notes to the financial statements

1 to 54

As per our report of even date attached herewith

For, Arman Financial Services Limited

For, Talati & Talati LLP
 Chartered Accountants
 [Firm Regd. No. 110758W/W100377]

[Kushal Talati]
 Partner
 [M.No.188150]

Place: Ahmedabad
Date: 30.05.2023

Jayendra Patel
 Vice Chairman & Managing Director
 (DIN - 00011814)

Aalok Patel
 Joint Managing Director
 (DIN - 02482747)

Vivek Modi
 Chief Financial Officer

Jaimish Patel
 Company Secretary
 (M. No. A42244)

Standalone Statement of Profit & Loss

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
(1) Revenue from operations			
Interest income	19	9,070.48	6,116.69
Fees and commission income	20	322.24	171.87
Net gain on fair value changes	21	46.52	37.58
Total revenue from operations (1)		9,439.24	6,326.14
(2) Other income			
	22	174.79	295.71
(3) Total income (1+2)		9,614.02	6,621.85
(4) Expenses			
Finance costs	23	3,069.78	1,789.01
Impairment of financial assets	24	210.01	733.49
Employee benefits expenses	25	1,765.22	1,279.78
Depreciation, amortization and impairment	26	13.03	10.03
Others expenses	27	797.04	679.58
Total Expenses (4)		5,855.07	4,491.89
(5) Profit / (loss) before tax (3-4)		3,758.95	2,129.96
(6) Tax expense:			
(1) Current tax	28	787.90	490.10
(2) Short / (excess) provision of income tax/deffered tax of earlier years	28	-	-
(3) Deferred tax	28	134.90	16.42
(7) Profit/(loss) for the period (5-6)		2,836.15	1,623.44
(8) Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit obligations		(22.28)	8.23
(ii) Income tax relating to items that will not be reclassified to profit or loss		5.61	(2.07)
Sub total (A)		(16.67)	6.16
(B) (i) Items that will be reclassified to profit or loss			
- Fair valuation gain / (loss) on financial instruments measured at FVOCI		(134.54)	(173.41)
(ii) Income tax relating to items that will be reclassified to profit or loss		33.86	43.64
Sub total (B)		(100.68)	(129.77)
Other comprehensive income (A + B)		(117.35)	(123.61)
(9) Total comprehensive income for the period (7+8)		2,718.80	1,499.83
(10) Earnings per equity share			
Basic (₹)	29	33.40	19.12
Diluted (₹)	29	33.02	19.12

See accompanying notes to the financial statements

1 to 54

As per our report of even date attached herewith

For, Arman Financial Services Limited

For, Talati & Talati LLP
 Chartered Accountants
 [Firm Regd. No. 110758W/W100377]

[Kushal Talati]
 Partner
 [M.No.188150]

Place: Ahmedabad
Date: 30.05.2023

Jayendra Patel
 Vice Chairman & Managing Director
 (DIN - 00011814)

Aalok Patel
 Joint Managing Director
 (DIN - 02482747)

Vivek Modi
 Chief Financial Officer

Jaimish Patel
 Company Secretary
 (M. No. A42244)

Standalone Statement Cash Flow

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A: Cash from Operating Activities:		
Net profit before taxation	3,758.95	2,129.96
Adjustment For:		
Depreciation and amortisation	13.03	10.03
Interest Income	(9,070.48)	(6,116.69)
Finance cost Expense	3,069.78	1,789.01
Provision for impairment on financial assets	(635.16)	77.54
Loss / (Profit) on sale of Current Investment	(46.52)	(37.58)
Remeasurement of define benefit plan	(22.28)	8.23
Employee Stock Option Plan Expense	8.81	4.41
Interest on shortfall of advance Tax	-	16.05
Financial Guarantee Income	(174.79)	(295.71)
	(6,857.59)	(4,544.70)
Operating profit before working Capital changes :	(3,098.64)	(2,414.74)
Adjustment For Increase/(Decrease) in Operating Assets:		
Loans and Advances	(10,366.76)	(3,965.20)
Financial Assets	44.28	(15.92)
Non Financial Assets	20.10	(2.96)
Bank balance other than Cash and Cash equivalents	(5,638.69)	1,021.94
Adjustment For Increase/(Decrease) in Operating Liabilities:		
Other Non Financial liability	131.97	7.90
Other Financial Liabilities	58.74	(0.24)
Subordinated Debts	269.83	
Provision	27.66	0.73
	(15,452.87)	(2,953.75)
Cash Generated From Operations	(18,551.51)	(5,368.49)
Interest Income Received	8,945.74	6,187.57
Finance Cost Paid	(3,033.99)	(1,831.16)
Income tax paid	(946.60)	(562.35)
	4,965.15	3,794.06
Net Cash From Operating Activities:	(13,586.36)	(1,574.43)
B: Cash Flow From Investing Activities:		
Purchase of Property, Plant & Equipment	(12.04)	(18.00)
Purchase of investments	(31,608.62)	(12,553.40)
Sale of investments	21,658.03	9,837.08
Net Cash from Investment Activities:	(9,962.63)	(2,734.33)

Standalone Statement Cash Flow (contd.)

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
C: Cash Flow From Financing Activities :		
Proceeds from issue of share capital (including Premium)	0.37	1.60
Proceeds from issue of OCRPS (including Premium)	3,824.96	-
Proceeds from issue of CCD	7,679.97	-
Proceeds from long term borrowings	13,676.60	11,800.00
Repayment of borrowings	(8,475.08)	(6,776.99)
Repayment of CCD	(485.92)	-
Net increase / (decrease) in working capital borrowings	4,370.45	(2,520.48)
Net Cash from Financing Activities:	20,591.36	2,504.13
Net Increase/(Decrease) in Cash & Cash Equivalents	(2,957.64)	(1,804.64)
Cash & cash equivalents at the beginning of the year	3,101.93	4,906.56
Cash & cash equivalents at the end of the year	144.29	3,101.93

As per our report of even date attached herewith

Notes :

- Cash and bank balance at the end of the year comprises:** (₹ in Lakhs)

As per our report of even date attached herewith	As at March 31, 2023	As at March 31, 2022
Cash on hand	8.71	14.14
Balance with Bank	135.58	3,087.78
Total	144.29	3,101.93

- The above cash flow statement has been prepared under the "Indirect Method" set out in Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

- Change in liabilities arising from financing activities:** (₹ in Lakhs)

Particulars	As at March 31, 2022	Cash Flows	Non Cash Changes	As at March 31, 2023
Debt Securities	6,728.57	3,765.92	(311.40)	10,183.09
Borrowing other than debt Securities	10,569.96	13,000.11	(5,908.37)	17,661.69
Total	17,298.53	16,766.03	(6,219.77)	27,844.78

As per our report of even date attached herewith

For, Arman Financial Services Limited

For, Talati & Talati LLP
Chartered Accountants
[Firm Regd. No. 110758W/W100377]

[Kushal Talati]
Partner
[M.No.188150]

Place: Ahmedabad
Date: 30.05.2023

Jayendra Patel
Vice Chairman & Managing Director
(DIN - 00011814)

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Vivek Modi
Chief Financial Officer

Jaimish Patel
Company Secretary
(M. No. A42244)

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

1. CORPORATE INFORMATION

Arman Financial Services Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is registered as a deposit taking non-banking finance Company ("NBFC") with Reserve Bank of India ("RBI"). The Company is engaged in the business of providing Small and Medium Enterprise loans ("SME"), Two-Wheeler loans ("TW") to create the underlying assets of SME and TW. Its shares are listed on two recognised stock exchanges in India i.e. BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

The Company's registered office is at 502-503, Sakar III, Opp. Old High Court, Off. Ashram Road, Ahmedabad - 380 014, Gujarat. INDIA.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the "Ind AS") prescribed under section 133 of the Companies Act, 2013 (the "Act").

2.2 Basis of measurement

The standalone financial statements have been prepared on historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- i) Loans at fair value through other comprehensive income ("FVOCI") and
- ii) Defined benefit plans - plan assets

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the "functional currency"). The values are rounded to the nearest Lakhs, except when otherwise indicated.

2.3 Use of estimates, judgements and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates and assumptions considered in the reported amounts of assets and

liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at 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. Monitoring is part of the company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions

and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) 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. For further details about determination of fair value refer note 3.8 and note 38.

ii) Effective interest rate ("EIR") method

The Company's EIR methodology, as explained in para 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and lifecycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment

losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.
- b) Development of ECL models, including the various formulas and the choice of inputs.
- c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").
- d) Selection of forward-looking macro-economic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

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 outflow is considered to be 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.

For further details on provisions and other contingencies refer note 3.16.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

2.4 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 37.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- i) The normal course of business
- ii) The event of default

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. EIR method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income

using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Company calculates interest income by applying EIR to the gross carrying amount of financial assets other than credit impaired assets. When a financial asset becomes credit impaired and is, therefore, regarded as 'stage 3', the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in para 3.8), except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- i) Amortised cost
- ii) FVOCI
- iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- a. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
- b. The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- c. Managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- d. The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial assets to identify whether they meet SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life

of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the period for which the interest rate is set. In contrast, contractual terms that introduce a more than minimum exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

i) Financial assets carried at amortised cost ("AC")

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

ii) Financial assets measured at FVOCI

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

iii) Financial assets at fair value through profit or loss ("FVTPL")

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

iv) **Investment in subsidiaries**

The Company has accounted for its investments in subsidiaries at cost.

B. Financial liability

i) **Initial recognition and measurement**

All financial liability are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) **Subsequent measurement**

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

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. Where the substantial modification is because of financial difficulties of the borrower and the old loan was classified as credit-impaired, the new loan will initially be identified as originated credit-impaired financial asset. On satisfactory performance of the new loan, the new loan is transferred to stage I or stage II of ECL.

B. Derecognition of financial assets other than due to substantial modification

i) **Financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of

a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognise the portion retained by it as MRR.

ii) **Financial liability**

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

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL. Expected credit losses are measured through a loss allowance at an amount equal to:

- i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument) Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

Loan commitments: When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. Calculation of ECLs

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

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest LGD Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash

shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

- i) Gross fixed investment (% of GDP)
- ii) Lending interest rates
- iii) Deposit interest rates

3.7 Write-offs

Financial assets are written off when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

3.8 Determination of fair value

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. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements 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 financial instruments:** Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

- **Level 2 financial instruments:** Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

- **Level 3 financial instruments:** Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) Recognition of other income

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 AS 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

A. Dividend income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

B. Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are derecognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Other Charges in Respect of Loans

Income in case of late payment charges are recognized when there is no significant uncertainty of regarding its recovery.

3.9 (II) Recognition of other expense

A. Borrowing costs

Borrowing costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably. Depreciation is calculated using the straight line method to write down the cost of property and equipment to their residual values over their estimated useful lives which are in line with as specified under schedule II of the Act. Land is not depreciated. The estimated useful lives are, as follows:

- i) Buildings - 60 years
- ii) Vehicles - 8 years
- iii) Office equipment - 3 to 10 years
- iv) Furniture and fixtures - 10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.12 Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

3.13 Impairment of non-financial assets - property, plant and equipment and intangible assets

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

3.14 Corporate guarantees

Corporate guarantees are initially recognised in the standalone financial statements (within "other non-financial liabilities") at fair value, being the notional commission. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Any increase in the liability relating to financial guarantees is recorded in the statement of profit and loss. The notional commission is recognised in the statement of profit and loss under the head fees and commission income on a straight line basis over the life of the guarantee.

3.15 Retirement and other employee benefits Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the Life insurance Corporation of India who administers the fund of the Company.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

A possible obligation that arises from past events and 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; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset 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 Company. Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

3.17 Taxes

A. Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.18 Earnings per share

Basic earnings per share ("EPS") is computed by dividing the profit after tax (i.e., profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the

dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023,

MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

- Ind AS 1 – Presentation of Financial Statements**
 The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.
- Ind AS 12 – Income Taxes**
 The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.
- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**
 The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
1. Cash and Cash Equivalent		
Cash on hand	8.71	14.14
Balance with banks	135.58	3,087.78
Total	144.29	3,101.93
2. Other Bank Balance		
In fixed deposit accounts:		
Deposits given as security against borrowings	833.25	569.74
Fixed Deposits given as security against overdraft facilities (Refer Note 2.2)	5,500.00	-
Other Deposits (i.e., free from any encumbrance)	181.74	177.00
Earmarked balances with banks (Refer Note 2.1)	20.00	15.27
Less: Interest Accrued but not due on Bank Deposits (Refer Note 5)	(139.78)	(5.49)
Total	6,395.20	756.52
2.1 Earmarked balance with banks represents ₹20 Lakhs (As at March 31, 2022 ₹15.27 Lakhs) in Unpaid Dividend and CSR Deposit Accounts.		
2.2 Deposits includes deposits of ₹5500 Lakhs (P.Y. ₹ NIL) given to bank for Overdraft facility. Overdraft utilized ₹5198.66 Lakhs		
3. Loans		
At FVOCI:		
Secured by Tangible Asset	6,014.53	4,636.32
Unsecured Loans	25,138.53	16,294.09
Total Loans	31,153.06	20,930.41
Less : Impairment Loss allowance	(1,324.92)	(1,814.99)
Less: Interest Due but not Received on Loans and Advances (Note No.5)	(131.27)	(285.91)
	29,696.88	18,829.51
(1) Loans In India		
Public Sector	-	-
Others	29,696.88	18,829.51
	29,696.88	18,829.51
(2) Loans Outside India	-	-
Total	29,696.88	18,829.51

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

3.1 An analysis of changes in the gross carrying amount and the corresponding ECL Allowances:

Particulars	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at March 31, 2021	14,858.85	885.21	1,145.41	16,889.47
New Assets originated*	15,332.75	126.30	82.01	15,541.06
Net transfer between stages				
Transfer from stage 1	(1,328.59)	283.30	1,045.29	-
Transfer from stage 2	24.64	(347.90)	323.26	-
Transfer from stage 3	8.48	4.89	(13.36)	-
Assets derecognised or collected	9,998.45	358.74	438.56	10,795.74
Write - offs	299.82	152.98	537.50	990.29
Carrying amount as at March 31, 2022	18,597.87	440.08	1,606.55	20,644.49
New Assets originated*	23,808.46	167.00	118.02	24,093.48
Net transfer between stages				
Transfer from stage 1	(577.21)	146.16	431.05	-
Transfer from stage 2	13.50	(155.34)	141.84	-
Transfer from stage 3	1.65	1.50	(3.15)	-
Assets derecognised or collected	11,905.18	275.46	220.43	12,401.07
Write - offs	57.22	2.97	1,254.91	1,315.10
Carrying amount as at March 31, 2023	29,881.85	320.97	818.97	31,021.80

*Note: New assets originated are those assets which have either remained in stage 1 or have become stage 2 or 3 at the year end

3.2 Reconciliation of ECL balance is given below:

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL Allowances as at March 31, 2021	494.82	365.76	982.30	1,842.88
Addition During the Year	511.70	171.26	1,243.99	1,926.95
Reversal During the Year	(615.94)	(403.06)	(935.84)	(1,954.84)
ECL Allowances as at March 31, 2022	390.58	133.96	1,290.45	1,814.99
Addition During the Year	606.78	87.17	753.40	1,447.36
Reversal During the Year	(390.58)	(133.96)	(1,412.89)	(1,937.43)
ECL Allowances as at March 31, 2023	606.78	87.17	630.96	1,324.92

Note: Decrease in ECLs of the portfolio was driven by better credit performance in disbursement and movements within stages. The significant increase in economic activities had resulted in improvement in business operations of the Company. As a matter of prudence, during the financial year ended March 31, 2023, the Company has written off (net) ₹845.17 Lakhs. The Total ECL provision of ₹1,324.92 Lakhs on Loans and Advances is retained by the company as at March 31, 2023. The additional ECL provision booked is based on the Company's historical experience, collection efficiencies, internal assessment and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

3.3 Loans secured by hypothecation of assets (vehicles) are secured by hypothecation of the assets (vehicles) under finance. In the opinion of the Board, the market value of the hypothecated assets (vehicle) as on Balance Sheet date is more than the amount of loan outstanding.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

4. Investments (At Cost)

	As at March 31, 2023	As at March 31, 2022
Subsidiary		
Investment in shares of subsidiary	18,563.20	8,566.09
Investment in subsidiary on account of:		
- Corporate financial guarantee given to bank on behalf of subsidiary	867.95	655.88
- Issuance of equity shares to the employees of subsidiary at discount	90.55	82.10
Investment in Equity Tranche		
1,30,41,310 Units (As at 31.03.22- Nil unit) of Roger July 2022 PTC, Face Value of ₹1 Each.	122.17	-
	19,643.87	9,304.06
(1) Investment In India	19,643.87	9,304.06
(2) Investment outside India	-	-
Total	19,643.87	9,304.06

4.1 For the investment in subsidiary entity, the Company has opted for the exemption provided in para D15(b)(ii) of Ind AS 101 and accordingly the same has been measured at previous GAAP carrying amount.

4.2 As per para 10 of Ind AS 27, the Company has opted to value the investments in subsidiary entity at cost.

4.3 Namra Finance Limited (CIN: U65999GJ2012PLC069596) is wholly owned subsidiary Company. The Arman Financial Services Limited has investment in subsidiary company's 4,53,60,000 (As At 31.03.22, 3,32,60,000) Equity Shares of ₹10/- each fully paid up

5. Other Financial Assets

	As at March 31, 2023	As at March 31, 2022
Interest Due but not Received on Loans and Advances (Note No.3)	131.27	285.91
Interest Accrued but not due on Bank Deposits (Note No.2)	139.78	5.49
Deposits	7.30	69.54
Other Advances	24.13	6.18
Less : Provision on Interest Receivable on Credit Impaired Loans and Advances	(112.20)	(257.29)
Total	190.29	109.83

5.1 Deposits includes deposits ₹ Nil Lakhs (P.Y. ₹ 58.35 Lakhs), given as collateral security against loans from financial Institutes.

5.2 Reconciliation of Provision on Interest Receivable on Credit Impaired Loans given below:

ECL Allowances as at beginning of the year	257.29	151.85
Addition During the Year	75.86	217.70
Reversal During the Year	(220.95)	(112.26)
ECL Allowances as at end of the year	112.20	257.29

5.3 There are no dues/loans from directors or other officers of the company or any firm or private company in which any director is a partner or director or a member.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
6. Current Tax (Net)		
Advance Tax and TDS	3,015.60	2,069.01
Less: Provision for Tax	(2,839.50)	(2,051.60)
Total	176.10	17.40
7. Deferred Tax		
A Deffered Tax Assets on Account of:		
Provision for employee benefits that are allowable for tax purpose in the year of payment	17.01	10.05
Shares issue expenses that are allowable for tax purpose on deferred basis	5.03	0.57
Impairment on Financial Assets	(75.47)	64.87
Amortisation of Processing Fees Income	516.44	502.03
Provision for CSR	(0.00)	3.84
Total Deferred Tax Assets	463.01	581.37
B Deferred Tax Liability on Account of:		
Difference in written down value as per Companies Act and Income Tax Act	(4.03)	(5.72)
Financial liabilities measured at amortised cost	(77.74)	(28.61)
Interest on NPA Receivable	(28.24)	(64.75)
Fair valuation of financial instruments through Other Comprehensive Income	15.21	(18.65)
Total Deferred Tax Liabilities	(94.80)	(117.73)
Total Asset/(Liability) (Net)	368.21	463.64

7.1 The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

Particulars	As at March 31, 2022	(Charged)/ credited to Other Equity	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2023
Assets					
Provision for employee benefits that are allowable for tax purpose in the year of payment	10.05	-	1.35	5.61	17.01
Shares issue expenses that are allowable for tax purpose on deferred basis	0.57	-	4.46	-	5.03
Impairment on Financial Assets	64.87	-	(140.34)	-	(75.47)
Amortisation of Processing Fees Income	502.03	-	14.40	-	516.44
Provision for CSR	3.84	-	(3.84)	-	(0.00)

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Particulars	As at March 31, 2022	(Charged)/ credited to Other Equity	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2023
Liabilities					
Difference in written down value as per Companies Act and Income Tax Act	(5.72)	-	1.69	-	(4.03)
Financial liabilities measured at amortised cost	(28.61)	-	(49.13)	-	(77.74)
Interest Receivable on NPA Assets	(64.75)	-	36.52	-	(28.24)
Fair valuation of financial instruments through Other Comprehensive Income	(18.65)	-	-	33.86	15.21
Total Asset/(Liability) (Net)	463.64	-	(134.90)	39.47	368.21

Particulars	As at March 31, 2021	(Charged)/ credited to Other Equity	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2022
Assets					
Provision for employee benefits that are allowable for tax purpose in the year of payment	9.87	-	2.26	(2.07)	10.05
Shares issue expenses that are allowable for tax purpose on deferred basis	0.86	-	(0.29)	-	0.57
Amortisation of Processing Fees Income	12.18	-	52.69	-	64.87
Impairment on Financial Assets	502.03	-	0.00	-	502.03
Provision for CSR	-	-	3.84	-	3.84
Liabilities					
Difference in written down value as per Companies Act and Income Tax Act	(5.55)	-	(0.16)	-	(5.72)
Financial liabilities measured at amortised cost	(18.61)	-	(10.00)	-	(28.61)
Interest Receivable on NPA Assets	-	-	(64.75)	-	(64.75)
Fair valuation of financial instruments through Other Comprehensive Income	(62.29)	-	-	43.64	(18.65)
Total Asset/(Liability) (Net)	438.49	-	(16.42)	41.57	463.64

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

8. Property, Plant & Equipment

Carrying Value	Buildings	Furniture & Fixtures	Office Equipment	Vehicles	Computers	Total Property, Plant & Equipment	Intangible Assets	Intangible asset under development	Total Assets
At March 31, 2021	52.23	57.04	26.18	17.01	39.15	191.60	8.05	-	199.65
Addition	-	5.31	0.15	-	9.93	15.39	-	2.62	18.00
Disposal	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-
At March 31, 2022	52.23	62.35	26.33	17.01	49.07	0.00	8.05	2.62	0.00
Addition	(0.00)	2.99	1.79	0.00	6.72	11.50	3.16	-	14.66
Disposal	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	2.62	2.62
At March 31, 2023	52.23	65.34	28.12	17.01	55.80	11.50	11.21	-	12.04
Accumulated Depreciation	Buildings	Furniture & Fixtures	Office Equipment	Vehicles	Computers	Total Property, Plant & Equipment	Intangible Assets	Intangible asset under development	Total Assets
At March 31, 2021	17.66	40.39	16.98	7.15	33.55	115.74	7.65	-	123.39
Change for the year	0.83	3.07	1.45	1.98	2.71	10.03	-	-	10.03
Disposal	-	-	-	-	-	-	-	-	-
At March 31, 2022	18.49	43.46	18.42	9.13	36.26	0.00	7.65	-	0.00
Change for the year	0.83	3.00	1.70	1.98	5.15	12.65	0.37	-	13.03
Disposal	-	-	-	-	-	-	-	-	-
At March 31, 2023	19.32	46.46	20.12	11.11	41.42	12.65	8.02	-	13.03
Net Carrying Value									
At March 31, 2022	33.74	18.89	7.90	7.88	12.81	81.22	0.40	2.62	84.24
At March 31, 2023	32.91	18.88	7.99	5.90	14.38	80.07	3.19	-	83.26

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

8.1

A. Intangible assets under development aging schedule :

Intangible assets under development	March 31, 2023			Total
	Amount in CWIP for a period of			
	Less than 1 year	1-2 Years	2-3 Years	
Projects in progress	-	-	-	-
Projects temporarily suspended	-	-	-	-
Intangible assets under development	March 31, 2022			Total
	Amount in CWIP for a period of			
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years
Projects in progress	2.62	0.00	0.00	2.62
Projects temporarily suspended	-	-	-	-

B. For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan :

Intangible assets under development	March 31, 2023			Total
	To be completed in			
	Less than 1 year	1-2 Years	2-3 Years	
Project 1	-	-	-	-
Project 2	-	-	-	-
Intangible assets under development	March 31, 2022			Total
	To be completed in			
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years
Project 1	-	-	-	-
Project 2	-	-	-	-

(a) **Capitalised Borrowing Cost** : Borrowing Cost Capitalised on Property, Plant and Equipment during the year ₹. Nil (PY: ₹. Nil).

(b) **Contractual Obligations**: Refer Note.31 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.

(c) Title deeds of immovable property (other than proper taken on lease by duly executed lease agreement) are held in the name of the company.

(d) No proceedings have been initiated or pending against the company for holding any benami property under the Benami transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

9. Other Non - Financial Assets	As at March 31, 2023	As at March 31, 2022
Prepaid Expenses	5.47	2.86
Balance with Government Authorities	6.34	1.36
Advances to staff	1.30	8.07
Advance to Suppliers	39.90	60.82
Total	53.01	73.11

10. Trade Payables	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of other than micro enterprises and small enterprises	43.13	70.69
Total	43.13	70.69

10.1 Trade Payable ageing schedule :

As on March 31, 2023	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	-	-	42.76
Outstanding between 1 year to 2 Years	-	-	-	0.37
Outstanding between 2 year to 3 Years	-	-	-	-
Outstanding More than 3 Years	-	-	-	-

As on March 31, 2022	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	-	-	-	70.29
Outstanding between 1 year to 2 Years	-	-	-	0.40
Outstanding between 2 year to 3 Years	-	-	-	-
Outstanding More than 3 Years	-	-	-	-

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

10.2 Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The disclosure as required by section 22 of MSMED Act has been given below:

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
1	Principal amount payable to suppliers as at year end	-	-
2	Interest due thereon as at year end	-	-
3	Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates.	-	-
4	Amount of delayed payment actually made to suppliers during the year	-	-
5	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
6	Interest accrued and remaining unpaid at the end of the year	-	-
7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

11. Debt Securities (At Amortised Cost)

	As at March 31, 2023	As at March 31, 2022
Secured Debenture (Refer note 11.1)		
11.80% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each (C.Y. 300 Unit, P.Y. 300)	2,000.00	3,000.00
11.30% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (C.Y. 2,88,750 Unit, P.Y. Nil)	2,887.50	-
13.15% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each (C.Y. Nil Unit, P.Y. 378)	-	3,780.00
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹1 Lakh Each (C.Y. 2500 Unit, P.Y. Nil)	2,500.00	-
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹10 Lakh Each (C.Y. 200 Unit, P.Y. Nil)	2,000.00	-
Unsecured Debenture (Refer note 11.1)		
Debt Component of 15% Unsecured Compulsory Convertible Debenture of ₹1230 Each	1,047.33	-
Less: Unamortised borrowing costs	(251.74)	(51.43)
Total Debt Securities	10,183.09	6,728.57
Debt Securities in India	10,183.09	6,728.57
Debt Securities Outside India	-	-
Total	10,183.09	6,728.57

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11.1 Details of terms of Redemption/ Repayment and security provided in respect of Debt Securities

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
378, 13.15% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each	-	3,780.00	99.99% on 03-03-2023 and Remaining Bullet Payment at the end of 60 Months From 03-03-2020	Secured Under Hypothecation of Specific Assets Portfolio
300, 11.80% Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each	2,000.00	3,000.00	33.33% on 31-12-2022, 33.33% on 31-12-2023 & Remaining 33.34% Payment at the end of 34 Months From 23-03-2022	Secured Under Hypothecation of Specific Assets Portfolio
Debt Component of 15% Unsecured Compulsory Convertible Debenture of ₹ 1230 Each	1,047.33	-	24% on 30-06-2023, 25% on 30-09-2023, 26% on 31-12-2023 & Remaining 25% Payment at the end of 18 Months From 28-09-2022	-
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹10 Lakh Each	2,000.00	-	100% on 04-04-2024 and Remaining Bullet Payment at the end of 18 Months From 04-10-2022	Secured Under Hypothecation of Specific Assets Portfolio
11.30% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each	2,887.50	-	99.99% on 16-06-2025 and Remaining Bullet Payment at the end of 36 Months From 14-12-2022	Secured Under Hypothecation of Specific Assets Portfolio
9.90% Secured, Redeemable, Principal Protect - Market Linked Debenture of ₹1 Lakh Each	2,500.00	-	100% on 27-07-2024 and Remaining Bullet Payment at the end of 18 Months From 24-01-2023	Secured Under Hypothecation of Specific Assets Portfolio
Total Debt Securities	10,434.83	6,780.00		

12. Borrowings (at Amortized Cost)

	As at March 31, 2023	As at March 31, 2022
Term Loans		
Secured		
From Banks	1,540.25	2,982.30
From Financial Institutions	9,333.61	6,188.51
Loans repayable on demand from banks	633.19	1,461.39
Overdraft from banks - Secured against Fixed Deposit	5,198.66	-
Loans from Related Parties		
From Directors and their relatives	-	-
Inter Corporate Deposits - Unsecured	1,013.14	-
Less: Unamortised borrowing costs	(57.15)	(62.24)
Total Borrowings	17,661.69	10,569.96
Borrowings in India	17,661.69	10,569.96
Borrowings Outside India	-	-
Total	17,661.69	10,569.96

12.1 Security:-

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for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Term Loans & Working Capital Loans are secured under hypothecation of exclusive first charge on specific assets portfolio & personal guarantee of some of the directors. The same are further secured by cash collateral security in the form of fixed deposit which are shown under "Other Bank Balance". And refer note 34 for Loans from related parties.

12.2 Interest:

Term loan and Loans repayable on demand from banks carries an interest rate ranging from 10.25% to 15.00% p.a.

The Company has not defaulted in repayment of borrowings and interest.

12.3 The Company has borrowed funds from banks and financial institutions on the basis of security of book debts. It has filed quarterly returns or statements of book debts with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

12.4 Details of terms of Redemption/ Repayment and security provided in respect of Borrowings:

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Borrowings (Other than Debt Securities) from banks				
Term Loan From Bank-1	-	138.89	Repayable in 36 monthly installments starting from 31 July 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank-2	-	85.71	Repayable in 24 monthly installments starting from 31 December 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank-3	-	457.14	Repayable in 24 monthly installments starting from 04 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank-4	285.71	500.00	Repayable in 24 monthly installments starting from 10 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Bank-5	1,254.55	1,800.55	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.
Total Borrowings From Banks	1,540.25	2,982.30		
Loans repayable on demand from banks				
Cash Credit Facility From Bank 1	-	178.52	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Cash Credit Facility From Bank 2	-	339.63	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed and Bank Deposit.
Cash Credit Facility From Bank 3	633.19	905.95	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.
Cash Credit Facility From Bank 4	-	37.29	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed, Bank Deposit and Personal Guarantee of Some of the Directors.
Over Draft Facility From Bank 5	2,832.66	-	-	Secured by a first and exclusive charge Bank Deposits
Over Draft Facility From Bank 6	2,365.99	-	-	Secured by a first and exclusive charge Bank Deposits
Total Loans repayable on demand from banks	5,831.84	1,461.39		
Borrowings (Other than Debt Securities) from financial institution				
Term Loan From Financial Institution 1	-	13.07	Repayable in 36 monthly installments starting from 15 April 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 2	-	424.66	Repayable in 36 monthly installments starting from 22 July 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 3	-	41.67	Repayable in 36 monthly installments starting from 04 October 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 4	-	41.67	Repayable in 36 monthly installments starting from 04 October 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 5	-	41.67	Repayable in 36 monthly installments starting from 04 October 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Standalone Financial Statements

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(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 6	-	41.67	Repayable in 36 monthly installments starting from 04 October 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 7	145.83	395.83	Repayable in 27 monthly installments starting from 30 July 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 8	145.83	395.83	Repayable in 27 monthly installments starting from 30 July 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 9	408.29	795.31	Repayable in 30 monthly installments starting from 06 August 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 10	477.08	855.83	Repayable in 30 monthly installments starting from 30 September 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 11	125.00	375.00	Repayable in 24 monthly installments starting from 04 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 12	125.00	375.00	Repayable in 24 monthly installments starting from 18 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 13	130.43	391.30	Repayable in 24 monthly installments starting from 18 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 14	285.71	500.00	Repayable in 24 monthly installments starting from 16 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 15	285.71	500.00	Repayable in 24 monthly installments starting from 16 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 16	243.06	350.00	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

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(All amounts are in Lakhs unless otherwise stated)

Details of terms of Redemption/ Repayment and security provided in respect of Borrowings (Contd.):

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution 17				
Term Loan From Financial Institution 18	243.06	350.00	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 19	104.17	150.00	Repayable in 36 monthly installments starting from 31 March 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
PTC with Financial Institution 20	1,259.54	-	Repayable in 18 monthly installments starting from 01 August 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 21	428.57	-	Repayable in 24 monthly installments starting from 27 September 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 22	428.57	-	Repayable in 24 monthly installments starting from 27 September 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 23	900.00	-	Repayable in 24 monthly installments starting from 28 December 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution 24	1,200.00	-	Repayable in 36 monthly installments starting from 31 December 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
PTC with Financial Institution 25	2,293.58	-	Repayable in 21 monthly installments starting from 16 March 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Total Borrowings From Financial Institution	9,333.61	6,188.51		

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(All amounts are in Lakhs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
13. Subordinated Liabilities (At Cost)		
Liability component of Optionally Convertible Redemption Preference Shares (Refer Note 18.2)		
3,10,972 10% OCRPS issued at face value at ₹10 each on 28 th September 2022	3,858.45	-
Unsecured		
15%, Unsecured Subordinated Term Loan in India	500.00	500.00
Unsecured Subordinated Debt outside India	-	-
Total	4,358.45	500.00

13.1 Details of terms of Redemption/ Repayment of Unsecured Subordinated Liabilities:

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Subordinated Term Loan From Bank 1	500.00	500.00	Single Bullet Payment at the end of 84 Months from June 23, 2017	Unsecured

	As at March 31, 2023	As at March 31, 2022
14. Other Financial Liabilities		
Interest accrued but not due on Borrowings	280.71	49.69
Interest Payable on CCD	180.65	-
Payable to Employees	134.80	111.43
Security deposits received from Borrowers	27.92	26.90
Insurance Payable	87.92	192.01
CSR expenses payable	8.26	15.26
Unpaid dividend	11.74	15.27
Payable toward assignment and transactions	12.72	16.82
Total	744.71	427.39

14.1 Unpaid dividend outstanding as on March 31, 2023 is not due for transfer to investor education and protection fund by the Company.

	As at March 31, 2023	As at March 31, 2022
15. Provisions		
Provisions for employee benefits - Gratuity	67.58	39.93
Total	67.58	39.93

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	As at March 31, 2023	As at March 31, 2022
16 Other Non Financial Liabilities		
Other statutory dues	17.00	12.56
TDS payable	146.92	19.39
Financial Guarantee (Liability)	592.25	276.45
Total	756.18	308.40
17 Equity Share Capital		
Authorized Shares		
1,40,00,000 Equity Shares of ₹10/- each (As at March 31, 2021: 1,50,00,000 Equity Shares of ₹10/- each)	1,400.00	1,500.00
Total	1,400.00	1,500.00
Issued, subscribed and fully paid-up shares:		
84,92,334 Equity Shares of (As at March 31, 2021: 84,91,584 Equity Shares) of ₹10/- each fully paid up (Ordinary)	849.23	849.16
Total	849.23	849.16

17.1 The reconciliation of the number of shares outstanding and the amount of ordinary equity share capital as at March 31, 2023 & March 31, 2022 is set out below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	(Rs. In Lakhs)	No. of Shares	(Rs. In Lakhs)
Ordinary Equity Shares:				
Outstanding at the beginning of the year	84,91,584	849.16	84,88,384	848.84
Issued during the year	750	0.08	3,200	0.32
Outstanding at the end of the year	84,92,334	849.23	84,91,584	849.16

17.2 Details of shareholders holding more than 5 % of ordinary shares of the Company are as follows:

Class of shares / Name of shareholder	March 31, 2023		March 31, 2022	
	Number of shares held"	% holding in that class of shares	Number of shares held	% holding in that class of shares
Jayendrabhai Patel	4,27,937	5.04%	4,27,937	5.04%
Ritaben Patel	4,36,089	5.14%	4,36,089	5.14%
Mukul Agrawal	4,00,000	4.71%	4,29,262	5.06%
Elevation Capital V Limited	18,90,417	22.26%	18,90,417	22.26%
Namra Holdings & Consultancy Services LLP	9,48,308	11.17%	9,48,308	11.17%

Notes Forming Part of the Standalone Financial Statements

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(All amounts are in Lakhs unless otherwise stated)

17.3 Details of Promoters Shareholding of ordinary shares of the company are as follows :

Promotor Name	As at March 31, 2023		As at March 31, 2022	
	Number of shares held"	% holding in that class of shares	Number of shares held	% holding in that class of shares
Jayendrabhai Patel	4,27,937	5.04%	4,27,937	5.04%
Jayendrabhai Patel HUF	1,96,000	2.31%	1,96,000	2.31%
Amit Rajnikant Mankiwala	11,972	0.14%	13,244	0.16%
Ritaben Patel	4,36,089	5.14%	4,36,089	5.14%
Himani Amit Mankiwala	8,979	0.11%	19,830	0.23%
Aalok Jayendrabhai Patel	2,47,809	2.92%	2,47,809	2.92%
Maulik Amit Mankiwala	800	0.01%	800	0.01%
Sajni Aalok Patel	41,316	0.49%	41,316	0.49%
Namra Holdings and Consultancy Services LLP	9,48,308	11.17%	9,48,308	11.17%

17.4 Shares reserved for issue under options

For details of shares reserved for issue under the Employees Stock Option Plan (ESOP) refer note 39.

17.5 Terms / rights attached to equity shares

- In respect of Ordinary Equity Shares having face value of ₹10/- . Each holder of Ordinary Equity Share is entitled to 1 vote per share.
- In the event of liquidation of the Company, the holders of both type of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by shareholders.

	As at March 31, 2023	As at March 31, 2022
18. Other Equity (Refer Note 18.1)		
A. Reserves and Surplus		
i. General Reserve		
Balance as per last financial statement	144.35	134.35
Add: Transfer from statement of profit and loss	10.00	10.00
Closing Balance	154.35	144.35
ii. Special Reserve u/s 45-IC of the RBI Act,1934		
Balance as per last financial statement	1,525.00	1,200.00
Add: Transfer from statement of profit and loss	568.00	325.00
Closing Balance	2,093.00	1,525.00
iii. Securities Premium		
Balance as per last financial statement	6,903.77	6,891.79
Add: Share Premium on shares issued during the year	5.41	11.98
Less: Share Issue Expenses	-	-
Closing Balance	6,909.18	6,903.77

Notes Forming Part of the Standalone Financial Statements

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(All amounts are in Lakhs unless otherwise stated)

18. Other Equity (Refer Note 18.1)(contd..)	As at March 31, 2023	As at March 31, 2022
iv. Share Based Payment Reserve		
Balance as per last financial statements	11.59	14.06
Add/(Less): Stock option expenditure for the year	17.27	15.00
Less: amount transferred towards option expired unexercised	-	6.77
Less: Reversal of ESOP reserve on exercised option of stock option	5.11	10.70
Closing Balance	23.75	11.59
v. Surplus in the Statement of Profit and Loss		
Balance as per last financial statement	4,607.74	3,516.96
Add : Profit for the year	2,836.15	1,623.44
Less: Appropriations		
Amount transfer to General Reserve	(10.00)	(10.00)
Amount transfer to Special Reserve u/s 45-IC of RBI Act, 1934	(568.00)	(325.00)
Reversal of Corporate Guarantee due to closure of loan of subsidiary company	(278.52)	(197.67)
Dividend Paid	-	-
Tax paid on Dividend	-	-
Closing Balance	6,587.37	4,607.74
B. Other Comprehensive Income		
Balance as per last financial statement	53.69	177.30
Additions during the year	(117.35)	(123.61)
Closing Balance	(63.66)	53.69
C. Equity Component of Compound Instruments:		
i. Equity Component of Compulsory Convertible Debentures		
Balance as at the beginning of the period	-	-
Additions during the year	6,146.73	-
Closing Balance	6,146.73	-
ii. Equity component of Optionally Convertible Redeemable Preference shares		
Balance as at the beginning of the period	-	-
Transactions with owners in their capacity as owners	236.33	-
Closing Balance	236.33	-
Total	22,087.05	13,246.14

18.1 Nature and Purpose of Reserve

1 Reserve u/s. 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934"):

Reserve u/s. 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

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2 Securities premium:		
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act		
3 Surplus in the statement of profit and loss:		
Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. These reserves are free reserves which can be utilised for any purpose as may be required.		
4 FVOCI - loans and advances:		
The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity.		
5 FVOCI - Remeasurement of the defined benefit liabilities:		
Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any		
6 General reserve:		
The Company has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.		
7 Share Based Payment Reserve:		
The Stock option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.		
18.2 Disclosures in relation to Compound Instruments:		
1 Term of conversion of Compulsory Convertible Debenture		
The CCDs shall be converted into equity shares on the earlier of following events:		
(i) the Investor electing to convert the CCDs into equity shares by issuing a conversion notice to the Company; and		
(ii) the date of expiry of 18 (eighteen) months from the date of allotment of CCDs (28 th September 2022).		
It shall be convertible into equity shares at a conversion price of ₹1,230/- per share at a price being not lower than the minimum price calculated under the SEBI Regulations.		
2 Disclosures for Optionally Convertible Redeemable Preference shares		
A Preference Share Capital	As at March 31, 2023	As at March 31, 2022
Authorized Shares		
10,00,000 Preference Shares of ₹10/- each (As at March 31, 2022: 0 Preference Shares of ₹10/- each)	100.00	Nil
Total	100.00	Nil
B Issued, subscribed and fully paid-up shares:		
3,10,972 Preference Shares of ₹10/- each (As at March 31, 2022: 0 Preference Shares of ₹10/- each)	31.10	Nil
Total	31.10	Nil

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(All amounts are in Lakhs unless otherwise stated)

C The reconciliation of the number of shares outstanding and the amount of preference share capital as at March 31, 2023 & March 31, 2022 is set out below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Outstanding at the beginning of the year	Nil	-	Nil	Nil
Issued during the year	3,10,972	31.10	Nil	Nil
Outstanding at the end of the year	3,10,972	31.10	Nil	Nil

D Details of shareholders holding more than 5 % of preference shares of the Company are as follows:

Class of shares / Name of shareholder	March 31, 2023		March 31, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Pratul Krishnakant Shroff	81,300	26.14%	-	0.00%
RRM Enterprises Private Limited	40,650	13.07%	-	0.00%
Sandeep Kapadia	40,650	13.07%	-	0.00%
Amlan Hasmukh Shah and Minoti	24,390	7.84%	-	0.00%
Fundscorner Fintech Solutions Private Limited	22,357	7.19%	-	0.00%
Rajiv Narpatmal Bhandari	20,325	6.54%	-	0.00%
Himanjana Ramesh Patel	16,260	5.23%	-	0.00%

E Equity shares reserved for issue under option to convert Optionally Convertible Redeemable Preference shares to equity shares

Particulars	As at March 31, 2023	As at March 31, 2022
Equity shares reserved for issue under option	3,10,972	Nil

F Terms / rights attached to preference shares

The Company has preference shares having a par value of ₹10/- per share. Preference shares shall carry voting rights as prescribed under the provisions of the Companies Act, 2013 and/or the Articles. The preference share shall carry a cumulative right of dividend at a fixed amount of ₹123/- (Indian Rupees One Hundred and Twenty Three only) per annum out of the profits of the Company and the payment of such dividend shall have priority over any dividend rights of the equity shares of the Company. The preference shares shall carry a preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment of capital. The OCRPS shall not be entitled to participate in the surplus funds, surplus assets and profits of the Company on winding up, which may remain after the entire capital has been repaid.

G Terms of conversion attached to Optionally Convertible Redeemable Preference shares

The OCRPS, upon issue, will be convertible into equivalent number of equity shares of ₹10/- (Indian Rupees Ten only) at the option of the Proposed Allottee within a period not exceeding 18 (eighteen) months from the Allotment Date (i.e., 28th September 2022). The right to seek conversion of the OCRPS can be exercised by the Proposed Allottee, at its discretion, in respect of all or some OCRPS held by it.

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(All amounts are in Lakhs unless otherwise stated)

H Terms of redemption of preference shares

In the event the Allottee chooses not to convert the OCRPS within 18 (eighteen) months from the Allotment Date, such OCRPS will be redeemed in the following manner:

(i) At the option of the Proposed Allottee, all or some of the OCRPS can be redeemed, by providing a written notice to the Company within 15 (fifteen) business days from the expiry of 18 (eighteen) months from the Allotment Date.

(ii) If the option under (i) has not been exercised by the Proposed Allottee, then, all or some of the OCRPS can be redeemed at the option of the Proposed Allottee, by providing a written notice to the Company within 15 (fifteen) business days from the expiry of 24 (twenty four) months from the Allotment Date.

(iii) If the option under (i) or (ii) has not been exercised by the Proposed Allottee, then, all but not less than all of the OCRPS shall be compulsorily redeemed by the Company, within a period of 30 (thirty) days from the expiry of 36 (thirty six) months from the Allotment Date.

	Year ended March 31, 2023		Year ended March 31, 2022	
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost
19. Interest Income				
Interest income based on effective interest method	8,708.15	Nil	5,833.21	Nil
Interests on Deposits as Security	Nil	182.84	Nil	153.61
Interests on Others	Nil	179.48	Nil	129.87
Total	8,708.15	362.32	5,833.21	283.48
Total Interest		9,070.48		6,116.69
20. Fees and Commission Income				
Loan Processing fees Income		235.17		87.09
Other Fees and Charges		87.07		84.78
Total		322.24		171.87
21. Net gain on fair value changes				
Profit on Sale of Current Investment		46.52		37.58
Total		46.52		37.58
22. Other Income				
Income on Financial Guarantee given to banks on behalf of Subsidiary		174.79		295.71
Total		174.79		295.71

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

23. Finance Costs (on financial liabilities measured at amortized cost)	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Borrowings	1,481.32	725.72
Interest on Debt Securities	1,189.72	776.27
Interest on Subordinated Liabilities	75.00	74.88
Other interest expense	168.63	160.60
Other Borrowing Costs	155.12	51.54
Total	3,069.78	1,789.01

24. Impairment of financial instruments	Year ended March 31, 2023	Year ended March 31, 2022
Bad debts written off (Net)	845.17	655.95
Expected Credit Loss Provision (Net)	(635.16)	77.54
Total	210.01	733.49

24.1 Details of Expected Credit Loss on loans and Interest Receivable on Credit Impaired Asset please Refer Note 3.2 and 5.2 of Financial Statement.

25. Employee Benefit Expenses	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	1,635.70	1,192.24
Contribution to provident and other funds	93.32	63.52
Gratuity	12.80	10.96
Staff welfare expenses	23.40	13.06
Total	1,765.22	1,279.78

25.1 Employee Benefit Plan:

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

a) Defined contribution plan:

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹93.32 Lakhs (Year ended March 31, 2022: ₹63.52 Lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense

b) Defined benefit plan:

Financial assets not measured at fair value:

"The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk.

These are discussed as follows:

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Due to Change in financial assumptions

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The status of gratuity plan required under Ind AS 19 is an under:

Reconciliation of opening and closing balances of defined benefit obligation	Year ended March 31, 2023	Year ended March 31, 2022
Opening Defined Benefit Obligation	40.05	39.25
Transfer in/(out) obligation	Nil	Nil
Current service cost	10.58	8.88
Interest cost	2.30	2.13
Components of actuarial gain/losses on obligations:	Nil	Nil
Due to Change in financial assumptions	(3.00)	(0.82)
Due to change in demographic assumption	Nil	Nil
Due to experience adjustments	25.08	(8.20)
Past service cost	Nil	Nil
Loss (gain) on curtailments	Nil	Nil
Liabilities extinguished on settlements	Nil	Nil
Liabilities assumed in an amalgamation in the nature of purchase	Nil	Nil
Exchange differences on foreign plans	Nil	Nil
Benefits paid	(7.41)	(1.19)
Closing Defined Benefit Obligation	67.60	40.05

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
II Reconciliation of plan assets		
Opening value of plan assets	0.12	0.06
Transfer in/(out) plan assets	Nil	Nil
Expense deducted from the fund	Nil	Nil
Interest Income	0.08	0.04
Return on plan assets excluding amounts included in interest income	(0.19)	(0.78)
Assets Distributed on settlements	Nil	Nil
Contribution by the company	Nil	2.00
Assets acquired in an amalgamation in the nature of purchase	Nil	Nil
Exchange difference on foreign plans	Nil	Nil
Benefits paid	Nil	(1.19)
Fair value of plan assets at the end of the year	0.01	0.12
III Reconciliation of net defined benefit liability		
Net opening provision in books of accounts	39.93	39.20
Transfer in/(out) obligation	Nil	Nil
Transfer (in)/out plan assets	Nil	Nil
Employee Benefit Expense	12.80	10.96
Amounts recognized in Other Comprehensive Income	22.28	(8.23)
	75.00	41.93
Benefits paid by the Company	(7.41)	Nil
Contributions to plan assets	Nil	(2.00)
Closing provision in books of accounts	67.58	39.93
IV Composition of plan assets		
Government of India Securities	0.00%	0.00%
High quality corporate bonds	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Policy of Insurance	100.00%	100.00%
Total	100.00%	100.00%
V Expense recognised during the year		
Current service cost	10.58	8.88
Interest cost	2.22	2.09
Past service cost	Nil	Nil
Expense recognised in the statement of profit and loss	12.80	10.96

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
VI Other comprehensive income		
Components of actuarial gains/losses on obligations:		
Due to change in financial assumptions	(3.00)	(0.82)
Due to change in demographic assumption	Nil	Nil
Due to experience adjustments	25.08	(8.20)
Return of plan assets excluding amounts included in interest income	0.19	0.78
Components of defined benefits cost/(income) recognised in other comprehensive income	22.28	(8.23)
VII Principal actuarial assumptions		
Discount rate (per annum)	7.30%	6.40%
Rate of return on plan assets (per annum)	8.00%	6.00%
Annual increase in salary cost	6.00%	6.00%
Withdrawal rates per annum		
25 and below	25%	25%
26 to 35	25%	25%
36 to 45	20%	20%
46 to 55	10%	10%
56 and above	5%	5%

The discount rate is based on the prevailing market yield of government of India's bond as at the balance sheet date for the estimated terms of the obligations

VIII) Sensitivity analysis

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +0.5%)	69.23	66.04	41.08	39.07
(% change compared to base due to sensitivity)	2.42%	-2.30%	2.57%	-2.43%
Salary growth rate (- / + 0.5%)	66.02	69.24	39.07	41.07
(% change compared to base due to sensitivity)	-2.33%	2.43%	-2.45%	2.55%
Withdrawal rate (W.R.) (W.R.*x 90%/W.R.x 110%)	68.44	66.74	40.79	39.34
(% change compared to base due to sensitivity)	1.26%	-1.26%	1.84%	1.77%

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

IX) Asset liability matching strategies

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statements is obtained from the actuarial valuer.

X) Effect of plan on the company's future cash flows

a) Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity analysis of defined benefit obligation

The Weighted Average Duration (Years) as at valuation date is 4.96 years.

Particulars	Cash flows (₹)	Distributions (%)
1 st Following year	14.78	14.30%
2 nd Following year	9.37	9.10%
3 rd Following year	8.29	8.00%
4 th Following year	7.90	7.60%
5 th Following year	7.66	7.40%
Sum of years 6 to 10	29.19	28.20%

The future accrual is not considered in arriving at the above cash-flows

XI) The expected contribution for the next year is ₹15.64 Lakhs

	Year ended March 31, 2023	Year ended March 31, 2022
26. Depreciation and Amortisation		
Depreciation of Property, Plant & Equipment	12.65	10.03
Amortisation of Intangible Asset	0.37	-
Total	13.03	10.03

	Year ended March 31, 2023	Year ended March 31, 2022
27. Other Expenses		
Electricity & fuel charges	13.91	11.71
Repairs to Building	15.67	5.05
Insurance	7.20	4.45
Collection Expense	50.55	34.39
Rent (Refer Note 32)	76.85	58.89
Rates & taxes	22.96	20.70
Bank Charges	14.09	22.07
Stationery & printing	29.84	26.00
Advertisement expenses	0.87	0.69
Communication	19.38	14.83

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation and Amortisation (contd..)		
Traveling & conveyance expenses	173.22	126.12
Professional fees	158.79	132.32
Auditor's Remuneration		
Audit fees	8.72	8.91
For Others	3.60	5.30
For Certification	0.32	0.48
	12.63	14.69
Corporate social responsibility expenditure (Refer Note 31)	30.91	23.85
Director sitting fees	6.46	6.55
Marketing & incentive expenses	88.88	91.61
General charges (including security charges & membership fees etc.)	74.82	85.66
Total	797.04	679.58

28. Tax Expenses

The Components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax	787.90	490.10
Adjustment in respect of current tax of prior years	-	-
Deferred tax	134.90	16.42
Total Tax Expense	922.80	506.52
Total tax charge		
Current Tax	787.90	490.10
Deferred Tax	134.90	16.42

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

28.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2023 and March 31, 2022 is, as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax expense	3,758.95	2,129.96
Income tax rate %	25.17%	25.17%
Computed tax expense	946.05	536.07
Tax effect of :		
Exempted Items	(7.47)	(100.96)
Additional deduction	(150.29)	(20.88)
Non Deductible items	157.75	10.04
Adjustment on Account of Change in Tax Rate	1.69	0.07
Others	(24.93)	65.76
Tax expense Recognised in the Statement of Profit and Loss	922.80	490.10
Effective Tax Rate	24.55%	23.01%

29. Earning Per Share:

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
Numerator used for calculating Basic Earning per share (PAT)	₹ In Lakhs	2,836.15	1,623.44
Dilutive impact of Employee Share Options Scheme	₹ In Lakhs	-	-
Dilutive impact of Compulsorily Convertible Debentures	₹ In Lakhs	73.54	-
Dilutive impact of Optionally Convertible Redeemable Preference Shares	₹ In Lakhs	-	-
Numerator used for calculating Diluted Earning per share (PAT)	₹ In Lakhs	2,909.69	1,623.44
Weighted average no. of shares used as denominator for calculating basic earnings per share	Shares in Lakhs	84.92	84.90
Effect of dilution:			
Dilutive impact of Employee Share Options Scheme	Shares in Lakhs	0.04	0.03
Dilutive impact of Compulsorily Convertible Debentures	Shares in Lakhs	3.16	-
Dilutive impact of Optionally Convertible Redeemable Preference Shares	Shares in Lakhs	-	-
Weighted average no. of shares used as denominator for calculating diluted earnings per share	Shares in Lakhs	88.13	84.93
Nominal value per Share	In ₹	10.00	10.00
Basic earnings per share	In ₹	33.40	19.12
Diluted earnings per share	In ₹	33.02	19.12

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

29.1 Company shall give various ratios as specified with explanation of items included in numerator and denominator for computing the ratios along with explanation for any change in the ratio by more than 25% as compared to the preceding year.

Ratio	Capital to risk-weighted assets ratio (CRAR)	Tier I CRAR	Tier II CRAR	Liquidity Coverage Ratio
Numerator	Tier 1 & 2 Capital	Tier 1 Capital	Tier 2 Capital	Highly Liquid Assets
Denominator	Risk weighted Assets	Risk weighted Assets	Risk weighted Assets	Expected 30 day cash outflow
Year ended March 31, 2023				
Numerator	10,992.35	5,846.29	5,146.07	627.37
Denominator	33,704.90	33,704.90	33,704.90	1,151.57
Ratio	32.61%	17.35%	15.27%	54.48%
Year ended March 31, 2022				
Numerator	6,149.08	5,687.45	461.63	3,101.93
Denominator	21,131.97	21,131.97	21,131.97	2,285.06
Ratio	29.10%	26.91%	2.18%	135.75%
% Variance	12.08%	-35.55%	598.92%	-59.87%
Reason for variance (if above 25%)	-	Growth of 50% in Portfolio size & investment of ₹100 Crores made in subsidiary, leads to reduction from 26.91% to 17.35%	New tier II funds of ₹38.24 Crores are raised during quarter 2, leads to increase from 2.18% to 15.27%.	CC limits of ₹7 Crores from IDBI Bank and Bank of Baroda is surrendered, leads to decrease from 135.75% to 54.48%

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

30. Contingent liabilities not provided for: -

PARTICULARS	Year Ended March 31, 2023	Year Ended March 31, 2022
(A) Contingent liabilities		
Guarantees given on behalf of subsidiary company : (Refer note below)		
a) To banks		
Amount of guarantees	48,280.00	23,850.00
Amount of loans outstanding	38,212.19	12,663.87
(B) Disputed Demand of Tax		
i) Income Tax Act (Company has paid under protest ₹177.78 Lakhs (P.Y. ₹177.78 Lakhs), which is shown under "Current Tax Liability (net) / Current Tax Asset (net)")	613.24	762.22
ii) TDS	-	-

Notes:

Guarantees are given by the Company to various banks and Financial Institution on behalf of Subsidiary company for the loan taken and accordingly, the same has been shown as contingent liability.

31. Corporate Social Responsibility ("CSR") expenses:

The gross amount required to be spent by the Company during the year towards CSR is ₹30.91 Lakhs (March 31, 2022: ₹23.85 Lakhs) as per section 135 of the Act. Details of amount spent towards CSR as below

Sr. No.	Particulars	In Cash	Transferred to unspent CSR a/c U/s 135(6)	Yet to be paid in Cash	Total
1	Construction/ acquisition of assets	-	-	-	-
2	Other purpose (Other than 1 above)	30.91	-	-	30.91

Reason for shortfall in current year: Due to execution of ongoing project.

Nature of CSR activities: To provide financial support for construction of occupational therapy center & educational institute and also provide healthcare & educational support to the needy people of the society.

32. Leasing Arrangements:

The company has taken various office premises under lease. The lease terms in respect of such premises are on the basis of individual agreement entered into with the respective landlords. All lease agreements are cancellable at the discretion of the lessee i.e. The company by serving a notice to the lessor and hence there are no obligation or commitments with reference to such short-term lease as at reporting date.

Amount Recognized in Statement of Profit and Loss:

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Expenses related to short term lease	76.85	58.89

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

33. Segment Reporting:

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

34. Related Party Disclosures as required by IND AS 24 - Related Party Disclosure:

List of related parties with whom transactions have taken place during the year:

A) Subsidiary

Namra Finance Limited

B) Key Managerial Personnel

Mr. Jayendra Patel (Vice Chairman & Managing Director)

Mr. Aalok Patel (Joint Managing Director)

Mr. Vivek Modi (Chief Financial Officer)

Mr. Jaimish Patel (Company Secretary)

C) Non-Executive Directors and Relatives of Key Managerial Personnel

Name of Party	Related party Relationship
Mr. Alok Prasad	Independent Director
Mr. K. D. Shah	Independent Director (up to 12-08-2021)
Mr. Yash. K. Shah	Independent Director
Mr. Ramakant Nagpal	Independent Director
Mrs. Geetaben Solanki	Independent Director
Mrs. Ritaben Patel	Non-Executive Director
Mr. Aakash Patel	Non-Executive Director
Jayendra Patel (HUF)	Key Managerial personnel is Karta
Mrs. Sajni Aalok Patel	Relative of Key Managerial Personnel
Aalok Patel (HUF)	Key Managerial personnel is Karta
Aakash Patel (HUF)	Director is Karta

D) List of entities in which KMP have control or significant influence with whom transactions have occurred during the year

Raaj Enterprise	Key Managerial personnel is proprietor
Arman Foundation	Key Managerial personnel is Trustee
J. B. Patel & Co.	Key Managerial personnel is co-owner
Namra Holdings & Consultancy Services LLP	Key Managerial Personnel are partners

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

E) Details of Transactions with related parties carried out in the ordinary course of business:

Particulars	Year Ended March 31, 2023				Total
	Subsidiary	Key Managerial Personnel	Other Directors and Relatives of person who has control or significant influence on KMP	Entities in which KMP have control or significant influence	
Income					
Corporate Financial Guarantee Income	174.79	-	-	-	174.79
Interest Income	179.48	-	-	-	179.48
Expenses					
Remuneration & perquisites Paid	-	67.59	-	-	67.59
Sitting fees	-	-	6.43	-	6.43
Interest expenses	20.81	25.78	41.12	80.91	168.63
Rent paid	-	-	0.21	-	0.21
CSR Expenses	-	-	-	30.91	30.91
Unsecured Loan					
Unsecured Loan Taken	11,498.88	358.58	346.84	2,504.71	14,709.01
Unsecured Loan Repaid (Including Interest)	10,504.47	384.36	387.96	2,585.62	13,862.42
Unsecured Loan Given	44,453.14	-	-	-	44,453.14
Unsecured Loan Given Received Back (Including interest)	44,632.62	-	-	-	44,632.62
Corporate Guarantee given					
Corporate Guarantee Given for loan taken by subsidiary company during the year (Amount of Loan Outstanding for the said loans of ₹35,000 Lakhs)	39,780.00	-	-	-	39,780.00

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Particulars	Year Ended March 31, 2022				Total
	Subsidiary	Key Managerial Personnel	Other Directors and Relatives of person who has control or significant influence on KMP	Entities in which KMP have control or significant influence	
Income					
Corporate Financial Guarantee Income	295.71	-	-	-	295.71
Interest Income	99.64	-	-	-	99.64
Expenses					
Remuneration & perquisites Paid	-	62.22	-	-	62.22
Sitting fees	-	-	6.55	-	6.55
Interest expenses	-	4.61	74.05	35.60	114.26
Rent paid	-	-	0.21	-	0.21
Unsecured Loan					
Unsecured Loan Taken	-	43.80	579.83	515.00	1138.63
Unsecured Loan Repaid (Including Interest)	-	48.41	653.88	550.60	1252.89
Unsecured Loan Given	75,050.74	-	-	-	75,050.74
Unsecured Loan Given Received Back (Including interest)	75,178.76	-	-	-	75,178.76
Corporate Guarantee given					
Corporate Guarantee Given for loan taken by subsidiary company during the year (Amount of Loan Outstanding for the said loans of ₹6,696.97 Lakhs)	8,000.00	-	-	-	8,000.00

F) List of transactions, out of the transaction reported in the above table, where the transaction entered into with single party exceeds 10% of the total related party transactions of similar nature are as under:

i. Unsecured Loans Given and Repayments

Unsecured loan Given

SRN	Name of relative	2022-23	2021-22
1	Namra Finance Limited	44,453.14	75,050.74

Unsecured loan Given Received Back

SRN	Name of relative	2022-23	2021-22
1	Namra Finance Limited	44,632.62	75,178.76

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

ii. Unsecured Loans Taken and Repayments

Unsecured loan taken

SRN	Name of relative	2022-23	2021-22
1	Aakash Patel (HUF)	210.24	189.58
2	Aalok Patel (HUF)	2.07	-
3	Aalok Patel	106.62	-
4	Jayendra Patel (HUF)	24.23	121.00
5	Jayendra Patel	251.96	41.50
6	Namra Holdings & Consultancy Services LLP	2474.30	515.00
7	Raaj Enterprise	30.41	-
8	Ritaben Patel	110.30	240.25
9	Namra Finance Limited	11,498.88	-

Unsecured loan repayments

SRN	Name of relative	2022-23	2021-22
1	Aakash Patel (HUF)	238.48	216.18
2	Aalok Patel (HUF)	2.35	-
3	Aalok Patel	107.49	-
4	Jayendra Patel (HUF)	27.42	135.88
5	Jayendra Patel	276.87	45.76
6	Namra Holdings & Consultancy Services LLP	2,551.26	550.60
7	Raaj Enterprise	34.36	-
8	Ritaben Patel	119.71	268.77
9	Namra Finance Limited	10,504.47	-

iii. Income

Corporate Financial Guarantee Income

SRN	Name of relative	2022-23	2021-22
1	Namra Finance Limited	174.79	295.71

Interest Income

SRN	Name of relative	2022-23	2021-22
1	Namra Finance Limited	179.48	99.64

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

iv. Expenses

Interest expenses

SRN	Name of relative	2022-23	2021-22
1	Aakash Patel (HUF)	28.24	26.59
2	Aalok Patel (HUF)	0.28	-
3	Aalok Patel	0.87	-
4	Jayendra Patel (HUF)	3.19	14.88
5	Jayendra Patel	24.91	-
6	Namra Holdings & Consultancy Services LLP	76.96	35.60
7	Raaj Enterprise	3.95	-
8	Ritaben Patel	9.41	28.52
9	Namra Finance Limited	20.81	-

Remuneration and perquisites

SRN	Name	2022-23	2021-22
1	Jayendra Patel	20.04	20.13
2	Aalok Patel	10.19	9.96
3	Vivek Modi	26.53	26.40
4	Jaimish Patel	10.83	6.81

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

Sitting fees Paid

SRN	Name	2022-23	2021-22
1	Ritaben Patel	0.75	0.75
2	Ramakant Nagpal	1.33	1.67
3	Alok Prasad	2.13	1.72
4	Geetaben Solanki	0.83	0.85
5	Yash Shah	1.40	0.97
6	K. D. Shah	-	0.57

Rent paid

SRN	Name	2022-23	2021-22
1	J. B. Patel & Co.	0.21	0.21

CSR Expenses

SRN	Name	2022-23	2021-22
1	Arman Foundation	30.91	-

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for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

v. Investments in subsidiary (Namra Finance Limited) during the year

SRN	Particulars	2022-23	2021-22
1	Investment in equity shares	9,997.11	2,753.90

G) Outstanding balances with related parties in ordinary course of business

i. Outstanding Credit Balance of Salary Payables as Follows

SRN	Name of relative	2022-23	2021-22
1	Jayendra Patel	1.22	0.83
2	Aalok Patel	0.69	4.64
3	Vivek Modi	0.69	2.20
4	Jaimish Patel	0.84	0.48

ii. Outstanding Credit Balance of Related Parties are as follows:

SRN	Name of relative	2022-23	2021-22
1	Namra Finance Limited	1,013.14	0.00

iii. Investments in subsidiary company

SRN	Name of relative	2022-23	2021-22
1	Namra Finance Limited	19,521.70	9,304.05

Including investments on account of: (a) Corporate financial guarantee given to bank on behalf of subsidiary (b) Issuance of equity shares to the employees of subsidiary at discount

H) Key managerial personnel who are under the employment of the Company are entitled to post-employment benefits and other employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements.

Transactions with key management personnel are as follows:

	Year Ended March 31, 2023	Year Ended March 31, 2022
Post-employment benefits	7.78	2.05
Share Based Payment	0.00	0.00
Total	7.78	2.05

35. There have been no events after the reporting date that require disclosure in these financial statements.

36. Public Disclosure on Liquidity Risk for the year ended March 31, 2023 pursuant to RBI circular dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Particulars	Number of significant counterparties	Amount (₹ in Lakhs)*	% of Total Deposits	% of Total liabilities ³
As at March 31, 2023	7	16,420.00	-	48.56%
As at March 31, 2022	4	10,385.29	-	57.98%

*Includes securitization liabilities exposure

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

(ii) Top 20 large deposits

Particulars	As at March 31, 2023	As at March 31, 2022
Total amount of top 20 large deposits	-	-
Percentage of amount of top 20 large deposits to total deposits	-	-

(iii) Top 10 borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Total amount of top 10 borrowings*	16,705.71	17,394.04
Percentage of amount of top 10 borrowings to total borrowings	100%	97.11%

*Includes securitization liabilities exposure

(iv) Funding concentration based on significant instrument/product²

Sr. No.	Name of the instrument/product	As at March 31, 2023		As at March 31, 2022	
		Amount	% of Total Liabilities ³	Amount	% of Total Liabilities ³
1	Redeemable non-convertible debentures (secured and unsecured)	9,135.76	27.02%	6780.00	37.85%
2	External commercial bond	-	-	-	-
3	Term loan from banks	1,535.21	4.54%	3482.30	19.44%
4	Term loan from financial institutions/ Corporates	5,728.39	16.94%	6188.51	34.55%
5	External commercial borrowing	-	-	-	-
6	Other loans - Securitization liabilities	3,553.12	10.51%	-	-
7	Deposits – (Inter Corporate Deposit)	1,013.14	3.00%	-	-
8	Subordinated debts	4,358.45	12.89%	-	-
9	Short term Funding (C.C.)	5,831.84	17.25%	1461.38	8.16%

(v) Stock ratios:

Sr. No.	Particulars	As at March 31, 2023			As at March 31, 2022		
		As % of total public Funds ⁴	As % of total liabilities ³	As % of total assets	As % of total public Funds ⁴	As % of total liabilities ³	As % of total assets
(a)	Commercial papers	-	-	-	-	-	-
(b)	Non-convertible debentures (remaining maturity of less than one year)	5.98%	5.51%	3.28%	21.24%	20.27%	11.54%
(c)	Other short-term liabilities ⁵	18.72%	17.25%	10.28%	41.24%	39.37%	22.42%

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)
***Notes:**

- Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DO R.NBFC (PD) CC .No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
- Significant instrument/product is defined as a single instrument/product of group of similar instruments/ products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DO R.NBFC (PD) CC .No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.
- Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).
- Public funds include funds raised either directly or indirectly through public deposits, inter-corporate deposits (except from associate), deposits from corporates (except from associate), bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.
- Other short-term liabilities include all short-term borrowings other than Commercial papers and Nonconvertible debentures with original maturity less than one year.
- The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2023 and March 31, 2022.

37. The Amount expected to be Recovered or Settled within or after 12 months from reporting date:

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

Particulars	Note No.	As at March 31, 2023			As at March 31, 2022		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS							
Financial Assets							
Cash and cash equivalents	1	144.29	-	144.29	3,101.93	-	3,101.93
Bank Balance other than above	2	6,019.93	375.28	6,395.20	666.52	90.00	756.52
Loans	3	18,707.57	10,989.31	29,696.88	13,718.95	5,110.56	18,829.51
Investments	4	328.42	19,315.45	19,643.87	-	9,304.06	9,304.06
Other Financial assets	5	189.09	1.20	190.29	59.82	50.01	109.83
Non-financial Assets							
Current tax assets (Net)	6	176.10	-	176.10	17.40	-	17.40
Deferred tax Assets (Net)	7	368.21	-	368.21	463.64	-	463.64
Property, Plant and Equipment	8	-	80.07	80.07	-	81.22	81.22
Other Intangible assets	8	-	3.19	3.19	-	0.40	0.40
Intangible asset under development	8	-	-	-	-	2.62	2.62
Other non-financial assets	9	53.01	-	53.01	73.11	-	73.11
Total Assets		25,986.61	30,764.50	56,751.11	18,101.37	14,638.87	32,740.23

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for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Particulars	Note No.	As at March 31, 2023			As at March 31, 2022		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
LIABILITIES AND EQUITY							
LIABILITIES							
Financial Liabilities							
Trade Payables	10	43.13	-	43.13	70.69	-	70.69
Debt Securities	11	1,861.91	8,321.17	10,183.09	3,779.62	2,948.95	6,728.57
Borrowings (Other than Debt Securities)	12	14,182.42	3,479.27	17,661.69	7,299.62	3,270.34	10,569.96
Subordinated Liabilities	13	3,858.45	500.00	4,358.45	-	500.00	500.00
Other financial liabilities	14	588.94	155.77	744.71	412.14	15.25	427.39
Non-Financial Liabilities							
Provisions	15	15.63	51.95	67.58	10.58	29.35	39.93
Other non-financial liabilities	16	499.25	256.93	756.18	31.95	276.45	308.40
EQUITY							
Equity Share capital	17	-	849.23	849.23	-	849.16	849.16
Other Equity	18	-	22,087.05	22,087.05	-	13,246.14	13,246.14
Total Liabilities and Equity		21,049.73	35,701.38	56,751.11	11,604.61	21,135.63	32,740.23

38. Fair Value Measurements:

A. Financial instrument by category and their fair value

As at March 31, 2023	Note No.	Carrying Amount			Fair Value			Total
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	
Financial Assets								
Loans	3	Nil	29,696.88	Nil	Nil	Nil	29,696.88	29,696.88
Cash and Cash Equivalents	1	144.29	Nil	Nil	144.29	Nil	Nil	144.29
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2	6,534.99	Nil	Nil	Nil	6,534.99	Nil	6,534.99
Investments	4	18,775.92	Nil	867.95	Nil	Nil	19,643.87	19,643.87
Security Deposits	5	7.30	Nil	Nil	Nil	Nil	7.30	7.30
Other Advance	5	24.13	Nil	Nil	Nil	Nil	24.13	24.13
Interest Due but not Received on Loans and Advances	5	19.07	Nil	Nil	Nil	Nil	19.07	19.07
Total		25,505.70	29,696.88	867.95	144.29	6,534.99	49,391.26	56,070.53

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

As at March 31, 2023	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Liabilities								
Trade Payable	10	43.13	Nil	Nil	Nil	Nil	43.13	43.13
Debt Securities	11	10,183.09	Nil	Nil	Nil	Nil	10,183.09	10,183.09
Borrowings (Other than Debt Securities)	12	17,661.69	Nil	Nil	Nil	Nil	17,661.69	17,661.69
Subordinated Liabilities	13	4,358.45	Nil	Nil	Nil	Nil	4,358.45	4,358.45
Other financial liabilities	14	744.71	Nil	Nil	Nil	Nil	744.71	744.71
Total Financial Liabilities		32,991.07	Nil	Nil	Nil	Nil	32,991.07	32,991.07

As at March 31, 2022	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVOCI	FVTPL	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair value								
Loans	3	Nil	18,829.51	Nil	Nil	Nil	18,829.51	18,829.51
Cash and Cash Equivalents	1	3,101.93	Nil	Nil	3,101.93	Nil	Nil	3,101.93
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2	762.01	Nil	Nil	Nil	762.01	Nil	762.01
Investment In Subsidiary	4	8,648.18	Nil	655.88	Nil	Nil	9,304.06	9,304.06
Security Deposits	5	69.54	Nil	Nil	Nil	Nil	69.54	69.54
Other Advance	5	6.18	Nil	Nil	Nil	Nil	6.18	6.18
Interest Due but not Received on Loans and Advances	5	28.63	Nil	Nil	Nil	Nil	28.63	28.63
Total		12,616.46	18,829.51	655.88	3,101.93	762.01	28,237.90	32,101.84

Financial Liabilities Not Measured at Fair value								
Trade Payable	10	70.69	Nil	Nil	Nil	Nil	70.69	70.69
Debt Securities	11	6,728.57	Nil	Nil	Nil	Nil	6,728.57	6,728.57
Borrowings (Other than Debt Securities)	12	10,569.96	Nil	Nil	Nil	Nil	10,569.96	10,569.96
Subordinated Liabilities	13	500.00	Nil	Nil	Nil	Nil	500.00	500.00
Other financial liabilities	14	427.39	Nil	Nil	Nil	Nil	427.39	427.39
Total Financial Liabilities		18,296.61	Nil	Nil	Nil	Nil	18,296.61	18,296.61

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for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

B Reconciliation of level 3 fair value measurement is as follows:

Loans	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	18,829.51	15,046.59
Addition during the year	24,093.48	15,541.06
Amount derecognised / repaid during the year	(12,401.07)	(10,795.74)
Amount written off	(1,315.10)	(990.29)
Gains/(losses) recognised in statement of profit or loss	490.07	27.89
Balance at the end of the year	29,696.88	18,829.51

C Measurement of fair values

I. Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences from the carrying values presented.

II. Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

III. Transfers between levels I and II

There has been no transfer in between level I and level II.

IV. Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last fifteen days of the year end which is an observable input and therefore these has been considered to be fair valued using Level 3 inputs.

D Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

D.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with

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for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board

D.2 Regulatory capital

	As at March 31, 2023	As at March 31, 2022
Tier 1 Capital	5,846.29	5,687.45
Tier 2 Capital	5,146.07	461.63
Risk Weighted Assets	33,704.90	21,131.97
Tier 1 Capital Ratio (%)	17.35%	26.91%
Total Capital Ratio (%)	32.61%	29.10%

Tier 1 capital consists of shareholders' equity and retained earnings. Tier 2 capital consists of general provision and loss reserve against standard assets and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier 1).

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

I Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Loans and advances:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

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(All amounts are in Lakhs unless otherwise stated)

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.

The Company's exposure to credit risk for loans and advances by type of counterparty is as follows:

Particulars	Carrying amount	
	As at March 31, 2023	As at March 31, 2022
Retail assets (Refer Note 3)	29,696.88	18,829.51
Loans to NBFC-to Create the underlying assets (Refer Note 3)	-	-
Total	29,696.88	18,829.51

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups.

- a TW Loans
- b SME Loans
- c Retail Asset Channel Loans

Staging:

As per the requirement of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition except originated credit-impaired financial assets which are considered to be under stage 3 on day of origination. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument

As per Ind AS 109, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. Company has staged the assets based on the Day past dues criteria and other market factors which significantly impacts the portfolio.

Days past dues status	Stage	Provisions
Current	Stage 1	12 months provision
1-30 days	Stage 1	12 months provision
31-60 days	Stage 2	Lifetime Provision
61-90 days	Stage 2	Lifetime Provision
90+ days	Stage 3	Lifetime Provision

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Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities, cash and cash equivalents and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. Outstanding customer receivables are regularly monitored and taken up on case to case basis. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit scores of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management team on a regular basis. The Company evaluates the concentration of risk with respect to loan receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in largely independent markets. The credit risk on cash and bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

EXPECTED CREDIT LOSS FOR LOANS:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

Marginal probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from NBFC internal data calibrated with forward looking macroeconomic factors. For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. Company has worked out on PD based on the last five years historical data.

Marginal probability:

The PDs derived from the Vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year.

Conditional marginal probability:

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios."

LGD:

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods. Various approaches are available to compute the LGD. Company has considered workout LGD approach. The following steps are performed to calculate the LGD:"

- 1) Analysis of historical credit impaired accounts at cohort level.
- 2) The computation consists of five components, which are:
 - a) Outstanding balance (POS).

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(All amounts are in Lakhs unless otherwise stated)

- b) Recovery amount (discounted yearly) by initial contractual rate.
- c) Expected recovery amount (for incomplete recoveries), discounted to reporting date using initial contractual rate.
- d) Collateral (security) amount.

The formula for the computation is as below:

% Recovery rate = (discounted recovery amount + security amount + discounted estimated recovery) / (total POS)

% LGD = 1 – recovery rate

EAD:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. Company has modelled EAD based on the contractual and behavioral cash flows till the lifetime of the loans considering the expected prepayments. Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. So discounting was done for computation of expected credit loss.

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

Changes in ECL allowances in relation to loans from beginning to end of reporting period:

Particulars	March 31, 2023	March 31, 2022
Opening provision of ECL	1,814.99	1,842.88
Addition during the year	1,447.36	1,926.95
Utilization / reversal during the year	-1,937.43	-1,954.84
Closing provision of ECL	1,324.92	1,814.99

II Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by unutilized cash credit facility, term loans and direct assignment.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

Capital adequacy ratio of the Company, as on 31 March 2022 is 32.61% against regulatory norms of 15%. Tier I capital is 17.35% as against requirement of 10%. Tier II capital is 15.27% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

The total cash credit limit available to the Company is ₹689 Lakhs spread across 2 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand. Majority of the Company's portfolio is MSME loans which qualifies as Priority Sector Lending. During the year, the Company has maintained around 5% to 10% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

The table below summarizes the maturity profile of the Company's non derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

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for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

	1 Day to 30/31 Days (One Month)	Over One Month up to 2 Months	Over 2 Months up to 3 Months	Over 3 Months up to 6 Months	Over 6 Months up to 1 Year	Over 1 Year up to 3 Years	Over 3 Year up to 5 Years	Over 5 Years	Total
As at March 31, 2023									
Debt Securities (Refer Note 11)	-	-	197.57	216.38	1,447.96	8,321.17	-	-	10,183.09
Borrowings & Subordinated Liabilities (Refer Note 12 & 13)	579.90	734.51	734.32	3,534.97	12,457.17	3,979.27	-	-	22,020.15
Trade Payables	-	43.13	-	-	-	-	-	-	43.13
As at March 31, 2022									
Debt Securities (Refer Note 11)	-	-	-	-	4,779.62	2,000.38	-	-	6,780.00
Borrowings & Subordinated Liabilities (Refer Note 12 & 13)	1,783.36	350.01	421.99	1,390.14	7,133.68	6,691.50	27.78	-	17,798.46
Trade Payables	-	70.69	-	-	-	-	-	-	70.69

III 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 includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

IV 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's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in bank deposits and variable interest rate borrowings and lending. Whenever there is a change in borrowing interest rate for the Company, necessary change is reflected in the lending interest rates over the timeline in order to mitigate the risk of change in interest rates of borrowings

The sensitivity analysis have been carried out based on the exposure to interest rates for bank deposits, lending and borrowings carried at variable rate.

	For the year ended on March 31, 2023	
	50 bp increase	50 bp decrease
Bank Deposits	6,534.99	6,534.99
Impact on profit for the year	32.67	-32.67
Variable Rate Borrowings	17,661.69	17,661.69
Impact on profit for the year	-88.31	88.31

V Foreign currency risk:

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Company.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

40. Stock Option Scheme

The Company has instituted 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016' ("ESOP 2016"), pursuant to the approval of the shareholders of the company at their annual general meeting held on September 22, 2016.

During the year ended March 31, 2023, Company has granted 4,500 new stock options (P.Y. 2,000) under the scheme of 'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016' ("ESOP 2016"). The details are as under.

Details of grant and exercise of such options are as follows:

Scheme	ESOP-2016										
	ESOP-2016 -1		ESOP-2016 -2		ESOP-2016 -3	ESOP-2016 -4	ESOP-2016 -5	ESOP-2016 -6			
No. of options granted	97,500		9,000		2,500	3,500	2,000	4,500			
Date of grant	May 26, 2017		May 25, 2018		October 13, 2018	Feb 12, 2021	Feb 14, 2022	Feb 14, 2023			
No of Employees	55		3		1	6	2	2			
Financial Year (F.Y.)	F.Y. 2018-19	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2021-22	F.Y. 2019-20	F.Y. 2020-21	F.Y. 2022-23	F.Y. 2022-23	F.Y. 2022-23
No. of employees who have exercised the option	49	48	45	2	2	2	1	1	5	-	-
No. of options exercised	27,645	26,595	34,340	2,400	2,400	3,200	750	750	750	-	-

Particulars	ESOP 2016
Date of Grant	May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; February 14, 2022; and February 14, 2023
Date of board meeting, where ESOP were approved	11 August 2016
Date of committee meeting where grant of options were approved	May 26, 2017; May 25, 2018; October 13, 2018; February 12, 2021; February 14, 2022; and February 14, 2023
Date of Shareholder's approval	September 22, 2016
No. of options granted	1,19,000 out of 1,25,000
Method of Settlement	Through allotment of one equity share for each option granted
Vesting conditions	The actual vesting of options will depend on continuation to hold the services being provided to the Company at the time of exercise of options.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Particulars	ESOP 2016
Vesting period	Option will be vested at the End of Year from the Grant Date: - 1 – 30% End of Year 2 – 30% End of Year 3 – 40% End of Year Subject to lock in period of one year from the date of allotment of shares and other terms as stipulated in the Scheme and prescribed under the law in force.
Exercise period	It shall commence from the date of vesting of options and expire not later than 3 months from the vesting date of each grant of options

Details of Vesting and Exercise of Options (ESOP 2016):

Vesting Date	Vested Options	No of Option Exercised
May 26, 2018	29,250	27,645
May 25, 2019	2,700	2,400
May 26, 2019	28,485	26,595
October 13, 2019	750	750
May 25, 2020	34,660	34,340
May 26, 2020	2,400	2,400
October 13, 2020	750	750
May 24, 2021	3,200	3,200
February 12, 2022	1,050	750

The following table sets forth a summary of ESOP 2016:

Particulars	2022-23	2021-22
Options outstanding at the beginning of the year	4,500	7,700
Vested but not exercised at the beginning of the year	-	-
Granted during the year	4,500	2,000
Forfeited during the year	-	2,000
Exercised during the year	750	3,200
Expired during the year	-	-
Outstanding at the end of the year	8,250	4,500
Exercisable at the end of the year	8,250	4,500
Weighted average exercise price per option	₹50/-	₹50/-

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Scheme	ESOP-2016					
	ESOP-2016-1	ESOP-2016-2	ESOP-2016-3	ESOP-2016-4	ESOP-2016-5	ESOP-2016-6
Date of grant	26.05.2017	25.05.2018	13.10.2018	12.02.2021	14.02.2022	14.02.2023
Date of Board approval	11.08.2016					
Date of Shareholder's approval	22.09.2016					
Number of options granted	97,500	9,000	2,500	3,500	2,000	4,500
Exercise price	₹50/-					
Method of Settlement	Through allotment of one equity share for each option granted.					
Vesting period	I. 30% of the options at the end of one year from the date of grant; II. 30% of the options at the end of the two years from the date of grant; III. 40% of the Options at the end of the three years from the date of grant.					
Exercise period	3 months from the date of vesting					
Vesting conditions	The Option holders are required to continue to hold the services being provided to the Company at the time of exercise of options.					
Name of the plan	'ARMAN-EMPLOYEE STOCK OPTION PLAN 2016' ("ESOP 2016")					

41. The Board of Directors has not recommended any dividend for the financial year 2022-23.
42. **Disclosures required as per Circular DOR (NBFC) CC.PD. No. 109/22.10.106/2019-20- Implementation of Indian Accounting Standard:**

Asset Classification as per RBI Norms	Assets Classification AS per IND AS 109	Gross Carrying Amount as per IND AS	Loss Allowance (Provisions) as required under Ind AS 109	Net Carrying Amounts	Provisions required as per IRACP Norms	Difference between IND AS 109 Provision and IRACP Norms
A. Performing Assets						
Standard	Stage 1	29,881.85	606.77	29,275.08	120.98	485.79
	Stage 2	320.97	87.17	233.80	1.30	85.87
Subtotal		30,202.82	693.94	29,508.89	122.28	571.66
B. Non-Performing Assets						
Sub standards	Stage 3	581.26	405.30	175.96	58.84	346.46
Doubtful up to 1 year	Stage 3	237.71	225.68	12.03	218.13	7.55
1 to 3 years	-	-	-	-	-	-
More than 3 years	-	-	-	-	-	-
Subtotal for Doubtful		-	-	-	-	-
Loss		-	-	-	-	-
Subtotal for NPA		818.97	630.98	187.99	276.97	354.01

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Asset Classification as per RBI Norms	Assets Classification AS per IND AS 109	Gross Carrying Amount as per IND AS	Loss Allowance (Provisions) as required under Ind AS 109	Net Carrying Amounts	Provisions required as per IRACP Norms	Difference between IND AS 109 Provision and IRACP Norms
Total	Stage 1	29,881.85	606.77	29,275.08	120.98	485.79
	Stage 2	320.97	87.17	233.80	1.30	85.87
	Stage 3	818.97	630.98	187.99	276.97	354.01
		31,021.80	1,324.92	29,696.88	399.25	925.66

43. Disclosures required in terms of **Annexure XIV** of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated 1 September 2016 (updated as on 22 February 2019) "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are mentioned as below (**Regulatory (Non-IND AS) Information**):

A. Capital to risk assets ratio (CRAR)

Sr. No.	Particulars	March 31, 2023	March 31, 2022
(i)	CRAR (%)	32.61%	29.10%
(ii)	CRAR Tier I Capital (%)	17.35%	26.91%
(iii)	CRAR Tier II Capital (%)	15.27%	2.19%
(iv)	Amount of subordinated debt raised as Tier-II Capital	-	500.00
(v)	Amount raised by issue of perpetual debt instruments	-	-

B. Investments

Particulars	March 31, 2023	March 31, 2022
(1) Value of investments	19,643.87	9,304.05
(i) Gross value of investments		
(A) In India	19,643.87	9,304.05
(B) Outside India	-	-
(ii) Provision for depreciation		
(A) In India	-	-
(B) Outside India	-	-
(iii) Net value of investments		
(A) In India	19,643.87	9,304.05
(B) Outside India	-	-
(2) Movement of provisions held towards Depreciation on investments.		
(i) Opening balance	-	-
(ii) Add: provisions made during the year	-	-
(iii) Less: write-off/write-back of excess provisions during the year.	-	-
(iv) Closing balance	-	-

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

C. Derivatives

The Company has not entered into any derivative transactions and hence the disclosure required has not been made.

D. Disclosure relating to securitization:

The Company has entered into transaction of Securitization (PTC) of ₹4,575.81 Lakhs during the Year Ended March 31, 2023 (Previous Years: ₹ Nil).

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
1)	No of SPVs sponsored by the company for securitization transactions	2	-
2)	Total amount of securitized assets as per books of the SPVs sponsored by the Company	3,430.95	-
3)	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	• First loss	653.69	-
	• Others	-	-
4)	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitizations		
	• First loss	-	-
	• Others	-	-

E. Details of financial assets sold to securitisation / reconstruction Company for asset reconstruction

The Company has not sold financial assets to securitization/reconstruction Company for asset reconstruction during the year. (Previous year Nil)

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

F. Details of assignment transactions undertaken by NBFC:

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
i)	No. of Accounts	-	-
ii)	Book value of loans assets assigned during the year	-	-
iii)	Sale consideration received during the year	-	-
iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
v)	Interest spread recognized in the statement of profit and loss during the year (including amortization of unamortized interest spread)	-	-

G. Details of non-performing assets purchase / sold

The Company has not purchased/sold non performing financial assets in the current and previous year.

H. Assets Liability Management

Maturity pattern of certain Assets and Liability as on March 31, 2023

Particulars	Up to 30/31 days	Over 1 month upto 2 month	Over 2 month upto 3 month	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 year	Total
Deposits	-	-	-	0.47	145.43	1.19	-	-	147.09
Advances	1711.47	1734.07	1749.03	5210.51	9401.72	11214.55	0.44	0.00	31,021.80
Investments	13.75	19.44	20.67	82.53	192.04	661.70	-	18,653.75	19,643.87
Cash & cash equivalents	144.29	-	-	-	-	-	-	-	144.29
Bank balance other than above	4.41	-	3.00	28.26	5984.26	375.28	-	-	6,395.20
Borrowings	579.90	734.51	931.89	3,751.50	13,905.13	12,300.45	(10.76)	-	32,203.39
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

I. Exposure To Capital Market

The Company has no exposure to capital market directly or indirectly in the current and previous year.

J. Exposure to Real Estate Sector

The Company has no exposure to real estate sector directly or indirectly in the current and previous year.

K. Details of financing of parent Company products:

This disclosure is not applicable as the Company does not have any holding / parent Company.

L. Details of Single Borrower Limit ("SGL") / Group Borrower Limit ("GBL") exceeded by the NBFC

- i) Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC: Nil

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

- ii) Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the NBFC: Nil

M. Unsecured Advances:

- i) Refer Note no. 3 to the financial statements.
- ii) The Company has not granted any advances against intangible securities (31 March 2022: Nil).

N. Registration obtained from other financial sector regulators.

The Company is registered with following other financial sector regulators (financial regulators as described by Ministry of Finance):

- i) Ministry of Corporate Affairs
- ii) Ministry of Finance

O. Disclosure of penalties imposed by RBI and other regulators.

No penalties imposed by RBI and other regulator during current year and previous year.

P. Rating assigned by credit rating agencies and migration of ratings during the year 2022-23

Deposit Instruments	Name of rating agency	Date of rating	Rating assigned	Valid up to (Refer Note 1)	Borrowing limits or conditions imposed by rating agency
Bank Loan Ratings	Acuité Ratings & Research	12-01-2023	ACUITE A- Stable Reaffirmed	Jan 2024	70.00 Crore
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	12-01-2023	ACUITE A- Stable Reaffirmed	Jan 2024	30.00 Crore
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	12-01-2023	PP-MLD ACUITE A- Stable Assigned	Jan 2024	25.00 Crore
Non-Convertible Debentures (NCD)	Acuité Ratings & Research	12-01-2023	PP-MLD ACUITE A- Stable Reaffirmed	Jan 2024	20.00 Crore
Non-Convertible Debentures (NCD)	CARE Ratings	03-01-2023	CARE BBB+ Stable Reaffirmed	Jan 2024	37.80 Crore
Non-Convertible Debentures (NCD)	CARE Ratings	03-01-2023	CARE BBB+ Stable Reaffirmed	Jan 2024	39.00 Crore
Securitisation (ROGER JULY '22 - Series A1(a) PTCs)	CARE Ratings	06-09-2022	Provisional CARE A+ (SO)	Sept 2023	20.54 Crore
Securitisation (ROGER JULY '22 - Series A1(b) PTCs)	CARE Ratings	06-09-2022	Provisional CARE BBB+ (SO)	Sept 2023	2.28 Crore
Securitisation (BL 2023 CAIRO - Series A1(a) PTCs)	CARE Ratings	16-05-2023	CARE A+ (SO)	May 2024	20.97 Crore
Securitisation (BL 2023 CAIRO - Series A1(b) PTCs)	CARE Rating	16-05-2023	CARE A- (SO)	May 2024	1.97 Crore

Note 1: The rating is subject to annual surveillance till final repayment / redemption of rated facilities

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

For FY 2021-22

Deposit Instruments	Name of rating agency	Date of Rating	Rating assigned	Valid up to	Borrowing limits or conditions imposed by rating agency
Long Term Bank Facility	Acuite Rating & Research	08-11-2021	Acuite A- (Stable)	07-11-2022	70.00 Crore

Q. Remuneration of Directors

Refer Note no. 34 of Financial Statements.

R. Management

The annual report has a detailed chapter on Management Discussion and Analysis.

S. Net Profit of Loss for the period, prior period items and change in accounting policies

There are no such material items which require disclosures in the notes to account in terms of the relevant Ind AS.

T. Revenue Recognition

Refer para no. 3.1 to the accounting policy

U. Ind AS 110 - consolidated financial statements (CFS)

All the subsidiaries of the Company have been consolidated as per Ind AS 110. Refer consolidated financial statements (CFS).

V. Provisions and Contingencies

The information on all provisions and contingencies is as under:

Break up of 'provisions and contingencies' shown under the head expenditure in the statement of profit and loss.	As at March 31, 2023	As at March 31, 2022
Provision towards impaired assets (Stage 3)	(659.47)	308.15
Provision made towards income tax	787.80	490.10
Provision towards impaired assets (Stage 1 and 2)	169.40	(336.05)
Provision towards Interest Receivable on credit impaired assets	145.09	105.44
Provision for employee benefits	12.80	10.96

W. Drawn down from Reserves:

There is no draw down from reserves during the year.

X. Concentration of deposits (for deposit taking NBFCs):

Not applicable, as company has not taken any Deposits from public During the Year.

Y. Concentration of advances:

The Company is in Retail Advance Segment hence there is no such substantial Concentration of advances.

Z. Concentration of exposure:

The Company is in Retail Advance Segment hence there is no such substantial Concentration of advances.

AA. Concentration of Stage 3 assets:

The Company is in Retail Advance Segment hence there is no such substantial Concentration of stage 3 assets.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

BB. Sector-wise Stage 3 assets (Gross):

Sector	% Of Stage 3 assets to Total Advances in that sector as at March 31, 2023	% Of Stage 3 assets to Total Advances in that sector as at March 31, 2022
MSME	2.38%	7.88%
Auto Loans	3.73%	6.89%

CC. Movement of Stage 3 Assets:

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Net stage 3 assets to net advances (%)	0.63%	1.65%
(ii) Movement of stage 3 assets (gross)		
(a) Opening balance	1,606.55	1,131.11
(b) Additions during the year	690.91	1,464.86
(c) Reductions during the year	(1,478.49)	(989.42)
(d) Closing balance	818.97	1,606.55
(iii) Movement of net stage 3 assets		
(a) Opening balance	316.09	148.80
(b) Additions during the year	-	220.87
(c) Reductions during the year	(128.09)	(53.58)
(d) Closing balance	188.00	316.09
(iv) Movement of provisions for stage 3 assets (excluding provisions on standard assets)		
(a) Opening balance	1290.45	982.31
(b) Additions during the year	753.40	1,243.99
(c) Reductions during the year	(1,412.89)	(935.84)
(d) Closing balance	630.96	1290.45

DD. Disclosure of Overseas assets (for those with joint ventures and subsidiaries abroad) and Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms): Nil

EE. Disclosure Of Customer Complaints

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
a)	No. of complaints pending at the beginning of the year	-	-
b)	No. of complaints received during the year	1	1
c)	No. of complaints redressed during the year	1	1
d)	No. of complaints pending at the end of the year	-	-

44. Information as required in terms of Paragraph 19 of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are mentioned as below:

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Liabilities Side:

A. Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid:

Sr No.	Particulars	Year ended March 31, 2023	
		Amount Outstanding	Amount Overdue
a)	Debentures : Secured	9,135.76	-
	: Unsecured (Other Than falling within the meaning of public deposits*)	1,047.33	-
b)	Deferred Credits	-	-
c)	Term Loans	7263.59	-
d)	Inter-Corporate Loans and borrowings	1013.29	-
e)	Commercial Paper	-	-
f)	Other loans:		
-	From Banks	5831.84	-
-	From a Company	3553.12	-
-	Security Deposits	-	-
-	Advances Received against loan agreements	-	-

*Please see note 1 below

B. Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):

Sr No.	Particulars	Year ended March 31, 2023	
		Amount outstanding	Amount Overdue
a)	In the form of unsecured debentures	1,047.33	-
b)	In the party secured Debentures i.e., debenture where there is shortfall in the value of security	-	-
c)	Other public deposits	-	-

Asset Side:

C. Break-up of loans and advances including bills receivables (other than those included in (D) below)

Sr No.	Particulars	Amount Outstanding (Net of Provisions)
a)	Secured	5,653.87
b)	Unsecured	24,043.01

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

D. Break up of leased assets and stock on hire and other assets counting towards AFC activities

Sr. No.	Particulars	Amount Outstanding
(i)	Lease assets including lease rentals under sundry debtors:	
	a) Financial Lease	-
	b) Operating Lease	-
(ii)	Stock on hire including hire charges under sundry debtors:	
	a) Assets on hire	-
	b) Repossessed assets	-
iii)	Other loans counting towards AFC activities	
	a) Loans where assets have been reprocessed	-
	b) Loans other than a) above	-

E. Break-up of Investments

Refer Note 43 (B) Above

F. Borrower group-wise classification of assets financed as in (C) and (D) above:

Sr. No.	Category	Amount net off Provisions		
		Secured	Unsecured	Total
1	Related Parties**			
	a) Subsidiaries	-	-	-
	b) Companies with the same group	-	-	-
	c) Other related parties	-	-	-
2	Other than related parties	5,653.87	24,043.01	29,696.88
	Total	5,653.87	24,043.01	29,696.88

** As per Ind AS issued by MCA (refer note 3 below)

G. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Sr No.	Category	Market Value/ Breakup or Fair value of NAV	Book Value (Net of Provision)
1	Related parties**		
	a) Subsidiaries (Refer Note Below)	32,562.22	19,521.70
	b) Companies in the same group	-	-
	c) Other related parties	-	-
2	Other than related parties	-	-
	Total	32,562.22	19,521.70

**As per Ind AS issued by MCA (Refer Note 3 below)

Note: Subsidiary company being unlisted, value is derived based upon the net asset value as shown in the subsidiary company balance sheet as on March 31, 2023.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

H. Other Information:

Sr No	Particulars	Amount
(i)	Gross non-performing Assets	
	a) Related parties	-
	b) Other than related parties	828.93
(ii)	Net non-performing assets	
	a) Related parties	-
	b) Other than related parties	197.95
(iii)	Assets acquired in satisfaction of debt	-

Notes:

- 1) As defined in point xxvii of paragraph 3 of Chapter - 2 of these Directions.
 - 2) Provisioning norms are applicable as prescribed in Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
 - 3) All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.
45. As required in terms of paragraph 13 of Non-Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, schedule to the Balance Sheet of a Non-Banking Financial Company are annexed hereto.
 46. Previous year's figures have been regrouped and rearranged wherever necessary, to make them comparable with those of current year.
 47. The Group is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.
 48. The Group does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and 31 March 2022.
 49. All the charges or satisfaction, as applicable are registered with ROC within the statutory period.
 50. The Group has taken borrowings from banks and financial institutions and utilized them for the specific purpose for which they were taken as at the Balance sheet date. Unutilized funds as at 31 March 2023 are held by the Group in the form of deposits or in current accounts till the time the utilization is made subsequently.
 51. There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2023 and 31 March 2022, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2023 and 31 March 2022.
 52. As a part of normal lending business, the Group grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence. Other than the transactions described above,
 - (a) No funds have been advanced or loaned or invested by the Group to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);
 - (b) No funds have been received by the Group from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Group

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

53. The Group has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2023 and March 31, 2022.
54. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.

Signature to notes "1" to "54"

As per our report of even date attached herewith

For, **Arman Financial Services Limited**

For, Talati & Talati LLP
Chartered Accountants
[Firm Regd. No. 110758W/W100377]

Jayendra Patel
Vice Chairman & Managing Director
(DIN - 00011814)

Vivek Modi
Chief Financial Officer

[Kushal Talati]
Partner
[M.No.188150]

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Jaimish Patel
Company Secretary
(M. No. A42244)

Place: Ahmedabad
Date: 30.05.2023

Board's Report

Dear Members,

Your directors have pleasure in presenting the 11th Annual Report of your Company together with the Audited Financial Statement for the year ended on March 31, 2023.

You are our valued partners in the Company and we are happy to share our vision of growth with you. Our guiding principles are a blend of optimism and conservatism, which has been and will be the guiding force of all our future endeavors.

The summary of operating results for the year is given below:

Particulars	(₹ in lakhs)	
	2022-23	2021-22
Total Revenue	33,151.53	17,304.29
Finance Charges	14,330.14	7,285.89
Depreciation	102.46	85.25
Net Profit Before Tax	8,911.20	2,717.57
Current Tax	2,045.00	1,005.00
Deferred Tax (Asset)/Liability	131.34	(132.26)
Short/(Excess) provision of income tax of earlier year	15.10	0.28
Net Profit After Tax	6,719.76	1,844.55
Basic Earnings Per Share (In ₹)	17.15	6.10
Diluted Earnings Per Share (In ₹)	17.15	6.10

2. OPERATIONS

Namra Finance Limited is a wholly owned subsidiary of Arman Financial Services Limited, and is a Non-Banking Finance Company - Microfinance Institution (NBFC-MFI). It is engaged in the business of Joint-Liability Group (JLG) based Microfinance. The financial statements of Namra and the Parent Company, Arman, as well as the consolidated financials are included within the Annual Report.

Performance Highlights

- AUM was ₹1627.63 Crores in FY 2022-23 as compared to ₹1021.88 Crores in FY 2021-22, increased by 59%.
- Disbursement was ₹1484.89 Crores in FY 2022-23 as compared to ₹840.00 Crores in FY 2021-22, increased by 77%.
- Total income was ₹331.51 Crores in FY 2022-23 as compared to ₹173.04 Crores in FY 2021-22, increased by 92%.
- Profit before taxes was ₹89.11 Crores in FY 2022-23 as compared to ₹27.18 Crores in FY 2021-22, increased by 228%.

- Profit for the year attributable to owners of the Company was ₹67.20 Crores in FY 2022-23 as compared to ₹18.45 Crores in FY 2021-22, increased by 264%.
- Basic Earnings Per Share was ₹17.15 in FY 2022-23 as compared to ₹6.10 in FY 2021-22, increased by 181%.
- Diluted Earnings Per Share was ₹17.15 in FY 2022-23 as compared to ₹6.10 in FY 2021-22, increased by 181%.

3. DIVIDEND

In order to conserve capital, the Directors of your Company do not recommend any dividend payment at the ensuing Annual General Meeting ("AGM").

4. APPROPRIATIONS

The Company proposes to transfer ₹1344.00 Lakhs (previous year ₹369 Lakhs) to Special Reserve created u/s 45-IC of the Reserve Bank of India Act, 1934 ("RBI Act"). The Company has also transferred ₹1.00 Lakh (previous year ₹1.00 Lakh) to the general reserve.

Namra Finance Limited

Directors' Report • Auditor's Report • Account Statements • Notes

5. COST RECORDS

The Company is not required to maintain cost records as per the provisions of Section 148(1) of the Companies Act, 2013.

6. MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, that would affect financial position of the Company from the end of the financial year of the Company to which the financial statements relate and the date of the director's report.

7. CREDIT RATING

During the year under review, Acuité reviewed the ratings on various bank facilities and debt instrument of the Company. Acuité has reaffirmed its rating for long term bank facility and debt securities to "ACUITE A-"; (A minus; outlook stable).

CARE has also reaffirmed its rating for various Non-Convertible Debentures ("NCDs") at "CARE BBB+"; stable (Triple B plus; outlook stable). The Grading of the Company was upgraded to 'MFI 1' (MFI one) by CARE Advisory Research & Training Limited during the year 2022-23.

8. UNCLAIMED DIVIDEND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there is no unpaid dividend accounts appeared in balance sheet as at March 31, 2023.

9. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY

Except short term loans given to its holding Company, there were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

SRN	Name of the Director	Designation	Category of Director
1	Mr. R. K. Nagpal	Chairman	Independent Director
2	Mrs. Ritaben Patel	Member	Non-Executive Director
3	Mr. Aalok Patel	Member	Joint Managing Director

13. DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy for prevention, prohibition and redressal of sexual harassment at workplace. Further, the Company has constituted an Internal Committee under the Sexual Harassment of Women at Workplace

10. PUBLIC DEPOSITS

During the year under review, your Company has not accepted or renewed any Deposit within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement of furnishing details of deposits which are not in compliance with Chapter V of the Companies Act, 2013 is not applicable.

11. DIRECTORS AND KMP

The Board of Directors consists of 4 (four) members, of which 1 (one) is Independent Director. The Board also comprises of a woman Director. In accordance with the Articles of Association of the Company and pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Jayendra Patel [DIN-00011818] will retire by rotation at the ensuing AGM and being eligible, offer himself for reappointment.

The Board has identified the following officials as Key Managerial Personnel pursuant to Section 203 of the Companies Act, 2013:

- 1) Mr. Jayendrabhai B. Patel –Chairman & Managing Director and C.E.O.
- 2) Mr. Aalok J. Patel – Joint Managing Director
- 3) Mr. Vivek A. Modi – Chief Financial Officer
- 4) Mr. Jaimish G. Patel – Company Secretary & Compliance Officer

12. MEETING OF THE BOARD / AUDIT COMMITTEE

The Board during the financial year 2022-23 met 5 (Five) times and Audit Committee met 4 (Four) times. All the recommendations made by the Audit Committee during the year were accepted by the Board. According to Section 177 of the Companies Act, 2013 the Company's Audit Committee comprised of three directors. The table sets out the composition of the Committee:

(Prevention, Prohibition and Redressal) Act, 2013, where complaints in the nature of sexual harassment can be registered. Appropriate reporting mechanisms are in place for ensuring protection against sexual harassment and the right to work with dignity. There were no complaints / cases filed / pending with the Company during the financial year.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company confirms that-

- a) In the preparation of the annual accounts for the year ended on March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit and loss of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis;
- e) That the Directors have laid down internal financial controls to be followed by the Company and that the financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. SECRETARIAL STANDARDS

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

16. DECLARATION BY INDEPENDENT DIRECTORS

A declaration of independence in compliance with Section 149(6) of the Companies Act, 2013, has been taken on record from the independent director of the Company.

17. AUDITORS AND AUDIT REPORTS

a) Statutory Auditors

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 and the rules made thereunder and RBI requirements, the Members at their 10th AGM held on September 29, 2022, has appointed M/s Samir M. Shah & Associates, Chartered Accountants (FRN: 122377W), as the Statutory Auditors of the Company for a period of three years from the conclusion of 10th AGM till the conclusion of the 13th AGM.

The Auditor's Report for FY 2022-23 does not contain any qualifications, reservations, adverse remarks or disclaimer. The Statutory Auditors have not reported any incident of fraud to the Audit Committee or the Board of Directors under Section 143(12) of the Act during the financial year under review.

b) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company (being a material subsidiary of Arman Financial Services Limited) has appointed M/s. GKV & Associates, Practising Company Secretary (Membership No.: F12366 and Certificate of Practice No.: 19866) to undertake the Secretarial Audit of the Company for the financial year 2022-23.

Further, in terms of the provisions of Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 issued by SEBI, M/s GKV & Associates has issued the Annual Secretarial Compliance Report, confirming compliance by the Company of the applicable SEBI regulations and circulars / guidelines issued thereunder.

The Secretarial Audit Report is appended as "Annexure-1" to this Report. There is no adverse remark, qualification, reservation or disclaimer in the Secretarial Audit Report.

18. RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters,

Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

19. RISK MANAGEMENT

The Company has a risk management framework and Board members are periodically informed about the proceedings of the Risk Management Committee to ensure management controls risk by means of a properly designed framework. The Board is kept apprised of the proceedings of the meetings of the Risk Management Committee. The Company, as it advances towards its business objectives and goals, is often subjected to various risks.

Risk Management is at the core of our business and ensuring we have the right risk-return trade-off in line with our risk appetite is the essence of our Risk Management while looking to optimize the returns that go with that risk.

20. INTERNAL CONTROL SYSTEM

The Company has in place, adequate systems of Internal Control to ensure compliance with policies and procedures. It is being constantly assessed and strengthened with new / revised standard operating procedures and tighter information technology controls. Internal audits of the Company are regularly carried out to review the internal control systems. Further, the Company has been conducting management audit report by an external agency. The Internal Audit Report and Management Audit Report, along with auditor's recommendations and implementation contained therein are regularly reviewed by the Audit Committee of the Board. Internal Auditor has verified the key internal financial control by reviewing key controls impacting financial

reporting and overall risk management procedures of the Company and found the same satisfactory. It was placed before the Audit Committee of the Company.

21. INTERNAL FINANCIAL CONTROLS

The Company has, in all material respects, an adequate internal financial controls system and such internal financial controls were operating effectively based on the internal control criteria established by the Company considering the essential components of internal control, stated in the Guidance Note on Audit of Internal Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

22. INTERNAL AUDIT

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the organization's risk management, internal control and governance processes. The framework is commensurate with the nature of the business, size, scale and complexity of its operations. The audit plan is approved by the Audit Committee, which regularly reviews compliance to the plan.

23. CORPORATE SOCIAL RESPONSIBILITY

In accordance with Section 135 of the Act, your Company has constituted a Corporate Social Responsibility ("CSR") Committee. The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy is available on the website of the Company at <https://namrafinance.com/corporategovernance.aspx> -> Corporate Social Responsibility Policy.

Further, the details including Composition of the CSR Committee, the CSR Policy and the CSR Report are given at "Annexure-2"

24. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) of the Act, the Annual Return in form MGT-7 for the Company for the financial year 2022-23 is available on the website of the Company at <https://namrafinance.com/QuarterlyAnnualReports.aspx> -> Annual Return 2022-23

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

A. Conservation of energy and Technology absorption:

Since the Company does not carry out any manufacturing activity, the particulars regarding conservation of energy, technology absorption and other particulars as required by the Companies (Accounts) Rules, 2014 are not applicable.

B. Foreign exchange earnings and outgo:

There were no foreign exchange earnings / expenditure during the year (previous year also Nil).

26. SHARES & SHARE CAPITAL

• Authorized Share Capital:

The authorised share capital of the Company is ₹50,00,00,000/- divided into 5,00,00,000 ordinary equity shares of ₹10/- each.

• Buy Back of Securities:

The Company has not bought back any of its securities during the year under review.

• Sweat Equity:

The Company has not issued any Sweat Equity Shares during the year under review.

• Bonus Shares:

No Bonus Shares were issued during the year under review.

• Equity Share

During the year under review, the Company has allotted 41,00,000 equity shares of ₹10/- each at a premium of ₹38.71 amounting ₹19.97 cr. on June 22, 2022, 50,00,000 equity shares of ₹10/- each at a premium of ₹90.00 amounting ₹50.00 cr. on September 30, 2022 and 30,00,000 equity shares of ₹10/- each at a premium of ₹90.00 amounting ₹30.00 cr. on March 02, 2023 on right basis to the Arman Financial Services Limited. Subsequent to the above three allotments, the paid-up share capital of the Company has increased to ₹45,36,00,000/-.

27. DETAILS OF FRAUDS REPORTED BY THE AUDITORS

During the year under review, neither the Statutory Auditor nor the Secretarial Auditor have reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees.

28. ANY SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS

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

29. PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There was no proceeding initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 during the financial year under review.

30. DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

The Company has not made any such valuation during the FY23.

31. GRATITUDE & ACKNOWLEDGEMENT

The Board expresses its sincere thanks to all the employees, customers, suppliers, investors, lenders, and regulatory / government authorities for their co-operation and support and look forward to their continued support in future.

For, and on behalf of the Board

Jayendra Patel

Date: August 14, 2023
Place: Ahmedabad

Chairman & Managing Director
DIN: 00011814

ANNEXURE-1

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Namra Finance Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2023 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period)**
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the Audit Period)**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
 - i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

6. Specifically applicable Laws to the Company, as identified and confirmed by the Management:
 - i. The Reserve Bank of India Act, 1934,
7. Labor Laws applicable to the Employees of the Company:
 - i. Provident Fund Act, 1952;
 - ii. Employees State Insurance Act, 1948;
 - iii. Profession Tax Act, 1975;
 - iv. The Payment of Gratuity Act, 1972

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

- a) Secretarial Standards issued by the Institute of Company Secretaries of India;
- b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that:

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

We further report that:

We have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory auditor and other designated professionals.

We further report that:

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

We further report that:

Based on our review of Compliance Mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the MD/CEO and taken on record by the Board of Directors at their meeting(s), we are of opinion that, there are adequate systems and processes in place in the Company, which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As informed, the Company has responded appropriately to the notices received from various statutory/regulatory authorities including initiating action for corrective measures, wherever focused necessary.

We further report that:

During the audit period there are no events/actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines etc. referred above.

For, GKV & Associates,
Company Secretary

Gautam Virsadiya
Proprietor

Place: Ahmedabad
Date: July 26, 2023

C. P. No. / F.C.S. No.: 19866/12366
UDIN: F012366E000684455

Note: This report is to be read with our letter of even date which is annexed as **Annexure-1A** and forms an integral part of this report.

To,
The Members,
Namra Finance Limited

Our report of even date is to be read along with this letter.

Management Responsibility:

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

Auditors Responsibility:

- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the Company or verified compliances of Laws other than those mentioned above. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
- The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, GKV & Associates,
Company Secretary

Gautam Virsadiya
Proprietor

C. P. No. / F.C.S. No.: 19866/12366
UDIN: F012366E000684455

Place: Ahmedabad
Date: July 26, 2023

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of Companies Act, 2013

1. Brief outline of Companies CSR Policy:

Namra Finance Limited believes in making a difference to the lives of thousands of people who are underprivileged. It promotes social and economic inclusion by ensuring that marginalized communities have equal access to health care services, educational opportunities and proper civic infrastructure. Your Company's CSR activities are implemented in aligned with requirements of Section 135 of the Companies Act, 2013 along with objective specified in CSR Policy of the Company.

2. Composition of CSR Committee:

The CSR Committee of our Board provides oversight of CSR Policy and monitors execution of various activities to meet the set CSR objectives. The members of the CSR Committee are:

- Mr. Jayendra Patel, Chairperson
- Mr. Aalok Patel, Member
- Mr. R. K. Nagpal, Member

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.namrafinance.com

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

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable**

6. Average net profit of the Company as per section 135(5): **₹21,56,59,270/-**

7. (a) Two percent of average net profit of the company as per section 135(5): **₹43,13,185/-**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

(c) Amount required to be set off for the financial year, if any: **Nil**

(d) Total CSR obligation for the financial year (7a+7b-7c): **₹43,13,185/-**

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

Total Amount Spent for the Financial Year	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount Unspent		
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
₹43,13,185/-	-	-	-	-	-

(b) Details of CSR amount spent against Ongoing Projects for the financial year:

SRN	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Location of the Project			Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Through Implementing Agency	CSR Registration Number	
			Local Area (Yes/No)	State	District						Project Duration
1	Providing educational support to the poor and needy children	Promoting Education	Yes	Gujarat	Ahmedabad	3 years ₹20,76,000/-	₹20,76,000/-	-	No	Arman Foundation	CSR00018622
2	Providing healthcare support to the poor and needy	Promoting healthcare	Yes	Gujarat	Ahmedabad	3 years ₹20,77,328/-	₹20,77,328/-	-	No	Arman Foundation	CSR00018622

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SRN	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the Project	Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
1	Sponsoring one year education fees for one gifted girl child	Promoting Education	Yes	Gujarat Ahmedabad	₹1,59,857/-	No	Riverside Foundation

(d) Amount spent in Administrative Overheads: **Nil**

(e) Amount spent on Impact Assessment, if applicable: **Nil**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹43,13,185/-**

(g) Excess amount for set off, if any: **Not Applicable**

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

SRN	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
1	2021-22	₹36,65,030/-	₹36,65,030/-	-	-	-	-
2	2020-21	₹34,11,000/-	₹34,11,000/-	-	-	-	-
3	2019-20	-	-	-	-	-	-

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SRN	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
1	FY31.03.2022_1	Promoting educational support to the poor and needy children	2021-22	3 years	₹36,65,030/-	₹36,65,030/-	₹36,65,030/-	Completed
2	FY31.03.2021_1	Providing support for treating the people suffering from various disease	2020-21	3 years	₹35,62,000/-	₹34,11,000/-	₹35,62,000/-	Completed

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **Not Applicable**

(a) Date of creation or acquisition of capital asset(s): **Not Applicable**

(b) Amount of CSR spent for creation or acquisition of capital asset: **Nil**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**

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

Independent Auditor's Report

To,
The Members of
NAMRA FINANCE LIMITED
Ahmedabad

Report on the Audit of the Standalone Financial Statements

Opinion

- We have audited the accompanying standalone financial statements of **NAMRA FINANCE LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flow for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Profit including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing (SA's) specified under section 143(10) of the Act. Our responsibilities under those Standards are further, described in the Auditor's Responsibility 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matter identified in our audit in respect of Provision for Expected Credit Losses on loans is as follows:

Provision for Expected Credit Losses on loans

[Refer Para 3.6 for the accounting policy and Note 3 for the related disclosures]

Key Audit Matter	How our audit addressed the key audit matter
As at March 31, 2023, outstanding Loans of ₹1,24,987.01 Lakhs. As per Ind AS 109- Financial Instruments, the Company is required to recognise allowance for expected credit losses on loans.	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the standalone financial statements were reasonable and the related disclosures in the standalone financial statements made by the management were adequate. These procedures included, but not limited, to the following:
Under Ind-AS framework, the management had to estimate the provision for expected credit losses as at March 31, 2023. Expected credit loss cannot be measured precisely, but can only be estimated through use of statistics. The calculation of expected credit losses is complex and requires exercise of judgment around both the timing of recognition of impairment provisions and estimation of the amount of provisions required in relation to loss events.	a) obtaining an understanding of the model adopted by the Company for calculation of expected credit losses including how management calculated the expected credit losses and the appropriateness data on which the calculation is based;
The management has recognised a provision of ₹823.46 Lakhs in the Statement of Profit and Loss for the year ended March 31, 2023.	b) testing the accuracy of inputs through substantive procedures and assessing the reasonableness of the assumptions used;
Considering the significance of the above matter to the standalone financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.	c) developing a point estimate by making reference to the expected credit losses recognised by entities that carry comparable loans portfolio;
	d) testing the arithmetical calculation of the expected credit losses;
	e) verifying the adequacy of the related disclosures; and
	f) Obtaining written representations from management and those charged with governance whether they believe significant assumptions used in calculation of expected credit losses are reasonable.

Information other than the Financial Statements and Auditor's Report thereon

- The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information and other information in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and as may be legally advised.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

- The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statement that give a true and fair view of the financial position,

financial performance including other Comprehensive Income, cash flows and the statement of changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the 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 fair presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone 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.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. 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.

12. 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.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
15. Further to our comments in Annexure A, 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 standalone financial statements dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with accounting principles generally accepted in India as specified under Section 133 of the Act read with the Companies (Indian Accounting Standard Rules) 2015, as amended.
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed an unmodified opinion.
 - g) In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act read with Schedule V to the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements; (Refer Note 31 to the standalone financial statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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 persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly

lend or invest in the other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The management has represented, that to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly lend or invest in the other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures as 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 (iv) (a) and (iv) (b) contain any material mis-statement.
- v. The company has not declared or paid any dividend during the year as prescribed under Section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For, **Samir M Shah & Associates**
 Chartered Accountants
 [Firm Regd. No. 122377W]

(Samir. M. Shah)
 Partner
 [M. No. 111052]
 UDIN: 23111052BGWTAF4423

Place: Ahmedabad
 Date: 30/05/2023

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14 of our report of even date to the Members of **NAMRA FINANCE LIMITED** for the year ended **March 31, 2023**.

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

1. In respect of Property, Plant and Equipment :

- (a) (i) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipments ("PPE").
- (ii) The Company has maintained proper records showing full particulars of intangible assets
- (b) The property, plant and equipments were physically verified by the Management according to a phased programme at regular interval which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, property, plant and equipments have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties company (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Standalone Financial Statements are held in the name of the Company.
- (d) During the year, the company has not revalued its Property, Plant & Equipments or intangible assets.
- (e) No proceedings have been initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.

2. In respect of its Inventories :

- (a) The Company is in the business of providing loans and does not have any physical Inventories and hence clause 3(ii)(a) of Companies (Auditor's Report) Order, 2020 (the 'Order') is not applicable.
- (b) During the year, the company has availed sanctioned working capital limit in excess of ₹5 Crores from banks on the basis of security of current assets. Based on our examination of the records of the Company, the quarterly returns/ statements filed by the Company with the said banks are materially in agreement with the books of accounts maintained by the Company

3. In respect of Loans and Advances granted during the year:

- (a) The Company's principal business is to give loans, hence reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) The Company, being a Non-Banking Financial Company ('NBFC'), registered under provisions of Reserve Bank of India Act, 1934, ('RBI Act') in our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees, provided during the year are, prima facie, not prejudicial to the Company's interest.
- (c) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and in cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 3 to the Standalone Financial Statements for summarized details of such loans/advances which are not repaid by borrowers as per stipulations.

- (d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors and report total amount overdue including principal and/ or payment of interest by its customers for more than 90 days. In cases where repayment of principal and payment of interest is not received as stipulated, the cognizance thereof is taken by the Company in course of its periodic regulatory reporting. Refer note 3 to the Standalone Financial Statements for summarized details of such loans/advances amounting to ₹3655.78 Lakhs which are not repaid by borrowers as per stipulations. According to the information and explanation made available to us, reasonable steps as stipulated in regulations and loan Agreements are taken by the Company for recovery thereof.
- (e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)e of the Order is not applicable.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment hence reporting under clause 3(iii)(f) of the Order is not applicable.

4. Loans, Investments and Gurantees:

The Company has complied with the provisions of Section 185 & 186 of the Companies Act, 2013 (the 'Act') with respect to loans or advances in the nature of loans, investments made, guarantees provided and securities given.

5. In respect of Deposits:

During the year, the company has not accepted any deposits or amount which are deemed to be deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the company. Accordingly, clause 3(v) of the Order is not applicable.

6. In Respect of Cost Records:

The Company is not required to maintain cost records as required by the central government under sub section (1) of section 148 of the Act, hence clause (vi) of the Order is not applicable.

7. In respect of Statutory Dues :

- (a) The Company is generally been regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, cess and any other statutory dues with the appropriate authorities.

There were no undisputed amounts payable in respect above referred statutory dues which were outstanding as at March 31, 2023 for a period of more than six months from the date they became payable except professional tax of ₹1.18 Lakhs.

- (b) There were no dues of Goods and Service Tax, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, cess and any other statutory dues which have not been deposited on account of any dispute.

8. In Respect of Undisclosed Income Discovered in Income tax Assessment:

There were no transactions that were not recorded in books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence, clause 3(viii) of the Order is not applicable to the company.

9. In respect of Repayment of Loans:

- (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lenders.
- (b) The company has not been declared as willful defaulter by any bank or financial institution or other lenders.
- (c) The term loans taken during the year were applied for the purpose for which they were obtained.
- (d) The company has not utilized any funds raised on short term basis for long term purpose.

- (e) The company has not taken any funds from any entity or person to meet obligations of its subsidiaries, associates or joint ventures. Hence reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The company has not has raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, clause 3(ix)(f) of the Order is not applicable to the Company.

10. In Respect of Public Offerings:

- (a) The Company has u tilised the money raised by way of Non-Convertible Debentures during the year, for the purpose for which they were raised. The company has not defaulted in repayment of the same.
- (b) The company has made preferential allotment by way of right issue of equity shares to its holding company during the year and also made private placement through Market linked Debenture (MLD) during the year The Company has complied with the requirements of section 42 & 62 of the Act. The company has utilized the funds raised by way of preferential allotment of shares for the purposes for which they were raised.

11. (a) We report that no material fraud by the Company or any material fraud on the Company by it's officer or employees has been noticed or reported during the course of our audit.

- (b) No report u/s 143(12) of the Companies Act is required to be filed by the auditor in form ADT-4 as prescribed under rule 13 of Companies Rule, 2014 with Central Government.

- (c) No whistle-blower complaints were received during the year by the company upto the date of this report.

12. As the company is not a Nidhi Company, the Nidhi Rules, 2014 are not applicable to it. Accordingly, provisions of clause (xii) (a) to (c) of the Order are not applicable to the Company.

13. The company is in compliance with section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related part transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24 "Related Party Disclosure" specified under section 133 of the Act.

14. In Respect of Internal Audit System:

- (a) The company has an internal audit system commensurate with the size and nature of its business.
- (b) During the course of our audit, we have considered, the reports of Internal Audit for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

15. The Company has not entered in to any non-cash transactions with its directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable to the Company.

16. In Respect to the Provisions of RBI Act 1934:

- (a) The Company is registered under section 45-IA of RBI Act, 1934, and registration certificate for the same has been obtained.
- (b) The company is carrying Non-Banking Financial activities with a valid certificate of Registration.
- (c) According to the information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, clause (xvi)(c) & (d) of the Order is not applicable to the company.

17. The Company has not incurred any cash losses in the financial year under review and immediately preceding financial year. Accordingly, clause (xvii) of the Order is not applicable to the company.

18. During the year, M/s. J T Shah & Co., the erstwhile statutory auditors of the Company have resigned with effect from September 29, 2022 consequent to the amended rules/regulations applicable to the Company. (i.e. vide RBI circular dated April 27, 2021). As informed, there have been no issues, objections or concerns raised by the said outgoing auditors.

19. 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 standalone financial statements, our knowledge of the Board

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

20. In respect of Unspent Corporate Social Responsibility:

There is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable

For, **Samir M Shah & Associates**
Chartered Accountants
[Firm Regd. No. 122377W]

(Samir. M. Shah)
Partner
[M. No. 111052]

UDIN: 23111052BGWTAF4423

Place: Ahmedabad
Date: 30/05/2023

ANNEXURE “B” TO INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 15 (f) of our Report of even date to the Members of **NAMRA FINANCE LIMITED** for the year ended **March 31, 2023**.

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 **NAMRA FINANCE LIMITED** as of March 31, 2023, 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 (‘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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the “Guidance Note”) and the standards on auditing, issued by 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 standalone 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 standalone 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 deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023 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, **Samir M Shah & Associates**
Chartered Accountants
[Firm Regd. No. 122377W]

(Samir. M. Shah)
Partner
[M. No. 111052]

UDIN: 23111052BGWTAF4423

Place: Ahmedabad
Date: 30/05/2023

Balance Sheet

as at March 31, 2023

(₹ in Lakhs)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Financial Assets			
(a) Cash and cash equivalents	1	2,477.83	4,450.84
(b) Bank Balance other than (a) above	2	34,014.46	5,924.75
(c) Loans	3	1,24,987.01	86,931.17
(d) Investments	4	1,825.75	591.74
(e) Other Financial assets	5	2,698.31	1,189.84
(2) Non-financial Assets			
(a) Deferred tax Assets (Net)	6	1,178.30	1,187.38
(b) Property, Plant and Equipment	7	402.21	248.63
(c) Other Intangible assets	7	30.85	34.94
(d) Right-of-Use Assets	7	94.03	121.93
(e) Other non-financial assets	8	67.49	39.77
Total Assets		1,67,776.24	1,00,720.99
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) (i) Trade Payables	9	Nil	Nil
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		118.75	84.18
(b) Debt Securities	10	14,152.40	12,779.03
(c) Borrowings (Other than Debt Securities)	11	1,13,098.60	66,391.50
(d) Subordinated Liabilities	12	2,000.00	2,000.00
(e) Other financial liabilities	13	4,884.70	2,799.40
(2) Non-Financial Liabilities			
(a) Current tax Liability (Net)	14	635.66	291.64
(b) Provisions	15	132.13	75.82
(c) Other non-financial liabilities	16	191.78	98.50
(3) EQUITY			
(a) Equity share capital	17	4,536.00	3,326.00
(b) Other equity	18	28,026.22	12,874.92
Total Liabilities and Equity		1,67,776.24	1,00,720.99

See accompanying notes to the financial statements

1 to 45

As per our report of even date attached herewith

For, **Namra Finance Limited**

For, **Samir M Shah & Associates,**

Chartered Accountants
[Firm Regd. No. 122377W]

[Samir M Shah]

Partner
[M.No.111052]

Place: Ahmedabad

Date: 30.05.2023

Jayendra Patel

Chairman & Managing Director
(DIN - 00011814)

Aalok Patel

Joint Managing Director
(DIN - 02482747)

Vivek Modi

Chief Financial Officer

Jaimish Patel

Company Secretary
(M. No. A42244)

Statement of Profit & Loss

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
(1) Revenue from operations			
Interest Income	19	29,801.85	16,069.89
Gain on assignment of Financial Assets	20	1,877.61	579.07
Fees and Commission Income	21	1,317.88	526.40
Net gain on Fair Value Changes	22	153.84	128.92
Total Revenue from operations (1)		33,151.19	17,304.29
(2) Other income			
	23	0.34	-
(3) Total income (1+2)		33,151.53	17,304.29
(4) Expenses			
Finance Costs	24	14,330.14	7,285.89
Impairment of Financial Assets	25	4,263.21	2,999.69
Employee Benefits Expenses	26	3,700.08	2,905.48
Depreciation and Amortization	27	102.46	85.25
Others expenses	28	1,844.43	1,310.41
Total Expenses (4)		24,240.32	14,586.72
(5) Profit / (loss) before exceptional items and tax (3-4)			
		8,911.20	2,717.57
(6) Tax expense:			
(1) Current tax	29	2,045.00	1,005.00
(2) Short / (excess) provision of income tax/deferred tax of earlier years	29	15.10	0.28
(3) Deferred tax Liability / (Assets)	29	131.34	(132.26)
Total Tax Expense:		2,191.44	873.02
(7) Profit/(loss) for the period (5-6)			
		6,719.76	1,844.55
(8) Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit obligations		(24.33)	(5.95)
(ii) Income tax relating to items that will not be reclassified to profit or loss		6.12	1.50
Sub total (A)		(18.21)	(4.45)
(B) (i) Items that will be reclassified to profit or loss			
- Fair valuation gain / (loss) on financial instruments measured at FVOCI		(461.46)	(617.25)
(ii) Income tax relating to items that will be reclassified to profit or loss		116.14	155.35
Sub total (B)		(345.32)	(461.90)
Other comprehensive income (A + B)		(363.52)	(466.35)
(9) Total comprehensive income for the period (7+8)			
		6,356.24	1,378.20
(10) Earnings per equity share			
Basic (₹)	30	17.15	6.10
Diluted (₹)	30	17.15	6.10

See accompanying notes to the financial statements

1 to 45

As per our report of even date attached herewith

For, **Namra Finance Limited**

For, **Samir M Shah & Associates,**

Chartered Accountants
[Firm Regd. No. 122377W]

[Samir M Shah]

Partner
[M.No.111052]

Place: Ahmedabad

Date: 30.05.2023

Jayendra Patel

Chairman & Managing Director
(DIN - 00011814)

Aalok Patel

Joint Managing Director
(DIN - 02482747)

Vivek Modi

Chief Financial Officer

Jaimish Patel

Company Secretary
(M. No. A42244)

Statement Cash Flow

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A: Cash from Operating Activities:		
Net profit before taxation	8,911.20	2,717.57
Adjustment For:		
Depreciation and amortisation	74.57	57.35
Depreciation on Right of Use Assets	27.90	27.90
Interest Income	(29,801.85)	(16,069.89)
Net gain on investment instruments measured through profit and loss	7.25	(17.69)
Finance cost	14,330.14	7,265.81
Provision for impairment on financial assets	823.46	1,191.09
(Profit) / loss on sale of property, plant and equipment	Nil	0.57
Gain On Assignment of Assets (Net of Expense)	(1,877.61)	(579.07)
Loss / (Profit) on sale of Current Investment	(161.10)	(109.14)
Remeasurement of define benefit plan Gain / (loss)	(24.33)	(5.95)
Employee Stock Option Plan Expense	7.95	4.33
	(16,593.62)	(8,234.70)
Operating profit before working Capital changes :	(7,682.42)	(5,517.13)
Adjustment For Increase/(Decrease) in Operating Assets:		
Loans and Advances	(39,295.97)	(29,483.88)
Other Financial Assets	1,178.14	(579.71)
Other Non Financial Assets	(27.71)	(25.46)
Bank Balance other than Cash and cash equivalents	(28,089.71)	376.72
Adjustment For Increase / (Decrease) in Operating Liability:		
Trade Payables	34.57	41.68
Provision	56.31	25.47
Other Non Financial liability	93.28	(26.90)
Other Financial Liabilities	2,018.14	390.27
	(64,032.96)	(29,281.82)
Cash Generated From Operations		
Interest Income Received	28,939.95	16,298.09
Finance Cost Paid	(14,701.35)	(6,694.43)
Income tax paid	(1,716.08)	(1,172.52)
	12,522.52	8,431.14
Net Cash From Operating Activities:	(59,192.86)	(26,367.81)
B: Cash Flow From Investing Activities:		
Purchase of Property, Plant & Equipment	(224.05)	(69.39)
Purchase of Current investments	(27,140.70)	(41,046.03)
Proceeds from Sale/redemption of investments	26,068.65	40,898.85
Sale of Property, Plant & Equipment	Nil	0.18
Net Cash from Investment Activities:	(1,296.10)	(216.39)
C: Cash Flow From Financing Activities :		
Proceeds from issue of share capital	9,997.11	2,753.90
Proceeds from debt securities and borrowings	1,12,551.76	60,435.36
Repayments of debt securities and borrowings	(75,648.48)	(34,201.33)

Standalone Statement Cash Flow (contd.)

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net increase / (decrease) in working capital borrowings	11,641.40	(1,817.04)
Repayment of Principal Component of Lease Liability (Net)	(25.83)	(21.06)
Net Cash from Financing Activities:	58,515.95	27,149.82
Net Increase in Cash & Cash Equivalents (A+B+C)	(1,973.01)	565.63
Cash & cash equivalents at the beginning	4,450.84	3,885.21
Cash & cash equivalents at the end	2,477.83	4,450.84

Notes :

1 Cash and bank balance at the end of the year comprises:

Particulars	March 31, 2023	March 31, 2022
Cash on hand	56.15	76.67
Balance with Bank	2,421.68	4,374.16
Total	2,477.83	4,450.84
Bank deposit with original maturity of 3 months or less	Nil	Nil
Cash & cash equivalents as per Balance Sheet	2,477.83	4,450.84

2 The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 Cash Flow Statements specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2015.

3 Change in liabilities arising from financing activities:

Particulars	March 31, 2022	Cash Flows	Non Cash Changes	March 31, 2023
Debt Securities	12,779.03	1,330.00	43.37	14,152.40
Borrowing other than debt Securities	68,391.50	47,214.67	(507.57)	1,15,098.60
Total	81,170.53	48,544.67	(464.19)	1,29,251.00

Particulars	March 31, 2021	Cash Flows	Non Cash Changes	March 31, 2022
Debt Securities	12,779.03	1,330.00	43.37	14,152.40
Borrowing other than debt Securities	68,391.50	47,214.67	(507.57)	1,15,098.60
Total	81,170.53	48,544.67	(464.19)	1,29,251.00

As per our report of even date attached herewith

For, Namra Finance Limited

For, Samir M Shah & Associates,
Chartered Accountants
[Firm Regd. No. 122377W]

[Samir M Shah]
Partner
[M.No.111052]

Place: Ahmedabad
Date: 30.05.2023

Jayendra Patel
Chairman & Managing Director
(DIN - 00011814)

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Vivek Modi
Chief Financial Officer

Jaimish Patel
Company Secretary
(M. No. A42244)

Statement of Changes in Equity

for the year ended March 31, 2023

(₹ in Lakhs)

(A) Equity share capital (Refer Note 17)

FY - 2022-23

Particulars	Balance as at March 31, 2022	Changes in equity share capital due to prior period errors	Restated Balance as at March 31, 2022	Changes during the year	Balance as at March 31, 2023
Ordinary Equity share capital	3,326.00	Nil	3,326.00	1,210.00	4,536.00
FY - 2021-22					
Particulars	Balance as at March 31, 2021	Changes in equity share capital due to prior period errors	Restated Balance as at March 31, 2021	Changes during the year	Balance as at March 31, 2022
Ordinary Equity share capital	2,717.50	Nil	2,717.50	608.50	3,326.00

(B) Other equity (Refer note 18)

Particulars	Reserves and surplus					Total
	General Reserve	Reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Retained earnings	Capital Contribution from Holding"	
FY 2022-23						
Balance As At March 31, 2022	7.00	1,651.30	5,234.28	6,183.35	82.61	(283.61)
Change in accounting policy or prior period errors	Nil	Nil	Nil	Nil	Nil	Nil
Restated Balance As At March 31, 2022	7.00	1,651.30	5,234.28	6,183.35	82.61	(283.61)
Profit for the year	Nil	Nil	Nil	6,719.76	Nil	Nil
Other comprehensive income (net of taxes)	Nil	Nil	Nil	Nil	Nil	(363.52)
Total Comprehensive Income for the period	Nil	Nil	Nil	6,719.76	Nil	(363.52)
Transactions with Owners in the capacity as Owners						
Transfer to reserve u/s. 45-IA of RBI Act, 1934	Nil	1,344.00	Nil	(1,344.00)	Nil	Nil
Additions during the year in securities premium	Nil	Nil	8,787.11	Nil	Nil	Nil
Share Issue Expense From Securities Premium A/c	Nil	Nil	Nil	Nil	Nil	Nil
Reversal of ESOP due to unexercised option	Nil	Nil	Nil	Nil	Nil	Nil
Transfer during the year in General Reserve	1.00	Nil	Nil	(1.00)	Nil	Nil
Share based payment to employees (ESOP) (Refer note 17)	Nil	Nil	Nil	7.95	Nil	Nil
Balance As At March 31, 2023	8.00	2,995.30	14,021.39	11,558.11	90.55	(647.13)
						28,026.22

Particulars	Reserves and surplus					Total
	General Reserve	Reserve u/s. 45-IC of RBI Act, 1934	Securities premium	Retained earnings	Capital Contribution from Holding"	
FY 2021-22						
Balance As At March 31, 2021	6.00	1,282.30	3,088.88	4,708.80	78.28	182.75
Profit for the year	Nil	Nil	Nil	1,844.55	Nil	Nil
Other comprehensive income (net of taxes)	Nil	Nil	Nil	Nil	Nil	(466.36)
Total Comprehensive Income for the period	Nil	Nil	Nil	1,844.55	Nil	(466.36)
Transactions with Owners in the capacity as Owners						
Transfer to reserve u/s. 45-IA of RBI Act, 1934	Nil	369.00	Nil	(369.00)	Nil	Nil
Additions during the year in securities premium	Nil	Nil	2,145.40	Nil	Nil	Nil
Share Issue Expense From Securities Premium A/c	Nil	Nil	Nil	Nil	Nil	Nil
Share based payment to employees (ESOP) (Refer note 17)	Nil	Nil	Nil	Nil	4.33	Nil
Transfer during the year in General Reserve	1.00	Nil	Nil	(1.00)	Nil	Nil
Balance As At March 31, 2022	7.00	1,651.30	5,234.28	6,183.35	82.61	(283.61)
						12,874.92

As per our report of even date attached herewith

For, Samir M Shah & Associates,
Chartered Accountants
[Firm Regd. No. 122377W]

[Samir M Shah]
Partner
[M.No.111052]

Place: Ahmedabad
Date: 30.05.2023

Jayendra Patel
Chairman & Managing Director
(DIN - 00011814)

Aalok Patel
Joint Managing Director
(DIN - 02482747)

For, Namra Finance Limited

Vivek Modi
Chief Financial Officer

Jaimish Patel
Company Secretary
(M. No. A42244)

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

1. CORPORATE INFORMATION

NAMRA Finance Limited (the "Company") is a wholly owned subsidiary of Arman Financial Services Limited, a public Company, domiciled in India and incorporated under the provisions of the Companies Act, 1956. It is registered as a Non deposit taking non-banking finance Company – Micro Finance Institution ("NBFC-MFI") with Reserve Bank of India ("RBI"). The Company is engaged in the business of providing Micro Finance loans ("MFL") to Joint Liability Groups ("JLG"), to create the underlying assets of MFL.

The Company's registered office is at 502-503, Sakar III, Opp. Old High Court, Off. Ashram Road, Ahmedabad - 380 014, Gujarat. INDIA.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the "Ind AS") prescribed under section 133 of the Companies Act, 2013 (the "Act").

2.2 Basis of measurement

The standalone financial statements have been prepared on historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- i) Loans at fair value through other comprehensive income ("FVOCI") and
- ii) Defined benefit plans - plan assets
- iii) Investment in units of mutual funds at fair value through Profit & Loss ("FVTPL")

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (₹) which is the currency of the primary economic environment in which the Company operates (the "functional currency"). The values are rounded to the nearest Lakhs, except when otherwise indicated.

2.3 Use of estimates, judgements and assumptions

The preparation of the standalone financial statements in conformity with Ind AS requires

management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at 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. Monitoring is part of the company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and

liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) 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. For further details about determination of fair value refer note 3.8 and note 38.

ii) Effective interest rate ("EIR") method

The Company's EIR methodology, as explained in Note 3.1(A), recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and lifecycle of the instruments, as well as expected changes to interest rates and other fee income/ expense that are integral parts of the instrument.

iii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the

amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.
- b) Development of ECL models, including the various formulas and the choice of inputs.
- c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").
- d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iv) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business.

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 outflow is considered to be 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.

For further details on provisions and other contingencies refer note 3.16.

These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable.

2.4 Presentation of the standalone financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 38.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- i) The normal course of business
- ii) The event of default

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of interest income

A. Effective Interest Rate (“EIR”) method

Under Ind AS 109, interest income is recorded using the effective interest rate method for all financial instruments measured at amortised cost and financial instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or

premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss.

B. Interest income

The Company records interest and processing fees income by applying EIR to the gross carrying amount of financial assets. When a financial asset becomes credit impaired and is, therefore, regarded as ‘stage 3’, the Company calculates interest income on the net basis. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

3.2 Financial instrument - initial recognition

A. Date of recognition

Debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

B. Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments (Refer note 3.3(A)). Financial instruments are initially measured at their fair value (as defined in Note 3.8), except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount.

C. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset’s contractual terms, measured at either:

- i) Amortised cost
- ii) FVOCI
- iii) FVTPL

3.3 Financial assets and liabilities

A. Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company’s business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- a. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company’s key management personnel.
- b. The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- c. managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- d. The expected frequency, value and timing of sales are also important aspects of the Company’s assessment.

The business model assessment is based on reasonably expected scenarios without taking ‘worst case’ or ‘stress case’ scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company’s original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

SPPI test

As a second step of its classification process, the Company assesses the contractual terms of financial Assets to identify whether they meet SPPI test.

‘Principal’ for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies

judgement and considers relevant factors such as the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows:

- i) **Financial assets carried at amortised cost (“AC”)**
A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- ii) **Financial assets measured at FVOCI**
A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans and advances are held to sale and collect contractual cash flows, they are measured at FVOCI.
- iii) **Financial assets at fair value through profit or loss (“FVTPL”)**
A financial asset which is not classified in any of the above categories are measured at FVTPL.
- iv) **Investments in Mutual Funds:**
All investments in Mutual Funds are measured at fair value, with value changes recognised in Statement of Profit and Loss (“FVTPL”).
- v) **Derivatives**
A derivative is a financial instrument or other contract with all three of the following characteristics:
 - Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of

prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date. The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities.

Hedge accounting:

The Company has adopted hedge accounting. The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria. The Company has formally designated and documented the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

B. Financial liability

i) Initial recognition and measurement

All financial liability are initially recognized at fair value. Transaction costs that are directly

attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

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

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended March 31, 2023 and March 31, 2022.

3.5 Derecognition of financial assets and liabilities

A. Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. Where the substantial modification is because of financial difficulties of the borrower and the old loan was classified as credit-impaired, the new loan will initially be identified as originated credit-impaired financial asset. On satisfactory performance of the new loan, the new loan is transferred to stage I or stage II of ECL.

B. Derecognition of financial assets other than due to substantial modification

i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the

date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss. Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continues to recognise the portion retained by it as MRR.

ii) Financial liability

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

3.6 Impairment of financial assets

A. Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at FVTPL. Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument) Both LTECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3: Loans considered credit impaired are the loans which are past due for more than 90 days. The Company records an allowance for life time ECL.

Loan commitments: When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

B. Calculation of ECLs

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

PD Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest.

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

The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analysed.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for stage 2 assets, with the PD set at 100%.

C. Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

D. Forward looking information

In its ECL models, the Company relies on a broad range of forward looking macro parameters and estimated the impact on the default at a given point of time.

- i) Gross fixed investment (% of GDP)
- ii) Lending interest rates
- iii) Deposit interest rates

3.7 Write-offs

Financial assets are written off when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss

allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to impairment on financial instruments in the statement of profit and loss.

3.8 Determination of fair value

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. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements 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 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;
- Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and
- Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

3.9 (I) Recognition of other income

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 AS 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.

A. Dividend income

Dividend income (including from FVOCI investments) is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

B. Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest spread under par structure of

direct assignment of loan Receivables is recognised upfront. On derecognition of the loan receivables in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognised upfront in the statement of profit and loss.

C. Other interest income

Other interest income is recognised on a time proportionate basis.

D. Other Charges in Respect of Loans

Income in case of late payment charges are recognized when there is no significant uncertainty of regarding its recovery.

3.9 (II) Recognition of other expense

A. Borrowing costs

Borrowing costs are the interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL. The EIR in case of a financial liability is computed

- a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
- c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially

recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, rating fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

3.10 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.11 Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and impairment losses, if any. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

Depreciation on property, plant and equipment has been provided on straight line method specified in Schedule II to the Companies Act, 2013. However, Land is not depreciated. The estimated useful lives are, as follows:

- i) Buildings - 60 years
- ii) Vehicles - 8 years
- iii) Office equipment - 3 to 10 years
- iv) Furniture and fixtures - 10 years

Depreciation is provided on a pro-rata basis from the date on which such asset is ready for its intended use. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and

the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

3.12 Intangible assets

The Company's intangible assets include the value of software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives (three years) using the straight-line method, and is included in depreciation and amortisation in the statement of profit and loss.

3.13 Impairment of non-financial assets - property, plant and equipment and intangible assets

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

3.14 Leases

Effective from April 1, 2019, the Company has adopted Ind AS-116 "Lease" retrospectively with the cumulative effect of applying this standard recognised at the date initial application.

Due to the same, the associated right-of-use assets are measured either at the carrying amounts as if the Standard has been applied since the commencement date or at the amount equal to the lease liability are

included in and presented as "Right to use Asset" and "Other financial liabilities" respectively on the financial statements.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Lease term includes periods of an option to extend the lease if the lessee is reasonably certain to exercise that option and an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Short-term leases for the underlying asset is of low value apply exemption rules of the standards, and recognize the lease payments associated with those leases as an expense mainly on straight-line basis over the lease term.

The cumulative effects due to the application of this standard were recognized on the commencement date of adoption in accordance with the transitional arrangements, the retrospective restatement of prior periods have not been applied.

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 of use the asset.

Company as a lessee

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance Lease

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability. The Finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end

of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term

Operating leases

Leases in which the lessor does not transfer substantially all the risks and rewards of ownership of an asset to the lessee are classified as operating leases. Lease rental are charged to statement of profit and loss on straight line basis except where scheduled increase in rent compensates the lessor for expected inflationary costs.

3.15 Retirement and other employee benefits Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed by the Company to the Life insurance corporation of India who administers the fund of the Company.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. As per Ind AS 19, the service cost and the net interest cost are charged to the statement of profit and loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a

present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.16 Provisions, contingent liabilities and contingent assets

A. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

B. Contingent liability

A possible obligation that arises from past events and 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; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

C. Contingent asset

A contingent asset is a possible asset 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 Company. Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

3.17 Taxes

A. Current tax

Current tax is determined on income for the year chargeable to tax in accordance on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Current tax items are recognised in correlation to the underlying transaction either in profit or loss or OCI or directly in equity. The

Company has provided for the tax liability based on the significant judgment that the taxation authority will accept the tax treatment.

B. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or equity.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

C. Goods and services tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax paid, except when the tax incurred on a purchase of assets or availing of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.18 Earnings per share

Basic earnings per share ("EPS") is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the profit after tax (i.e. profit attributable to ordinary equity holders) as adjusted for after-tax amount of dividends and interest recognised in the period in respect of the

dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares, by the weighted average number of equity shares considered for deriving basic earnings per share as increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits, right issue and bonus shares, as appropriate.

3.19 Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

3.20 Cash flow Statement

Cash flows are reported under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows, whereby net profit after tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Company.

4. Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards)

Amendment Rules, 2022 vide notification no. G.S.R 255(E) dated March 31, 2023. Given below are the amendment made in brief and their possible impact on the financial statements of the company. The company will apply the amendments from April 1, 2023 being the effective date of the amendments:

- Ind AS 1 – Presentation of Financial Statements**
 Disclosure of Accounting Policies, amended paragraphs 7, 10, 114, 117 and 122, added paragraphs 117A–117E and deleted paragraphs 118, 119 and 121. The amendments to Ind AS 1 are applicable for annual reporting periods beginning on or after April 1, 2023. The amendment seeks to replace significant accounting policies with material accounting policy information and provides guidance on material accounting policy information. The amendment requires complete review of existing disclosure of accounting policies and may involve redrafting, removing some of the accounting policies now being disclosed or adding new accounting policy disclosures. The company is reviewing its accounting policy disclosure to change the same as per the amendments.
- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**
 Definition of Accounting Estimates, amended paragraphs 5, 32, 34, 38 and 48 and added paragraphs 32A, 32B and 34A. These amendments are applicable for annual reporting periods beginning on or after April 1, 2023. The amendment replaces the definition of changes in accounting estimates with a new definition of accounting estimates and provides guidance on that definition, what are regarded as changes in accounting estimates and how to apply changes in accounting estimates. The amendments shall be applied to changes in accounting estimates and changes in accounting policies that occur on or after April 1, 2023. Therefore, the amendments have no impact on the financial position, financial performance or the cash flows of the entity in the current and previous year.
- Ind AS 12 – Income Taxes**
 Deferred Tax related to Assets and Liabilities arising from a Single Transaction, amended paragraphs 15, 22 and 24 and added paragraph 22A. The amendment clarifies that in case,

where at the time of initial recognition, equal amount of taxable and deductible temporary differences arise, the initial recognition exemption does not apply and the company shall recognize deferred tax liability and deferred tax asset on gross basis on that date of initial recognition depending on the applicable tax law. This happens typically when a lease liability and right-of-use asset is recognised initially or when decommissioning obligations are initially recognised and the same is added to the cost of the item of property, plant and equipment. If the application of this requirement results in unequal amount of deferred tax asset and deferred tax liability, the difference shall be recognised in profit or loss. These amendments are to be applied for annual reporting periods beginning on or after 1 April 2023 to transactions that occur on or after the beginning of 1 April 2022. The amendment also requires deferred tax assets and deferred tax liabilities

to be recognised on 1 April 2022 based on the carrying amounts of the lease liability and right-of-use asset as on 1 April 2022 and recognised any difference in opening balance of retained earnings or another component of equity, where appropriate, if the company has applied the initial recognition exemption requirements earlier or had recognised deferred tax assets and deferred tax liabilities on net basis. The same is also required for decommissioning obligations recognised initially and added to the cost of the item of property, plant and equipment. As the company has recognised deferred tax assets and deferred tax liabilities on gross basis on lease liability and right-of-use assets, the amendment has no impact of the financial statements. Further, the requirements relating to decommissioning obligations are not applicable to the company. Deferred Tax Liability on Lease Liability as on 01.04.2022 of ₹34.44 Lacs.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
1. Cash and Cash Equivalents		
Cash on hand	56.15	76.67
Balance with banks	2,421.68	4,374.16
Total	2,477.83	4,450.84
2. Bank Balance other than Cash and Cash Equivalents		
In fixed deposit accounts:		
Deposits given as security against borrowings or other commitments	8,738.01	4,776.79
Fixed Deposits given as security against overdraft facilities (Refer Note No.2.1)	24,600.00	Nil
Other Deposits with original maturity more than 3 months	1,657.66	1,312.06
	34,995.67	6,088.85
Less: Interest Accrued but not due on Bank Deposits (Disclosed in Note 5)	(981.21)	(164.10)
Total	34,014.46	5,924.75
2.1 Deposits includes deposits of ₹24600.00 Lakhs (P.Y. ₹ NIL) given to bank for Overdraft facility availed.		
3. Loans		
At FVOCI		
Unsecured Loans	1,29,847.52	92,120.31
Less : Interest Due but not received on loans (Disclosed in Note 5)	(517.23)	(472.43)
At Amortised Cost		
Inter Corporate Deposits to holding company	1,013.14	Nil
	1,30,343.43	91,647.87
Less : Impairment Loss Allowance	(5,356.42)	(4,716.71)
	1,24,987.01	86,931.17
(1) Loans In India	1,24,987.01	86,931.17
(2) Loans Outside India	Nil	Nil
Total	1,24,987.01	86,931.17
3.1 Refer Note No. 35 for loans to Company in which directors are interested.		

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

3.2 An analysis of changes in the gross carrying amount and the corresponding ECL Allowances:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2021	57,462.44	2,532.97	2,591.82	62,587.24
New Assets originated*	75,271.54	194.46	131.33	75,597.33
Net transfer between stages				
Transfer from stage 1	(4,772.96)	3,254.12	1,518.83	Nil
Transfer from stage 2	210.22	(1,366.04)	1,155.82	Nil
Transfer from stage 3	4.28	65.82	(70.11)	Nil
Less: Assets derecognised or collected	43,976.33	183.17	368.73	44,528.24
Less: Write - offs	219.19	214.90	1,574.37	2,008.46
Gross carrying amount as at March 31, 2022	83,980.01	4,283.26	3,384.60	91,647.87
New Assets originated*	1,28,791.59	599.72	445.63	1,29,836.94
Net transfer between stages				
Transfer from stage 1	(2,374.47)	877.81	1,496.66	Nil
Transfer from stage 2	837.66	(1,253.25)	415.59	Nil
Transfer from stage 3	1.27	0.44	(1.71)	Nil
Less: Assets derecognised or collected	85,822.38	1,168.64	559.90	87,550.93
Less: Write - offs	134.16	1,931.22	1,525.07	3,590.45
Gross carrying amount as at March 31, 2023	1,25,279.52	1,408.12	3,655.79	1,30,343.43

*Note: New assets originated are those assets which are disbursed during the year.

3.3 Reconciliation of ECL balance is given below:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2021	408.15	718.01	2,185.63	3,311.79
Addition During The Year	301.56	1,327.04	2,551.30	4,179.90
Reduction During The Year	(193.89)	(723.56)	(1,857.53)	(2,774.98)
Gross carrying amount as at March 31, 2022	515.82	1,321.49	2,879.40	4,716.71
Addition During the Year	842.60	430.56	2,093.29	3,366.46
Reduction During the Year	(146.48)	(1,200.30)	(1,379.97)	(2,726.75)
Gross carrying amount as at March 31, 2023	1,211.94	551.76	3,592.72	5,356.42

Note: Increase in ECLs of the portfolio was driven by an increase in the gross size of the portfolio.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

4. Investments

	As at March 31, 2023	As at March 31, 2022
At Fair Value Through Profit & Loss		
In Mutual Funds		
Nil Unit (As at 31.03.21: 9,27,603.39 Units) of SBI Credit Risk Fund -Regular -Growth	Nil	335.42
9,08,465.69 Units (As at 31.03.21 : Nil Unit) SBI Magnum Gilt Fund Regular Growth	500.86	Nil
6,98,053.498 Units (As at 31.03.21: Nil Unit) SBI Magnum Medium Duration Fund Regular Growth	300.00	Nil
Total Mutual Funds	800.86	335.42
At Amortised Cost		
In Pass through certificates under securitization transactions (PTC)		
1,87,87,291 Units (As at 31.03.22- 1,87,87,291 unit) of HLF Sydney PTC, Face Value of ₹1 Each.	174.07	158.33
1,13,53,428 Units (As at 31.03.22 - 1,13,53,428 Unit) Nabsam Albany PTC, Face Value of ₹1 Each.	108.17	97.99
2,15,98,529 Units (As at 31-3-2022 - Nil) of Nimbus 2022 MFI Dunedin, Face Value of ₹1 Each.	203.65	Nil
1,87,70,074 Units (As at 31-03-2022 - NIL) of Nimbus 2022 MFI Hamilton, Face Value of ₹1 Each	173.75	Nil
1,23,40,361 Units (As at 31-03-2022 - NIL) of NFL EMERALD 2022, Face Value of ₹1 Each.	108.74	Nil
1,82,47,719 units (As at 31-03-2022 - NIL) of MFSL 2022 Lynx , Face Value of ₹1 Each	161.11	Nil
1,00,000 Units (As at 31-03-2022 - NIL) of Sheryl 06 2022. Face Value of ₹1 Each	0.89	Nil
41,13,949 Units (As at 31-03-2022 - Nil) of Victor July 2022, Face Value ₹1 Each	37.78	Nil
61,92,788 Units (As at 31-03-2022 - Nil) of Nimbus 2022 MFI Brampton, Face Value of ₹1 Each	56.74	Nil
Total PTC	1,024.89	256.32
Total	1,825.75	591.74
i) Investments in India	1,825.75	591.74
ii) Investments outside India	Nil	Nil
Total	1,825.75	591.74

4.1 Investments represents investments of ₹. 1024.89 Lakhs (P.Y. ₹256.32 Lakhs) given as collateral security against borrowing from Financial Institution.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

5. Other Financial Assets	As at March 31, 2023	As at March 31, 2022
Deposits	18.18	343.65
Fair valuation of Derivative Instrument measured Through Profit & Loss Account	Nil	8.12
Other Advances	1,608.22	444.31
Interest accrued but not due on Bank Deposits (Refer Note 2)	981.21	164.10
Interest Due but not received on loans (Refer Note 3)	517.23	472.43
Less : Provision on Interest Receivable on Credit Impaired Loans and Advances	(426.52)	(242.77)
Total	2,698.31	1,189.84

5.1 Deposits include security deposits is Nil (As at 31-03-2022 ₹326.14 Lakhs) given as collateral security against term loans and working capital loans.

5.2 Reconciliation of ECL balance is given below:

Gross carrying amount at beginning of the year	242.77	456.60
Addition During the Year	306.16	42.83
Reduction During the Year	(122.41)	(256.66)
Gross carrying amount at Closing of the year	426.52	242.77

5.3 Other Financial Assets does not include any dues/loans from directors or other officers of the company or any firm or private company in which any director is a partner or director or a member.

6. Deferred Tax	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets on account of:		
Provision for employee benefits	33.25	19.08
Financial assets measured at amortised cost	351.31	214.46
Share Issue Expense that are allowable for tax purpose in the year of payment	0.29	0.59
Provision for CSR	Nil	9.22
Fair valuation of financial instruments through OCI	211.75	95.61
Impairment on Financial assets	1,349.99	1,196.64
Total Deferred Tax Assets	1,946.59	1,535.61
Deferred Tax Liabilities on account of:		
Difference in written down value as per Companies Act and Income Tax Act	(9.74)	(6.58)
Financial liabilities measured at amortised cost	(262.64)	(145.81)
Fair valuation of Derivative Contract measured Through Profit & Loss Account	Nil	(2.04)
Interest Receivable on NPA	(107.35)	(61.10)
Fair valuation of Investment in Mutual Fund	(0.22)	(24.00)
Direct Assignment Income Receivable -DA	(388.34)	(108.69)
Total Deferred Tax Liabilities	(768.29)	(348.23)
At the end of year DTA / (DTL) (net)	1,178.30	1,187.38

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

6.1 The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(i) Movement in deferred tax assets (net)

Particulars	As at March 31, 2022	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2023
Assets				
Provision for employee benefits	19.08	8.05	6.12	33.25
Financial assets measured at amortised cost	214.46	136.84	Nil	351.31
Share Issue Expense that are allowable for tax purpose in the year of payment	0.59	0.29	Nil	0.29
Fair valuation of financial Assets through OCI	1,196.64	153.34	Nil	1,349.99
Fair valuation of financial instruments through OCI	95.61	Nil	116.14	211.75
Provision for CSR	9.22	(9.22)	Nil	Nil
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	(6.58)	(3.16)	Nil	(9.74)
Financial liabilities measured at amortised cost	(145.81)	(116.83)	Nil	(262.64)
Fair valuation of Derivative Contract measured Through Profit & Loss Account	(2.04)	2.04	Nil	Nil
NPA Interest Receivable	(61.10)	(46.25)	Nil	(107.35)
Fair valuation of Investment in Mutual Fund	(24.00)	23.78	Nil	(0.22)
Annapurana Da-Mar 2023 Income Receivable	Nil	(12.29)	Nil	(12.29)
Bom Da-Dec 2022 Income Receivable Asset	Nil	(50.37)	Nil	(50.37)
Bom Da-Oct 2022 Income Receivable Asset	Nil	(29.97)	Nil	(29.97)
Piramal Da-Feb 2023 Income Receivable A	Nil	(22.07)	Nil	(22.07)
Sbi Da Income Receivable Asset- Mar-22	(108.69)	108.69	Nil	Nil
Sbi Da Income Receivable Asset- Mar-23	Nil	(273.65)	Nil	(273.65)
Total (Net)	1,187.38	(131.34)	122.26	1,178.30

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Particulars	As at March 31, 2021	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2022
Assets				
Provision for employee benefits	12.67	4.91	1.50	19.08
Financial assets measured at amortised cost	123.37	91.09	Nil	214.46
Share Issue Expense that are allowable for tax purpose in the year of payment	0.88	(0.29)	Nil	0.59
Fair valuation of financial Assets through OCI	948.43	248.22	Nil	1,196.64
Provision for CSR	Nil	9.22	Nil	9.22
Liabilities				
Difference in written down value as per Companies Act and Income Tax Act	(5.98)	(0.60)	Nil	(6.58)
Financial liabilities measured at amortised cost	(100.29)	(45.51)	Nil	(145.81)
Fair valuation of Derivative Contract measured Through Profit & Loss Account	(1.52)	(0.53)	Nil	(2.04)
Fair valuation of financial instruments through OCI	(59.74)	(0.00)	155.35	95.61
NPA Interest Receivable	Nil	(61.10)	Nil	(61.10)
Fair valuation of Investment in Mutual Fund	(19.55)	(4.45)	Nil	(24.00)
Direct Assignment Income Receivable -DA	Nil	(108.69)	Nil	(108.69)
Total (Net)	898.27	132.26	156.85	1,187.38

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

7. Property, Plant & Equipment

Carrying Value	Furniture & Fixtures	Buildings	Office Equipment	Computers	Vehicles	Total Property, Plant & Equipment	Intangible Assets	Total Assets	Intangible asset under development
At March 31, 2021	97.26	84.17	26.74	133.41	80.75	422.33	48.77	471.10	88.72
Addition	14.58	Nil	5.94	27.76	Nil	48.29	21.10	69.39	90.68
Disposal	Nil	Nil	Nil	Nil	1.40	1.40	Nil	1.40	Nil
Other Adjustment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
At March 31, 2022	111.84	84.17	32.68	161.17	79.35	469.21	69.87	539.08	179.40
Addition	17.44	Nil	10.90	30.82	159.43	218.60	5.45	224.05	Nil
Disposal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other Adjustment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
At March 31, 2023	129.28	84.17	43.58	191.99	238.79	687.82	75.32	763.14	179.40
Accumulated Depreciation	Furniture & Fixtures	Buildings	Office Equipment	Computers	Vehicles	Total Property, Plant & Equipment	Intangible Assets	Total Assets	Intangible asset under development
At March 31, 2021	26.78	3.19	14.22	87.54	40.46	172.17	26.64	198.81	29.57
Charge for the year	9.38	1.33	7.78	22.17	8.39	49.05	8.30	57.35	27.90
Disposal	Nil	Nil	Nil	Nil	0.65	0.65	Nil	0.65	Nil
Other Adjustment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
At March 31, 2022	36.16	4.52	22.00	109.71	48.20	220.58	34.93	255.51	57.47
Charge for the year	11.16	1.32	9.52	23.65	19.38	65.03	9.54	74.57	27.90
Disposal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other Adjustment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
At March 31, 2023	47.32	5.84	31.52	133.36	67.58	285.61	44.47	330.08	85.37
Net Carrying Value									
At March 31, 2022	75.68	79.65	10.68	51.46	31.16	248.63	34.94	283.57	121.93
At March 31, 2023	81.96	78.33	12.07	58.64	171.21	402.21	30.85	433.06	94.03

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

- (a) **Capitalised Borrowing Cost** : Borrowing Cost Capitalised on Property, Plant and Equipment during the year ₹ Nil (PY. ₹ Nil).
- (b) **Contractual Obligations**: Refer Note.31 for disclosure of Contractual Commitments for the acquisition of property, Plant & Equipment.
- (c) Title deeds of immovable property (other than proper taken on lease by duly executed lease agreement) are held in the name of the company.
- (d) No proceedings have been initiated or pending against the company for holding any benami property under the Benami transactions (Prohibition) Act,1988 (45 of 1988) and the rules made thereunder.
- (e) There is no intangible assets are under development. There is no intangible assets are under development

8. Other Non - Financial Assets	As at March 31, 2023	As at March 31, 2022
Prepaid Expenses	6.88	6.51
Advances to staff	12.31	11.09
Balance with government authorities	48.30	22.18
Total	67.49	39.77

9. Other Payables	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	Nil	Nil
Total outstanding dues of other than micro enterprises and small enterprises	118.75	84.18
Total	118.75	84.18

- 9.1 Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The disclosure as required by section 22 of MSMED Act has been given below:

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
1	Principal amount payable to suppliers as at year end	Nil	Nil
2	Interest due thereon as at year end	Nil	Nil
3	Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates.	Nil	Nil
4	Amount of delayed payment actually made to suppliers during the year	Nil	Nil
5	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
6	Interest accrued and remaining unpaid at the end of the year	Nil	Nil
7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	Nil	Nil

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

*Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

9.2 Trade Payable ageing schedule :

AS on March 31, 2023	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	Nil	Nil	Nil	118.75
Outstanding between 1 year to 2 Years	Nil	Nil	Nil	Nil
Outstanding between 2 year to 3 Years	Nil	Nil	Nil	Nil
Outstanding More than 3 Years	Nil	Nil	Nil	Nil

As on March 31, 2022	MSME Trade Payable		Other than MSME Trade Payables	
	Disputed	Undisputed	Disputed	Undisputed
Outstanding Less than 1 Years	Nil	Nil	Nil	84.18
Outstanding between 1 year to 2 Years	Nil	Nil	Nil	Nil
Outstanding between 2 year to 3 Years	Nil	Nil	Nil	Nil
Outstanding More than 3 Years	Nil	Nil	Nil	Nil

*Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management. This has been relied upon by the Auditors.

10. Debt Securities (At Amortised Cost)	As at March 31, 2023	As at March 31, 2022
11.20% Secured, Redeemable, Non Convertible Debenture of ₹1000 Each (2,22,654 Unit as at 31.03.23, 2,22,654 Unit as at 31.03.22)	2,226.54	2,226.54
11.80% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each (34,550 Unit as at 31.03.23, 34,550 Unit as at 31.03.22)	3,455.00	3,455.00
12.39% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each (48,750 Unit as at 31.03.23, 48,750 Unit as at 31.03.22)	4,875.00	4,875.00
Market Linked Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each (368 Unit as at 31.03.23, Nil Unit as at 31.03.22)	3,680.00	Nil
Market Linked Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh Each (Nil Unit as at 31.03.23, 2,350 Unit as at 31.03.22)	Nil	2,350.00
Total	14,236.54	12,906.54
Less: Unamortised borrowing costs	(84.14)	(127.51)
Total	14,152.40	12,779.03
i) Debt Securities In India	14,152.40	12,779.03
ii) Debt Securities Outside India	Nil	Nil
Total	14,152.40	12,779.03

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

10.1. Details of terms of Redemption/ Repayment and security provided in respect of debt securities, borrowings:

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Market Linked Secured, Redeemable, Non Convertible Debenture of ₹10 Lakh Each (368 Unit as at 31.03.23, Nil Unit as at 31.03.22)	3,680.00	Nil	Bullet Payment at the end of 24 Months From 06 October 2021	Secured Under Hypothecation of Specific Asset Portfolio
2,350, Market Linked Secured, Redeemable, Non Convertible Debenture of ₹1 Lakh Each	Nil	2,350.00	Bullet Payment at the end of 18 Months From 27 March 2021	Secured Under Hypothecation of Specific Asset Portfolio
34,550, 11.80% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each	3,455.00	3,455.00	99.99% on 13 May 2023 and Remaining Bullet Payment at the end of 24 Months From 13 May 2023	Secured Under Hypothecation of Specific Asset Portfolio
48,750, 12.39% Secured, Redeemable, Non Convertible Debenture of ₹10,000 Each	4,875.00	4,875.00	99.99% on 12 November 2023 and Remaining Bullet Payment at the end of 60 Months From 12 November 2020	Secured Under Hypothecation of Specific Asset Portfolio
2,22,654, 11.20% Secured, Redeemable, Non Convertible Debenture of ₹1,000 Each	2,226.54	2,226.54	Bullet Payment at the end of 24 Months From 11 March 2022	Secured Under Hypothecation of Specific Asset Portfolio
Total Debt Securities	14,236.54	12,906.54		

11. Borrowings (Other than debt securities)

	As at March 31, 2023	As at March 31, 2022
Term Loans - Secured		
(i) From Banks	53,114.75	35,909.55
(ii) From Financial Institutions	49,207.54	30,839.47
Less: Unamortised borrowing costs	(959.40)	(451.83)
	1,01,362.89	66,297.18
Loans Repayable On Demand From Banks - Secured	90.32	94.32
"Overdraft from banks - Secured against Fixed Deposit (Refer Note 2.1)"	11,645.39	Nil
Total	1,13,098.60	66,391.50
i) Borrowings in India	1,13,098.60	62,278.09
ii) Borrowings Outside India	Nil	4,113.41
Total	1,13,098.60	66,391.50

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for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

11.1 Security:-

Note: Term Loans & Working Capital Loans are secured under hypothecation of exclusive first charge on specific assets portfolio & personal guarantee of some of the directors. The same are further secured by cash collateral security in the form of fixed deposit which are shown under "Other Bank Balance". Also some of the loans are guaranteed by Holding Company.

Interest:

Term loan carries an interest rate ranging from 9.30 % to 13.35% p.a.

Short Term Loans from Related Parties carries an interest rate of 10.00% p.a..

11.2 The Company has not defaulted in repayment of borrowings and interest thereon

11.3 The Company has borrowed funds from banks and financial institutions on the basis of security of book debts. It has filed quarterly returns or statements of book debts with banks and financial institutions and the said returns/statements are in agreement with books of accounts.

11.4 Details of terms of Repayment and security provided in respect of borrowings :

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Banks - 1	Nil	4,130	Bullet Payment at the end of 36 Months From 17 March 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 2	Nil	467	Repayable in 27 Monthly installments starting from 31 May 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 3	Nil	1,420	Repayable in 21 Monthly installments starting from 30 th June 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 4	Nil	736	Repayable in 18 Monthly installments starting from 17 th April 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 5	Nil	990	Repayable in 18 Monthly installments starting from 9 th May 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 6	Nil	625	Repayable in 36 Months quarterly installments starting from 16 April 2018	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 7	211.98	727	Repayable in 35 Monthly installments starting from 31 st October 2020	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 8	363.64	727	Repayable in 36 Monthly installments from 31 Mar 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 9	Nil	184	Repayable in 24 Monthly installments starting from 31 May 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Standalone Financial Statements

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(All amounts are in Lakhs unless otherwise stated)

11.4 Details of terms of Repayment and security provided in respect of borrowings (contd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Banks - 10	Nil	307	Repayable in 36 Monthly installments starting from 02 February 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 11	Nil	Nil	Repayable in 36 Months quarterly installments starting from 30 April 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 12	27.63	194	Repayable in 36 Monthly installments starting from 31 May 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 13	1,499.08	Nil	Repayable in 24 Monthly installments starting from 31 August 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 14	Nil	4	Repayable in 24 Monthly installments starting from 30 April 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 15	Nil	Nil	Repayable in 36 Monthly installments starting from 30 April 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 16	Nil	Nil	Repayable in 24 Monthly installments starting from 29 July 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 17	Nil	Nil	Repayable in 24 Monthly installments starting from 30 October 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 18	Nil	Nil	Repayable in 36 Monthly installments starting from 06 August 2018	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 19	Nil	3	Repayable in 36 Monthly installments starting from 15 April 2019	Secured Against the Specific Vehicle
Term Loan From Banks - 20	Nil	930	Repayable in 18 Monthly installments starting from 10 th June 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 21	Nil	1,107	Repayable in 18 Monthly installments starting from 15 th August 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company

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(All amounts are in Lakhs unless otherwise stated)

11.4 Details of terms of Repayment and security provided in respect of borrowings (contd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Banks - 22	1,085.48	1,818	Repayable in 33 Monthly installments starting from 30 th January 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 23	514.60	878	Repayable in 36 Monthly installments from 08 Sep 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 24	513.23	878	Repayable in 36 Monthly installments from 15 Oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 25	1,359.37	2,272	Repayable in 36 Monthly installments from 28 Sep 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 26	1,250.01	2,083	Repayable in 36 Monthly installments from 31 Aug 2020	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 27	1,187.50	1,938	Repayable in 36 Monthly installments from 29 Nov 2021	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 28	545.45	1,636	Repayable in 24 Monthly installments from 30 Sep 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 29	272.73	500	Repayable in 24 Monthly installments from 30 Mar 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 30	2,227.27	5,500	Repayable in 24 Monthly installments starting from 29 th Nov'21 and 15 th Dec'21	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 31	Nil	2,808	Repayable in 12 Monthly installments starting from 25 th April 2022	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 32	1,067.45	3,049	Repayable in 18 Monthly installments from 16 Mar 2022	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 33	Nil	Nil	Repayable in 36 Monthly installments starting from 30 th December 2022	Secured by a first and exclusive charge on receivables Assigned to the Bank of the company
Term Loan From Banks - 34	1,395.50	Nil	Repayable in 24 Monthly installments from 21 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Standalone Financial Statements

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(All amounts are in Lakhs unless otherwise stated)

11.4 Details of terms of Repayment and security provided in respect of borrowings (contd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Banks - 35	2,697.87	Nil	Repayable in 30 Monthly installments from 17 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 36	1,999.97	Nil	Repayable in 26 Monthly installments from 14 Feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 37	452.06	Nil	Repayable in 36 Monthly installments from 15 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 38	1,818.19	Nil	Repayable in 36 Monthly installments from 29 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 39	1,866.67	Nil	Repayable in 24 Monthly installments from 30 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 40	1,000.00	Nil	Repayable in 24 Monthly installments from 30 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 41	1,200.00	Nil	Repayable in 24 Monthly installments from 20 Feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 42	1,238.10	Nil	Repayable in 27 Monthly installments from 20 May 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 43	550.00	Nil	Repayable in 36 Monthly installments from 18 Nov 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 44	550.00	Nil	Repayable in 36 Monthly installments from 18 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 45	566.58	Nil	Repayable in 36 Monthly installments from 18 Nov 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

11.4 Details of terms of Repayment and security provided in respect of borrowings (contd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Banks - 46	999.69	Nil	Repayable in 27 Monthly installments from 30 Apr 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 47	6,400.00	Nil	Repayable in 36 Monthly installments from 30 Dec 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 48	1,749.91	Nil	Repayable in 24 Monthly installments from 16 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 49	1,999.41	Nil	Repayable in 36 Monthly installments from 10 Feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 50	1,416.67	Nil	Repayable in 24 Monthly installments from 24 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 51	1,125.00	Nil	Repayable in 24 Monthly installments from 27 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 52	1,933.33	Nil	Repayable in 30 Monthly installments from 31 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 53	1,925.74	Nil	Repayable in 18 Monthly installments from 16 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 54	3,094.03	Nil	Repayable in 18 Monthly installments from 07 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 55	2,701.40	Nil	Repayable in 18 Monthly installments from 28 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Banks - 56	111.66	Nil	Repayable in 36 Monthly installments from 05 Nov 2022	Secured by a first and exclusive charge on the vehicle acquired with the loan
Term Loan From Banks - 57	218.26	Nil	Repayable in 21 Monthly installments from 26 Jun 2022	Secured by a first and exclusive charge on the vehicle acquired with the loan

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

11.4 Details of terms of Repayment and security provided in respect of borrowings (contd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Banks - 58	1,979.29	Nil	Repayable in 18 Monthly installments from 01 Jan 2023	Secured by a first and exclusive charge on the vehicle acquired with the loan
Total Loan From Banks	53,114.75	35,909.55		
Term Loan From Financial Institution - 1	Nil	1,500.00	Repayable in 2 installments of 35 Crore and 15 Crore on 31 st December 2021 and 31 st July 2022 respectively	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 2	875.00	1,458.25	Repayable in 36 Monthly installments starting from 31 January 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 3	Nil	750.00	Repayable in 4 Half Yearly installments starting from 31 October 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 4	Nil	300.00	Repayable in 24 Monthly installments starting from 10 June 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 5	139.91	280.00	Repayable in 60 Months Half Yearly installments starting from 31 January 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 6	Nil	185.37	Repayable in 36 Monthly installments starting from 22 August 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 7	Nil	Nil	Repayable in 36 Monthly installments starting from 27 December 2018	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 8	Nil	Nil	Repayable in 36 Monthly installments starting from 29 June 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 9	Nil	285.71	Repayable in 21 Monthly installments starting from 10 July 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 10	Nil	285.71	Repayable in 21 Monthly installments starting from 10 July 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

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(All amounts are in Lakhs unless otherwise stated)

11.4 Details of terms of Repayment and security provided in respect of borrowings (contd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 11	Nil	285.71	Repayable in 21 Monthly installments starting from 10 July 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 12	Nil	285.71	Repayable in 21 Monthly installments starting from 10 July 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 13	Nil	Nil	Repayable in 9 Monthly installments starting from 10 August 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 14	126.39	243.06	Repayable in 36 Monthly installments starting from 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 15	126.39	243.06	Repayable in 36 Monthly installments starting from 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 16	126.39	243.06	Repayable in 36 Monthly installments starting from 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 17	126.39	243.06	Repayable in 36 Monthly installments starting from 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 18	Nil	46.45	Repayable in 24 Monthly installments starting from 15 June 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 19	Nil	46.45	Repayable in 24 Monthly installments starting from 15 June 2020	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 20	54.17	104.17	Repayable in 36 Monthly installments starting from 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 21	54.17	104.17	Repayable in 36 Monthly installments starting from 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

11.4 Details of terms of Repayment and security provided in respect of borrowings (contd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 22	54.17	104.17	Repayable in 36 Monthly installments starting from 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 23	54.17	104.17	Repayable in 36 Monthly installments starting from 31 March 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 24	Nil	41.67	Repayable in 36 Monthly installments starting from 25 October 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 25	Nil	41.67	Repayable in 36 Monthly installments starting from 25 October 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 26	Nil	34.72	Repayable in 36 Monthly installments starting from 25 September 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 27	Nil	34.72	Repayable in 36 Monthly installments starting from 25 September 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 28	Nil	34.72	Repayable in 36 Monthly installments starting from 25 September 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 29	Nil	34.72	Repayable in 36 Monthly installments starting from 25 September 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 30	Nil	34.72	Repayable in 36 Monthly installments starting from 25 September 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 31	Nil	44.34	Repayable in 36 Monthly installments starting from 15 September 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 32	Nil	33.33	Repayable in 36 Monthly installments starting from 25 October 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

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(All amounts are in Lakhs unless otherwise stated)

11.4 Details of terms of Repayment and security provided in respect of borrowings (contd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 33	Nil	13.04	Repayable in 36 Monthly installments starting from 15 April 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 34	Nil	Nil	Repayable in 36 Monthly installments starting from 25 April 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 35	Nil	Nil	Repayable in 36 Monthly installments starting from 25 April 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 36	Nil	Nil	Repayable in 36 Monthly installments starting from 25 April 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 37	Nil	Nil	Repayable in 36 Monthly installments starting from 27 December 2018	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 38	Nil	Nil	Repayable in 36 Monthly installments starting from 27 November 2018	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 39	Nil	Nil	Repayable in 36 Monthly installments starting from 27 December 2018	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 40	Nil	Nil	Repayable in 36 Monthly installments starting from 25 September 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 41	Nil	Nil	Repayable in 36 Monthly installments starting from 25 September 2019	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 42	Nil	Nil	Repayable in 36 Monthly installments starting from 25 December 2018	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 43	Nil	Nil	Repayable in 36 Monthly installments starting from 25 December 2018	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

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(All amounts are in Lakhs unless otherwise stated)

11.4 Details of terms of Repayment and security provided in respect of borrowings (contd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 44	Nil	Nil	Repayable in 36 Monthly installments starting from 25 December 2018	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 45	Nil	Nil	Repayable in 36 Monthly installments starting from 25 December 2018	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 46	0.46	864.76	Repayable in 20 Monthly installments starting from 13 September 2021 (pay in date)	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 47	450.00	1,500.00	Repayable in 2 bullet payment over 18 Monthly installments on 31 October 22 & 30 th April 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 48	Nil	1,400.00	Repayable in 10 Monthly installments starting from 10 th January 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 49	1,900.00	3,000.00	Repayable in 30 Monthly installments starting from 10 th May 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 50	624.85	1,375.00	Repayable in 36 Monthly installments starting from 10 th May 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 51	175.00	291.67	Repayable in 36 Monthly installments starting from 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 52	75.00	125.00	Repayable in 36 Monthly installments starting from 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 53	175.00	291.67	Repayable in 36 Monthly installments starting from 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 54	75.00	125.00	Repayable in 36 Monthly installments starting from 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Standalone Financial Statements

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(All amounts are in Lakhs unless otherwise stated)

11.4 Details of terms of Repayment and security provided in respect of borrowings (contd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 55	175.00	291.67	Repayable in 36 Monthly installments starting from 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 56	75.00	125.00	Repayable in 36 Monthly installments starting from 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 57	175.00	291.67	Repayable in 36 Monthly installments starting from 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 58	75.00	125.00	Repayable in 36 Monthly installments starting from 25 oct 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 59	175.00	350.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 60	75.00	150.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 61	175.00	350.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 62	75.00	150.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 63	175.00	350.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 64	75.00	150.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 65	175.00	350.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

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(All amounts are in Lakhs unless otherwise stated)

11.4 Details of terms of Repayment and security provided in respect of borrowings (contd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 66	75.00	150.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 67	175.00	350.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 68	75.00	150.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 69	175.00	350.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 70	75.00	150.00	Repayable in 24 Monthly installments starting from 25 APR 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 71	1,021.44	1,988.32	Repayable in 30 Monthly installments starting from 06 September 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 72	1,107.36	2,063.88	Repayable in 30 Monthly installments starting from 05 October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 73	285.71	500.00	Repayable in 24 Monthly installments starting from 15 April 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 74	285.71	500.00	Repayable in 24 Monthly installments starting from 15 April 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 75	255.43	766.30	Repayable in 24 Monthly installments starting from 31 st October 2021	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 76	397.70	2,986.52	Repayable in 15 months Monthly installments starting from 15 April 2022-Pay in date	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

11.4 Details of terms of Repayment and security provided in respect of borrowings (contd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 77	367.73	1,782.08	Repayable in 17 Monthly installments starting from 24 April 2022-Pay in date	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 78	357.14	Nil	Repayable in 24 Monthly installments from 01 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 79	357.14	Nil	Repayable in 24 Monthly installments from 01 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 80	404.76	Nil	Repayable in 24 Monthly installments from 31 Jul 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 81	323.81	Nil	Repayable in 24 Monthly installments from 31 Jul 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 82	1,200.00	Nil	Repayable in 27 Monthly installments from 15 Feb 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 83	204.17	Nil	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 84	87.50	Nil	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 85	204.17	Nil	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 86	87.50	Nil	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 87	204.17	Nil	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Standalone Financial Statements

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(All amounts are in Lakhs unless otherwise stated)

11.4 Details of terms of Repayment and security provided in respect of borrowings (contd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 88	87.50	Nil	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 89	204.17	Nil	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 90	87.50	Nil	Repayable in 24 Monthly installments from 24 Jun 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 91	112.50	Nil	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 92	112.50	Nil	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 93	112.50	Nil	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 94	262.50	Nil	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 95	262.50	Nil	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 96	262.50	Nil	Repayable in 24 Monthly installments from 21 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 97	306.25	Nil	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 98	131.25	Nil	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

Notes Forming Part of the Standalone Financial Statements

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(All amounts are in Lakhs unless otherwise stated)

11.4 Details of terms of Repayment and security provided in respect of borrowings (contd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 99	306.25	Nil	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 100	131.25	Nil	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 101	306.25	Nil	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 102	131.25	Nil	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 103	306.25	Nil	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 104	131.25	Nil	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 105	306.25	Nil	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 106	131.25	Nil	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 107	306.25	Nil	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 108	131.25	Nil	Repayable in 24 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 109	350.00	Nil	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

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11.4 Details of terms of Repayment and security provided in respect of borrowings (contd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 110	150.00	Nil	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 111	350.00	Nil	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 112	150.00	Nil	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 113	350.00	Nil	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 114	150.00	Nil	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 115	350.00	Nil	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 116	150.00	Nil	Repayable in 24 Monthly installments from 24 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 117	875.00	Nil	Repayable in 24 Monthly installments from 04 Jan 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 118	1,313.78	Nil	Repayable in 24 Monthly installments from 22 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 119	1,149.98	Nil	Repayable in 24 Monthly installments from 31 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 120	1,102.56	Nil	Repayable in 24 Monthly installments from 09 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

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(All amounts are in Lakhs unless otherwise stated)

11.4 Details of terms of Repayment and security provided in respect of borrowings (contd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 121	1,357.29	Nil	Repayable in 18 Monthly installments from 15 Oct 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 122	1,047.34	Nil	Repayable in 18 Monthly installments from 15 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 123	2,021.67	Nil	Repayable in 18 Monthly installments from 08 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 124	741.15	Nil	Repayable in 18 Monthly installments from 12 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 125	992.76	Nil	Repayable in 18 Monthly installments from 19 Sep 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 126	3,000.00	Nil	Repayable in 24 Monthly installments from 23 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 127	4,074.15	Nil	Repayable in 24 Monthly installments from 07 Nov 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 128	2,000.00	Nil	Repayable in 24 Monthly installments from 15 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 129	999.48	Nil	Repayable in 24 Monthly installments from 22 Mar 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 130	2,500.00	Nil	Repayable in 36 Monthly installments from 25 Apr 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 131	2,219.43	Nil	Repayable in 24 Monthly installments from 24 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.

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for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

11.4 Details of terms of Repayment and security provided in respect of borrowings (contd.):

Particular	As at March 31, 2023	As at March 31, 2022	Terms of Redemption / Repayment	Security
Term Loan From Financial Institution - 132	1,600.00	Nil	Repayable in 27 Monthly installments from 25 Jan 2023	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 133	695.00	Nil	Repayable in 24 Monthly installments from 22 Aug 2022	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Term Loan From Financial Institution - 134	1,024.89	Nil	Bullet repayment at end of the transaction	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed.
Total Term Loan From Financial Institution	49,207.54	30,839.47		
Loans repayable on demand from banks				
Cash Credit Facility From Bank 1	90.32	94.32	-	Secured by a first and exclusive charge on specific receivables of the company created out of the loan availed and Bank Deposit.
Total	90.32	94.32		
Overdraft Facility on Fixed Deposit				
Overdraft Facility on Fixed Deposit 4	2,301.47	Nil		Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 5	3,978.82	Nil		Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 6	2,851.90	Nil		Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 7	792.23	Nil		Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 8	370.94	Nil		Secured by a first and exclusive charge on specific Fixed Deposits
Overdraft Facility on Fixed Deposit 9	1,350.03	Nil		Secured by a first and exclusive charge on specific Fixed Deposits
Total Loans repayable on demand from banks	11,645.39	Nil		

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(All amounts are in Lakhs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
12. Subordinated Liabilities (At Cost)		
15%, Unsecured Subordinated Term Loan in India	2,000.00	2,000.00
	2,000.00	2,000.00

12.1 Details of terms of Redemption/ Repayment in respect of Subordinated Liabilities:

Particular	March 31, 2023	March 31, 2022	Terms of Redemption / Repayment	Security
Subordinated Term Loan From Bank - 1	1,000	1,000	Single Bullet Payment at the end of 84 Months from 23 rd June, 2017	Unsecured
Subordinated Term Loan From Bank - 2	1,000	1,000	50% Payment at the end of 66 Months from 30 th Nov,2021 & remaining 50% Payment at the end of 72 Months from 30 th Nov,2021	Unsecured

	As at March 31, 2023	As at March 31, 2022
13. Other Financial Liabilities		
Interest accrued but not due on Borrowings	986.94	893.95
Salary & wages payable	425.46	332.99
Micro Insurance Payable	1,195.17	759.26
Hospicash Insurance Payable	476.88	Nil
Other Expenses Payable	62.41	16.84
Payable toward assignment transactions	1,626.84	622.88
Lease Liability - Right of Use Assets	110.99	136.82
CSR Provision	Nil	36.65
Total	4,884.70	2,799.40

	As at March 31, 2023	As at March 31, 2022
14. Current Tax Liabilities / (Assets) (Net)		
Provision for Tax	2,065.00	1,025.08
Less: Advance Tax and TDS	(1,429.34)	(733.44)
Total	635.66	291.64

	As at March 31, 2023	As at March 31, 2022
15. Provisions		
Provisions for employee benefits - Gratuity (Refer Note No. 26.1)	132.13	75.82
Total	132.13	75.82

Notes Forming Part of the Standalone Financial Statements

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(All amounts are in Lakhs unless otherwise stated)

16. Other Non Financial Liabilities	As at March 31, 2023	As at March 31, 2022
Other statutory dues	80.98	56.89
TDS payable	110.80	41.61
Total	191.78	98.50

17. Equity Share Capital	As at March 31, 2023	As at March 31, 2022
Authorized Shares		
5,00,00,000 (As At 31.03.22, 4,00,00,000) Equity Shares of ₹10/- each fully paid up	5,000.00	4,000.00
Total	5,000.00	4,000.00
Issued, subscribed and fully paid-up shares:		
4,53,60,000 (As At 31.03.22, 3,32,60,000) Equity Shares of ₹10/- each fully paid up	4,536.00	3,326.00
Total	4,536.00	3,326.00

17.1 The reconciliation of the number of shares outstanding and the amount of ordinary equity share capital as at March 31, 2023 & March 31, 2022 is set out below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	(₹ In Lakhs)	No. of Shares	(₹ In Lakhs)
Ordinary Equity Shares:				
Outstanding at the beginning of the year	3,32,60,000	3,326	2,71,75,000.00	2,717.50
Shares Issued during the year	1,21,00,000	1,210	60,85,000.00	608.50
Reduction during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	4,53,60,000	4,536	3,32,60,000.00	3,326.00

17.2 The Company having shares referred to as equity shares having face value of ₹10/-each. Each holder of equity share is entitled to 1 vote per share.

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

17.4 The Company is 100 % subsidiary of Arman Financial Services Limited (CIN:L55910GJ1992PLC018623).

17.5 Details of equity shareholders holding more than 5 % equity shares of the Company are as follows:

Class of shares / Name of shareholder	March 31, 2023		March 31, 2022	
	Number of shares held"	% holding in that class of shares	Number of shares held	% holding in that class of shares
Arman Financial Services Limited	4,53,60,000	100.00%	3,32,60,000	100.00%

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(All amounts are in Lakhs unless otherwise stated)

17.6 Details of Promoters Shareholding of ordinary shares of the company are as follows :

Promoter Name	March 31, 2023		March 31, 2022	
	Number of shares held"	% holding in that class of shares	Number of shares held	% holding in that class of shares
Arman Financial Services Limited	4,53,60,000	100.00%	3,32,60,000	100.00%

18. Other Equity (Refer Note 18.1)

	As at March 31, 2023	As at March 31, 2022
A. Reserves and Surplus		
i. General Reserve		
Balance as per last financial statement	7.00	6.00
Add: Transfer from statement of profit and loss	1.00	1.00
Closing Balance	8.00	7.00
ii. Special Reserve u/s 45-IC of the RBI Act,1934		
Balance as per last financial statement	1,651.30	1,282.30
Add: Transfer from statement of profit and loss	1,344.00	369.00
Closing Balance	2,995.30	1,651.30
iii. Securities Premium		
Balance as per last financial statement	5,234.28	3,088.88
Add: Share Premium on shares issued during the year	8,787.11	2,145.40
Less: Share Issue Expenses	Nil	Nil
Closing Balance	14,021.39	5,234.28
iv. Surplus in the Statement of Profit and Loss		
Balance as per last financial statement	6,183.35	4,708.80
Add : Profit for the year	6,719.76	1,844.55
Less: Appropriations		
Amount transfer to General Reserve	1.00	1.00
Amount transfer to Special Reserve u/s 45-IC of RBI Act, 1934	1,344.00	369.00
Dividend Paid On Cumulative Non - Convertible Compulsorily Redeemable Preference shares	Nil	Nil
Tax on distributed profit on dividend paid	Nil	Nil
Closing Balance	11,558.11	6,183.35
B. Other Comprehensive Income		
Balance as per last financial statement	(283.61)	182.75
Additions during the year	(363.52)	(466.36)
Closing Balance	(647.13)	(283.61)
C. Capital Contribution from Holding Company		
Balance as at the beginning of the period	82.61	78.28
Additions during the year	7.95	4.33
Closing Balance	90.55	82.61
Total	28,026.22	12,874.92

Notes Forming Part of the Standalone Financial Statements

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18.1 Nature and Purpose of Reserve

1 Reserve u/s. 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934"):

Reserve u/s. 45-IA of RBI Act, 1934 is created in accordance with section 45 IC(1) of the RBI Act, 1934. As per Section 45 IC(2) of the RBI Act, 1934, no appropriation of any sum from this reserve fund shall be made by the NBFC except for the purpose as may be specified by RBI.

2 Securities premium:

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with the provisions of section 52 of the Act.

3 Surplus in the statement of profit and loss:

Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. These reserves are free reserves which can be utilised for any purpose as may be required.

4 FVOCI - loans and advances:

The Company has elected to recognise changes in the fair value of loans and advances in other comprehensive income. These changes are accumulated within the FVOCI - loans and advances reserve within equity.

5 FVOCI - Remeasurement of the defined benefit liabilities:

Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any.

6 General reserve:

The Company has transferred a portion of the net profit to general reserve before declaring dividend pursuant to the provision of erstwhile Companies Act.

7 Capital Contribution from Holding Company

The Holding Company Arman Financial Services Limited has allotted shares under Employee Stock Option Scheme to the eligible employees of the Company at an exercise price of ₹50 per option. The reserve is used to recognise the fair value of the options issued to employees of the Company under Company's employee stock option plan.

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19. Interest Income

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost	On Financial assets measured at FVOCI	On Financial assets measured at Amortised Cost
Interest on Loans	28,504.85	Nil	15,727.48	Nil
Interest on Deposits as Security	Nil	1,276.19	Nil	342.41
Interest on Others	Nil	20.81	Nil	Nil
Total	28,504.85	1,297.00	15,727.48	342.41
Total Interest		29,801.85		16,069.89

20. Gain on Assignment of Financial Assets

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Gain on Assignment of Assets (Net of Expense)	1,877.61	579.07
Total	1,877.61	579.07

21. Fees and Commission Income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Processing fees Income	952.61	511.90
Service Fees and facilitation Charges	318.27	Nil
Other Fees and Charges	47.00	14.50
Total	1,317.88	526.40

22. Net Gain on Fair Value Changes

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Gain/ (Loss) on Financial Instruments at FVPTL		
Gain/ (Loss) on Fair Value of Mutual Fund	0.86	17.69
Net Gain/(Loss) on fair value of derivative contracts	(8.12)	2.09
Others		
Gain on Sale of Investment	161.10	109.14
Total	153.84	128.92
Fair Value Changes		
Realized	161.10	109.14
Unrealized	(7.26)	19.78
Total	153.84	128.92

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

23. Other Income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Others	0.34	0.00
Total	0.34	0.00

24. Finance Costs (on financial liabilities measured at amortized cost)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Expense on Borrowings	9,787.04	5,226.97
Interest Expense on Debt Securities	1,689.15	1,285.47
Interest Expense on Subordinated Debt	300.00	198.66
Interest Expense on Others	1,581.28	119.93
Other Borrowing Costs	962.66	442.98
Interest Expenses on Lease Liability	10.01	11.88
Total	14,330.14	7,285.89

25. Impairment of Loan Assets (on financial assets measured at FVOCI)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Bad debts written off (Net)	3,439.75	1,808.60
Expected Credit Loss Provision (Net)	823.46	1,191.09
Total	4,263.21	2,999.69

25.1 Details of Expected Credit Loss in respect of Loans and interest Receivable on Credit Impaired Loans refer Note No 3.3 and Note No 5.2.

25.2 Bad debts written off is net off by bad debts recovery of ₹150.69 Lakhs (P.Y. ₹199.85 Lakhs)

26. Employee Benefit Expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	3,267.19	2,582.71
Contribution to provident and other funds	269.09	203.28
Gratuity Expense	32.78	23.21
Staff welfare expenses	131.01	96.28
Total	3,700.08	2,905.48

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26.1 Employee Benefit Plan:

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

a) Defined contribution plan:

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans. The Company's contribution to provident fund aggregating ₹. 269.09 Lakhs (31 March 2022: ₹203.28 Lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

b) Defined benefit plan:

Financial assets not measured at fair value

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Investment risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Market risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

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(All amounts are in Lakhs unless otherwise stated)

The status of gratuity plan required under Ind AS 19 is an under:

	Year ended March 31, 2023	Year ended March 31, 2022
i Reconciliation of opening and closing balances of defined benefit obligation		
Opening Defined Benefit Obligation	77.39	51.03
Transfer in/(out) obligation	Nil	Nil
Current service cost	28.86	20.80
Interest cost	4.66	2.92
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	(5.64)	(1.40)
Due to change in demographic assumption	Nil	Nil
Due to experience adjustments	29.10	5.08
Past service cost	Nil	Nil
Loss (gain) on curtailments	Nil	Nil
Liabilities extinguished on settlements	Nil	Nil
Liabilities assumed in an amalgamation in the nature of purchase	Nil	Nil
Exchange differences on foreign plans	Nil	Nil
Benefit paid from funds	(1.43)	(1.04)
Benefits paid by Company	(0.80)	Nil
Closing Defined Benefit Obligation	132.14	77.39
ii Reconciliation of plan assets		
Opening value of plan assets	1.57	0.68
Transfer in/(out) plan assets	Nil	Nil
Expense deducted from the fund	Nil	Nil
Interest Income	0.73	0.50
Return on plan assets excluding amounts included in interest income	(0.86)	(2.27)
Assets Distributed on settlements	Nil	Nil
Contribution by the company	Nil	3.70
Assets acquired in an amalgamation in the nature of purchase	Nil	Nil
Exchange difference on foreign plans	Nil	Nil
Benefits paid	(1.43)	(1.04)
Fair value of plan assets at the end of the year	0.01	1.57

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
iii Reconciliation of net defined benefit liability		
Net opening provision in books of accounts	75.82	50.35
Transfer in/(out) obligation	Nil	Nil
Transfer (in)/out plan assets	Nil	Nil
Employee Benefit Expense	32.78	23.21
Amounts recognized in Other Comprehensive Income	24.33	5.95
Total	132.93	79.52
Benefits paid by the Company	(0.80)	Nil
Contributions to plan assets	Nil	(3.70)
Closing provision in books of accounts	132.13	75.82
iv Composition of plan assets		
Government of India Securities	0%	0%
High quality corporate bonds	0%	0%
Equity shares of listed companies	0%	0%
Property	0%	0%
Policy of Insurance	100%	100%
Total	100%	100%
v Expense recognised during the year		
Current service cost	28.86	20.80
Interest cost	3.93	2.42
Past service cost	Nil	Nil
Expense recognised in the statement of profit and loss	32.78	23.21
vi Other comprehensive income		
Components of actuarial gains/losses on obligations:		
Due to change in financial assumptions	(5.64)	(1.40)
Due to change in Demographic assumptions	Nil	Nil
Due to experience adjustments	29.10	5.08
Return of plan assets excluding amounts included in interest income	0.86	2.27
Components of defined benefits cost recognised in other comprehensive income	24.33	5.95

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

vii Principal actuarial assumptions	Year ended	
	March 31, 2023	March 31, 2022
Discount rate (per annum)	7.30%	6.40%
Rate of return on plan assets (per annum)	6.00%	6.00%
Annual increase in salary cost	6.00%	6.00%
Withdrawal rates per annum		
25 and below	25.00%	25.00%
26 to 35	25.00%	25.00%
36 to 45	20.00%	20.00%
46 to 55	10.00%	10.00%
56 and above	5.00%	5.00%

The discount rate is based on the prevailing market yield of government of India's bond as at the balance sheet date for the estimated terms of the obligations.

viii) Sensitivity analysis

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount rate (- / +0.5%)	135.21	129.22	79.40	75.48
(% change compared to base due to sensitivity)	2.32%	-2.21%	0.03	(0.02)
Salary growth rate (- / + 0.5%)	129.18	135.20	75.46	79.40
(% change compared to base due to sensitivity)	-2.24%	2.32%	(0.02)	0.03
Withdrawal rate (W.R.) (W.R.*x 90%/W.R.x 110%)	134.64	129.65	79.90	75.00
(% change compared to base due to sensitivity)	1.89%	-1.88%	0.03	(0.03)

ix) Asset liability matching strategies

The Company contributes to the insurance fund based on estimated liability of next financial year end. The projected liability statement is obtained from the actuarial valuer.

x) Effect of plan on the company's future cash flows

a) Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Maturity analysis of defined benefit obligation

The Weighted Average Duration (Years) as at valuation date is 4.72 years.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Depreciation and Amortisation	Cash flows (₹)	Distributions (%)
1 st Following year	23.24	0.12
2 nd Following year	21.40	0.11
3 rd Following year	19.75	0.10
4 th Following year	18.79	0.09
5 th Following year	17.53	0.09
Sum of years 6 to 10	51.20	0.26

The future accrual is not considered in arriving at the above cash-flows

The Expected contribution for the next year is ₹57.11 Lakhs

27. Depreciation and Amortisation	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Property, Plant & Equipment	65.03	49.05
Amortization on Right of use Asset	27.90	27.90
Amortisation of Intangible Asset	9.54	8.30
Total	102.46	85.25

28 Other Expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Electricity & fuel charges	44.11	34.41
Repairs to Building	25.44	11.07
Insurance	18.12	26.73
Rent	279.11	241.80
Rates & taxes	22.46	2.96
Bank Charges	11.95	18.11
Stationery & printing	72.63	56.48
Communication	44.26	67.62
Traveling & conveyance expenses	831.54	621.41
Professional fees	281.97	135.55
Auditor's Remuneration		
Audit fees	7.00	4.90
For Tax audit	Nil	0.75
For Certification	Nil	0.70
For Tax consultancy fee	Nil	Nil
Corporate Social Responsibility Expenditure (refer Note 32)	77.24	40.67
Director sitting fees	1.48	1.25
Loss/(Gain) due To Moratorium Recognised at Effective Interest Rate Method	Nil	(39.73)
Net Loss on Derecognition of Property, Plant & Equipment	Nil	0.57
General charges (including security charges, membership fees etc.)	127.12	85.15
Total	1,844.43	1,310.41

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

29. Tax Expenses

The Components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax	2,045.00	1,005.00
Short/(excess) Provision of Tax of earlier years	15.10	0.28
Deferred tax	131.34	(132.26)
Total Tax Expense	2,191.44	873.02
Total tax charge		
Current Tax	2,060.10	1,005.28
Deferred Tax	131.34	(132.26)
	2,191.44	873.02

29.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended March 31, 2023 and March 31, 2022 is, as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax expense	8,911.20	2,717.57
Income tax rate %	0.25	0.25
Expected tax expense	2,242.77	683.96
Tax effect of :		
Tax effect of Temporary differences	(455.85)	282.86
Tax effect of deductible expenses	(115.33)	(94.08)
Tax effect of disallowed expenses	20.39	Nil
Tax Effect on other adjustments	499.46	0.14
Tax expense Recognised in the Statement of Profit and Loss	2,191.44	873.02

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

30. Earning Per Share:

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
Numerator used for calculating Basic Earning per share (PAT)	In Lakhs	6,719.76	1,844.55
Numerator used for calculating Diluted Earning per share (PAT)	In Lakhs	6,719.76	1,844.55
Weighted average no. of shares used as denominator for calculating basic earnings per share	Shares	3,91,92,328.77	3,02,21,000.00
Weighted average no. of shares used as denominator for calculating diluted earnings per share	Shares	3,91,92,328.77	3,02,21,000.00
Nominal value per Share	In ₹	10.00	10.00
Basic earnings per share	In ₹	17.15	6.10
Diluted earnings per share	In ₹	17.15	6.10

30.1 Company shall give various ratios as specified with explanation of items included in numerator and denominator for computing the ratios along with explanation for any change in the ratio by more than 25% as compared to the preceding year.

Ratio	Capital to risk-weighted assets ratio (CRAR)	Tier I CRAR	Tier II CRAR	Liquidity Coverage Ratio
Numerator	Tier 1 & 2 Capital	Tier 1 Capital	Tier 2 Capital	Highly Liquid Assets
Denominator	Risk weighted Assets	Risk weighted Assets	Risk weighted Assets	Expected 30 days net cash outflow
31.03.2023				
Numerator (₹ In Lakhs)	33,913.49	31,259.04	2,654.45	17,890.96
Denominator (₹ In Lakhs)	1,32,356.15	1,32,356.15	1.32	3,167.26
Ratio (%)	25.62	23.62	2.00	564.87
31.03.2022				
Numerator ₹	17,402.27	14,856.68	2,545.60	5,598.80
Denominator ₹	92,668.90	92,668.90	92,668.90	266.31
Ratio (%)	18.78	16.03	2.75	2,102.36
% Variance	36.44%	47.31%	(0.27)	(0.73)
Reason for variance (if above 25%)				Due to Borrowing Fund Received at the last month of the Year

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

31. Contingent liabilities not provided for: Nil

32. Corporate Social Responsibility (“CSR”) expenses:

The gross amount required to be spent by the Company during the year towards CSR expense is ₹43.13 Lakhs (March 31, 2022: 39.16 Lakhs) as per section 135 of the Act. Details of amount spent towards CSR as below:

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
(a) Gross amount required to be spent by the company during the year	43.13	39.16
(b) Amount spent during the year		
i) Paid in Cash	43.13	4.02
ii) Transferred to unspent CSR a/c U/s 135(6)	Nil	36.65
Total of Amount Spent (refer note 28)	43.13	40.67

#CSR expense of ₹36.65 Lakhs transferred to unspent CSR Account within 30 days from the end of the financial year ended on March 31, 2022.

Nature of CSR activities: To conduct various educational programs to help the needy / poor children by providing them financial support, providing scholarship, providing free note books / text books, providing them training of Computer or training for various skill development, and providing education infrastructure where they can get better education and can enhance their skills.

33. Leasing Arrangements:

The Company has entered into lease and license agreements for taking office premises along with furniture and fixtures as applicable and Branch premises on rental basis ranging from 11 to 84 months. The Company has given refundable, interest free security deposits under certain agreements. Certain agreements contain provision for renewal and further there are no sub-leases.

I Amount Recognized in Statement of Profit & loss

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
i) Expenses related to Short Term Lease	279.11	241.79
ii) Interest Expense on Lease Liability	11.01	11.88
iii) Depreciation charge for right-of-use assets	27.90	27.90
Total	318.02	281.57

II. Amounts recognized in statement of cash flows (including Interest Component)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Total cash outflow for leases	35.84	32.94

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

III. Additions to right-of-use assets

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Addition to Right of used assets added	Nil	90.68

IV. Maturity analysis of lease liabilities

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Maturity Analysis of contractual undiscounted cash flows:		
Within one year	36.80	35.84
After one year but not more than five years	91.98	130.36
More than five years	-	-
Total undiscounted lease liabilities	128.78	166.20
Balances of Lease Liabilities		
Non-Current	82.03	110.99
Current	28.97	25.83
Total Lease Liability	111.00	136.82

34. Segment Reporting:

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker (“CODM”) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of “Financing” only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – “Operating segments”.

35. Related Party Disclosures as required by IND AS 24 - Related Party Disclosure:

List of related parties with whom transactions have taken place during the year:

A) Holding Company

Arman Financial Services Limited

B) Key Managerial Personnel

Mr. Jayendra Patel (Chairman & Managing Director)

Mr. Aalok Patel (Joint Managing Director)

Mr. Vivek Modi (Chief Financial Officer)

C) Non-Executive Director and Relatives of Key Managerial Personnel

Name of Party	Related party Relationship
Mr. Ramakant Nagpal	Independent Director
Mrs. Ritaben Patel	Non-Executive Director

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

D) Details of Transactions with related parties carried out in the ordinary course of business:

Particulars	Year Ended March 31, 2023			Total
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	
Expenses				
Interest Expense	179.48	Nil	48.10	227.58
Remuneration & perquisites Paid	Nil	72.61	Nil	72.61
Sitting fees	Nil	Nil	1.47	1.47
Rent paid	Nil	Nil	21.97	21.97
Income				
Interest Income	20.81	Nil	Nil	20.81
Unsecured Loans Taken				
Unsecured Loan Taken	44,481.23	Nil	1,900.00	46,381.23
Unsecured Loan Repaid (Including Interest)	44,660.71	Nil	1,948.10	46,608.81
Unsecured Loans Given				
Unsecured Loan Given	11,498.88	Nil	Nil	11,498.88
Unsecured Loan Received back (Including Interest)	10,506.55	Nil	Nil	10,506.55
Particulars	Year Ended March 31, 2022			Total
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	
Expenses				
Interest Expense	99.64	Nil	Nil	99.64
Remuneration & perquisites Paid	Nil	55.54	Nil	55.54
Sitting fees	Nil	Nil	1.25	1.25
Rent paid	Nil	Nil	20.92	20.92
Income				
Interest Income	Nil	Nil	Nil	Nil
Unsecured Loans Taken				
Unsecured Loan Taken	75,050.74	Nil	Nil	75,050.74
Unsecured Loan Repaid (Including Interest)	75,188.72	Nil	Nil	75,188.72

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Particulars	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	Total
Unsecured Loans Given				
Unsecured Loan Given	Nil	Nil	Nil	Nil
Unsecured Loan Received back (Including Interest)	Nil	Nil	Nil	Nil

E) Details of Balances Outstanding from Related Parties:

Particulars	As at March 31, 2023			Total
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	
Loan Given Outstanding Balance	1,013.14	Nil	Nil	1,013.14
Issuance of equity shares of holding to the employees of company at discount	90.55	Nil	Nil	90.55
Corporate Guarantee Given for loan taken by subsidiary company	48,280.00	Nil	Nil	48,280.00
O/s Loan against Corporate Guarantee	38,212.19	Nil	Nil	38,212.19

Particulars	As at March 31, 2022			Total
	Holding Company	Key Managerial Personnel	Other Director and Relatives of person who has control or significant influence on KMP	
Loan Taken Outstanding Balance	Nil	Nil	Nil	Nil
Issuance of equity shares of holding to the employees of company at discount	82.61	Nil	Nil	82.61
Corporate Guarantee Given for loan taken by subsidiary company	23,850.00	Nil	Nil	23,850.00
O/s Loan against Corporate Guarantee	12,663.87	Nil	Nil	12,663.87

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

List of transactions, out of the transaction reported in the above table, where the transaction entered into with single party exceeds 10% of the total related party transactions of similar nature are as under:

Nature of Payments	Related Party	2022-23	2021-22
Interest Expense	Arman Financial Services Limited	179.48	99.64
Interest Income	Arman Financial Services Limited	20.81	Nil
Interest Expense	Namra Holding & Consultancy Services LLP	48.10	Nil
Loan Taken during the year	Arman Financial Services Limited	44,481.23	75,050.74
Loan and interest repaid during the year	Arman Financial Services Limited	44,660.71	75,188.72
Loan Given during the year	Arman Financial Services Limited	11,498.88	Nil
Loan received back during the year	Arman Financial Services Limited	10,506.55	Nil
Equity contribution	Arman Financial Services Limited	9,997.11	2,753.90
Remuneration	Aalok Patel	29.83	25.04
	Jayendra Patel	36.23	30.50
	Vivek Modi	6.55	Nil
Rent	Ritaben J. Patel	17.62	16.78
Sitting Fees	Ritaben J. Patel	0.60	0.40
	Ramakant Nagpal	0.87	0.85
Corporate Guarantee given by the Holding Company in respect of loan taken by the company	Arman Financial Services Limited	48,280.00	23,850.00
O/s Loan against Corporate Guarantee		38,212.19	12,663.87

Note: Expenses towards Gratuity are determined actuarially on overall company basis at the end of each year and accordingly have not been considered in above information.

36. Revenue from contracts with customers:

Refer Para 3.1 of significant accounting policies to the financial statements.

37. Amount Expected to be Recovered or Settled within or after 12 months from reporting date:

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

Particulars	Note No.	As at March 31, 2023			As at March 31, 2022		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS							
Financial Assets							
Cash and cash equivalents	1	2,477.83	Nil	2,477.83	4,450.84	Nil	4,450.84
Bank Balance other than above	2	31,865.46	2,149.00	34,014.46	4,406.00	1,518.75	5,924.75
Loans	3	98,674.67	26,312.34	1,24,987.01	59,934.81	26,996.35	86,931.17
Investments	4	1,825.75	Nil	1,825.75	591.74	Nil	591.74
Other Financial assets	5	2,628.22	70.09	2,698.31	878.03	311.80	1,189.84

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Particulars	Note No.	As at March 31, 2023			As at March 31, 2022		
		Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Non-financial Assets							
Deferred tax Assets (Net)	6	1,178.30	Nil	1,178.30	1,187.38	Nil	1,187.38
Property, Plant and Equipment & Other Intangible assets	7	Nil	433.06	433.06	Nil	283.57	283.57
Right-of-Use Assets	7	Nil	94.03	94.03	Nil	121.93	121.93
Other non-financial assets	8	67.49	Nil	67.49	39.77	Nil	39.77
Total Assets		1,38,717.72	29,058.51	1,67,776.24	71,488.58	29,232.41	1,00,720.99
LIABILITIES AND EQUITY							
LIABILITIES							
Financial Liabilities							
(I) Other Payables	9						
(i) total outstanding dues of micro enterprises and small enterprises		Nil	Nil	Nil	Nil	Nil	Nil
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		118.75	Nil	118.75	117.77	Nil	117.77
Debt Securities	10	12,008.80	2,143.60	14,152.40	2,350.00	10,429.03	12,779.03
Borrowings (Other than Debt Securities)	11	62,324.99	50,773.61	1,13,098.60	51,436.26	14,955.24	66,391.50
Subordinated Liabilities	12	Nil	2,000.00	2,000.00	Nil	2,000.00	2,000.00
Other financial liabilities	13	4,773.70	110.99	4,884.70	2,688.41	110.99	2,799.41
Non-Financial Liabilities							
Current tax Liability (Net)	14	635.66	Nil	635.66	291.64	Nil	291.64
Provisions	15	42.42	89.71	132.13	28.86	46.96	75.82
Other non-financial liabilities	16	191.78	Nil	191.78	64.92	Nil	64.92
EQUITY							
Equity Share capital	17	Nil	4,536.00	4,536.00	Nil	3,326.00	3,326.00
Other Equity	18	Nil	28,026.22	28,026.22	Nil	12,874.92	12,874.92
Total Liabilities and Equity		80,096.10	87,680.14	1,67,776.24	56,977.85	43,743.15	1,00,720.99

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

38. Fair Value Measurements:

A. Financial instrument by category and their fair value

As at March 31, 2023	Note No.	Carrying Amount			Fair Value			
		Amortised Cost	FVTPL	FVOCI	Level 1	Level 2	Level 3	Total
Financial Assets								
Loans	3	1,013.14	Nil	1,23,973.87	Nil	Nil	1,24,987.01	1,24,987.01
Investments	4	1,024.89	800.86	Nil	800.86	Nil	1,024.89	1,825.75
Cash and Cash Equivalents	1	2,477.83	Nil	Nil	2,477.83	Nil	Nil	2,477.83
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2 & 5	34,995.67	Nil	Nil	Nil	34,995.67	Nil	34,995.67
Deposits	5	18.18	Nil	Nil	Nil	Nil	18.18	18.18
Other Loans	5	1,608.22	Nil	Nil	Nil	Nil	1,608.22	1,608.22
Interest Due but not Received on Loans & Advances	5	517.23	Nil	Nil	Nil	Nil	517.23	517.23
Total Financial Assets		41,655.15	800.86	1,23,973.87	3,278.69	34,995.67	1,28,155.52	1,66,429.88
Financial Liabilities								
Debt Securities	10	14,152.40	Nil	Nil	Nil	Nil	14,152.40	14,152.40
Borrowings (Other than Debt Securities)	11	1,13,098.60	Nil	Nil	Nil	Nil	1,13,098.60	1,13,098.60
Subordinated Liabilities	12	2,000.00	Nil	Nil	Nil	Nil	2,000.00	2,000.00
Other Payables	9	118.75	Nil	Nil	Nil	Nil	118.75	118.75
Other financial liabilities	13	4,884.70	Nil	Nil	Nil	Nil	4,884.70	4,884.70
Total Financial Liabilities		1,34,254.46	Nil	Nil	Nil	Nil	1,34,254.46	1,34,254.46

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

As at March 31, 2022	Note No.	Carrying Amount			Fair Value			Total
		Amortised Cost	FVTPL	FVOCI	Level 1	Level 2	Level 3	
Financial Assets								
Loans	3	Nil	Nil	86,931.17	Nil	Nil	86,931.17	86,931.17
Investments	4	256.32	335.42	Nil	335.42	Nil	256.32	591.74
Fair valuation of Derivative Instrument measured Through Profit & Loss Account	5	Nil	8.12	Nil	8.12	Nil	Nil	8.12
Cash and Cash Equivalents	1	4,450.84	Nil	Nil	4,450.84	Nil	Nil	4,450.84
Bank Balances other than cash and Cash Equivalent (including Interest Accrued but not due on Bank Deposits)	2 & 5	6,088.85	Nil	Nil	Nil	6,088.85	Nil	6,088.85
Deposits	5	343.65	Nil	Nil	Nil	Nil	343.65	343.65
Other Loans	5	444.31	Nil	Nil	Nil	Nil	444.31	444.31
Interest Due but not Received on Loans and Advances	5	472.43	Nil	Nil	Nil	Nil	472.43	472.43
Total		12,056.41	343.54	86,931.17	4,794.37	6,088.85	88,447.89	99,331.11
Financial Liabilities								
Debt Securities	10	12,779.03	Nil	Nil	Nil	Nil	12,779.03	12,779.03
Borrowings (Other than Debt Securities)	11	66,391.50	Nil	Nil	Nil	Nil	66,391.50	66,391.50
Subordinated Liabilities	12	2,000.00	Nil	Nil	Nil	Nil	2,000.00	2,000.00
Other Payables	9	84.18	Nil	Nil	Nil	Nil	84.18	84.18
Other financial liabilities	13	2,799.40	Nil	Nil	Nil	Nil	2,799.40	2,799.40
Total Financial Liabilities		84,054.11	Nil	Nil	Nil	Nil	84,054.11	84,054.11

B. Reconciliation of level 3 fair value measurement is as follows:

Loans	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	86,931.17	59,275.44
Addition during the year	1,29,836.94	75,597.33
Amount derecognised / repaid during the year	(87,550.93)	(44,528.24)
Amount written off	(3,590.45)	(2,008.46)
Gains/(losses) recognised in Statement of Profit & Loss	(639.70)	(1,404.92)
Balance at the end of the year	1,24,987.02	86,931.17

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

C Measurement of fair values

I. Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences from the carrying values presented.

II. Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3."

III. Transfers between levels I and II

There has been no transfer in between level I and level II.

IV. Valuation techniques

Loans

The Company has computed fair value of the loans and advances through OCI considering its business model. These have been fair valued using the base of the interest rate of loan disbursed in the last seven days of the year end which is an observable input and therefore these has been considered to be fair valued using Level 3 inputs.

D Capital:

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the local banking supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

D.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

D.2 Regulatory capital

Particulars	As at March 31, 2023	As at March 31, 2022
Tier 1 Capital	31,259.04	14,856.68
Tier 2 Capital	2,654.45	2,545.60
Risk Weighted Assets	1,32,356.15	92,668.90
Tier 1 Capital Ratio (%)	23.62	16.03
Total Capital Ratio (%)	25.62	18.78

Tier 1 capital consists of shareholders' equity and retained earnings. Tier 2 capital consists of general provision and loss reserve against standard assets and subordinated debt (subject to prescribed discount rates and not exceeding 50% of Tier 1).

39. Assets Pledged as Security

The Carrying amount of assets Pledged as Security for Current and non Current borrowing are:

Particulars	Note Reference	As at March 31, 2023	As at March 31, 2022
Financial Assets			
Loans	3	1,24,987.01	86,931.17
Investments	4	1,024.89	256.32
Fixed Deposit	2	33,338.01	4,776.79
Deposits	5	Nil	326.15
Total Financial Assets pledged as Security		1,59,349.91	92,290.43

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

I Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Loans and advances:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.

The Company's exposure to credit risk for loans and advances by type of counterparty is as follows:

Particulars	Carrying amount	
	As at March 31, 2023	As at March 31, 2022
Retail assets	1,23,973.87	86,931.17
Loans to NBFC-to Create the underlying assets of SME, TW	1,013.14	Nil
Total	1,24,987.01	86,931.17

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. Company has assessed the risk and its impact on the various portfolios but the company has only one portfolio group i.e. Micro Finance to JLG group.

Staging:

As per the requirement of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition except originated credit-impaired financial assets which are considered to be under stage 3 on day of origination. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognition. Company has staged the assets based on the Day past dues criteria and other market factors which significantly impacts the portfolio

Days past dues status	Stage	Provisions
Current	Stage 1	12 months provision
1-30 days	Stage 1	12 months provision
31-60 days	Stage 2	Lifetime Provision
61-90 days	Stage 2	Lifetime Provision
90+ days	Stage 3	Lifetime Provision

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities, cash and cash equivalents and other financial instruments.

"Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. Outstanding customer receivables are regularly monitored and taken up on case to case basis. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit scores of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management team on a regular basis. The Company evaluates the concentration of risk with respect to loan receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in largely independent markets. The credit risk on cash and bank balances and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Company has assessed that credit risk on loans to employee is in significant based on the empirical data."

EXPECTED CREDIT LOSS FOR LOANS:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

Marginal probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in the future. Historical PD is derived from NBFC internal data calibrated with forward looking macroeconomic factors. For computation of probability of default ("PD"), Vasicek Single Factor Model was used to forecast the PD term structure over lifetime of loans. As per Vasicek model, given long term PD and current macroeconomic conditions, conditional PD corresponding to current macroeconomic condition is estimated. Company has worked out on PD based on the last five years historical data."

Marginal probability:

The PDs derived from the Vasicek model, are the cumulative PDs, stating that the borrower can default in any of the given years, however to compute the loss for any given year, these cumulative PDs have to be converted to marginal PDs. Marginal PDs is probability that the obligor will default in a given year, conditional on it having survived till the end of the previous year."

Conditional marginal probability:

As per Ind AS 109, expected loss has to be calculated as an unbiased and probability-weighted amount for multiple scenarios.

Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

LGD

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods. Various approaches are available to compute the LGD. Company has considered workout LGD approach. The following steps are performed to calculate the LGD:"

- 1) Analysis of historical credit impaired accounts at cohort level.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

2) The computation consists of five components, which are:

- Outstanding balance (POS).
- Recovery amount (discounted yearly) by initial contractual rate.
- Expected recovery amount (for incomplete recoveries), discounted to reporting date using initial contractual rate.
- Collateral (security) amount.

The formula for the computation is as below:

$$\% \text{ Recovery rate} = (\text{discounted recovery amount} + \text{security amount} + \text{discounted estimated recovery}) / (\text{total POS})$$

$$\% \text{ LGD} = 1 - \text{recovery rate}$$

EAD:

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. Company has modelled EAD based on the contractual and behavioral cash flows till the lifetime of the loans considering the expected prepayments. Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. Moreover, the EAD comprised of principal component, accrued interest and also the future interest for the outstanding exposure. So discounting was done for computation of expected credit loss.

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

Changes in ECL allowances in relation to loans from beginning to end of reporting period:

Particulars	March 31, 2023	March 31, 2022
Opening provision of ECL	4,716.71	3,311.79
Addition during the year	3,366.46	4,179.90
Utilization / reversal during the year	(2,726.75)	(2,774.98)
Closing provision of ECL	5,356.42	4,716.71

Changes in ECL allowances in relation to Interest Receivable on Credit Impaired Loans and Advances from beginning to end of reporting period:

Particulars	March 31, 2023	March 31, 2022
Opening provision of ECL	242.77	456.60
Addition during the year	306.16	42.83
Utilization / reversal during the year	(122.41)	(256.66)
Closing provision of ECL	426.52	242.77

The Company has taken expert advice from Actuarial Valuer for making provision for ECL and accounted ECL provision based on Valuation report provided by Kapadia Actuaries and Consultants.

II Liquid Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by unutilized cash credit facility, term loans and direct assignment.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

Capital adequacy ratio of the Company, as on 31 March 2023 is 25.62% against regulatory norms of 15%. Tier I capital is 23.62% as against requirement of 10%. Tier II capital is 2.00% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

The total cash credit limit available to the Company is ₹360 Lakhs spread across 3 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand. Majority of the Company's portfolio is MSME loans which qualifies as Priority Sector Lending. During the year, the Company has maintained around 5% to 10% of assets under management as off book through direct assignment transactions. It is with door to door maturity and without recourse to the Company. This further strengthens the liability management.

The table below summarizes the maturity profile of the Company's non derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

	1 Day to 30/31 Days (One Month)	Over One Month up to 2 Months	Over 2 Months up to 3 Months	Over 3 Months up to 6 Months	Over 6 Months up to 1 Year	Over 1 Year up to 3 Years	Over 3 Year up to 5 Years	Over 5 Years	Total
As at March 31, 2023									
Debt Securities (Refer Note 10)	Nil	3,454.65	Nil	Nil	8,555	2,143.60	Nil	Nil	14,152.77
Borrowings & Subordinated Liabilities (Refer Note 11 & 12)	6,568.13	7,030.30	7,093.46	21,007.71	20,625.02	51,773.61	Nil	1,000	1,15,098.22
Trade Payables	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
As at March 31, 2022									
Debt Securities (Refer Note 10)	Nil	Nil	Nil	2,350	Nil	10,429.03	Nil	Nil	12,779.03
Borrowings & Subordinated Liabilities (Refer Note 11 & 12)	4,839.42	3,972.63	3,998.39	14,590.32	24,614.84	15,375.90	Nil	1,000	68,391.50
Trade Payables	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

III 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 includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

IV 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's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in bank deposits and variable interest rate borrowings and lending. Whenever there is a change in borrowing interest rate for the Company, necessary change is reflected in the lending interest rates over the timeline in order to mitigate the risk of change in interest rates of borrowings.

Sensitivity

The sensitivity analysis has been carried out based on the exposure to interest rates for bank deposits, lending and borrowings carried at variable rate.

Particulars	For the year ended on March 31, 2023	
	50 bp increase	50 bp decrease
Change in interest rates		
Bank Deposits (Refer Note 2)	34,014.46	34,014.46
Impact on profit for the year	170.07	(170.07)
Variable Rate Borrowings (Refer Note 11)	1,13,099	1,13,099
Impact on profit for the year	565.49	(565.49)

V Foreign currency risk:

As at March 31, 2023, the company has outstanding foreign currency borrowings of Nil (March 31, 2022: Euro 5 million). The Company has undertaken principal swaps and cross currency swaps to hedge the foreign currency risk of the ECB principals. Whereas the company has entered into floating to fixed coupon only swaps and interest rate swaps along with forward contracts to hedge the floating interest and foreign currency risk of the coupon payments. All the derivative instruments are purely for hedging the underlying ECB transactions as per applicable RBI guidelines and not for any speculative purpose.

The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. To mitigate the Company's exposure to foreign currency risk, non-rupee cash flows are monitored and derivative contracts are entered into in accordance with the Company's risk management policies.

VI Foreign currency risk exposure

The Company exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows:

Particulars	Currency	March 31, 2023	March 31, 2022
Financial liabilities			
External commercial borrowings (Refer Note 11) (including interest accrued)	Euro	Nil	4,150.37
(Gain)/loss: Derivative contract		Nil	(8.12)

Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	March 31, 2023	March 31, 2022
Euro Sensitivity		
INR/Euro-increase by 5%	Nil	(207.52)
INRnr/Euro-decrease by 5%	Nil	207.52

* Holding all other variables constant

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

41. Additional Regulatory Disclosures (Non IND AS):

The disclosures required by amendment to Division II of Schedule III of the Companies Act, 2013 are given only to the extent applicable:

- During the year under Consideration the company has not traded or invested in crypto currency or virtual currency.
- The Company has not been declared as a willful defaulter by any bank or financial institution or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- The borrowing from the banks & financial institutions has been used for the specific purpose for which it was taken at the balance sheet date.
- There were no transactions that were not recorded in books of accounts and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961."
- The company has not entered in to transaction with any companies which are struck off under section 248 of the Companies Act, 2013.
- During the year there has been no change in the aggregate of the net carrying value of assets on account of revaluation in respect of Property, Plant & Equipment and intangible assets.
- There are no intangible assets under development in the Company during the current reporting period
- There are no changes which are pending for satisfaction with registrar of companies beyond the statutory period.

42. Disclosures required in terms of Annexure XIV of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 (updated as on February 22, 2019) "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are mentioned as below **(Regulatory (Non-IND AS) Information)**:

A. Capital to risk assets ratio (CRAR) :

Sr. No.	Particulars	March 31, 2023	March 31, 2022
(i)	CRAR (%)	25.62%	18.73%
(ii)	CRAR Tier I Capital (%)	23.62%	16.03%
(iii)	CRAR Tier II Capital (%)	2.00%	2.70%
(iv)	Amount of subordinated debt raised as Tier-II Capital	2000	2,000
(v)	Amount raised by issue of perpetual debt instruments	Nil	Nil

B. Investments

Particulars	March 31, 2023	March 31, 2022
(1) Value of investments		
(i) Gross value of investments		
(A) In India	1825.75	591.74
(B) Outside India	Nil	Nil
(ii) Provision for depreciation		
(A) In India	Nil	Nil
(B) Outside India	Nil	Nil
(iii) Net value of investments		
(A) In India	1825.75	591.74
(B) Outside India	Nil	Nil

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
(2) Movement of provisions held towards Depreciation on investments.		
(i) Opening balance	Nil	Nil
(ii) Add: provisions made during the year	Nil	Nil
(iii) Less: write-off/write-back of excess provisions during the year.	Nil	Nil
(iv) Closing balance	Nil	Nil

C. Derivatives :

Forward Rate Agreement / Cross Currency Swaps:

Particulars	As at March 31, 2023	As at March 31, 2022
Notional Principal of swap agreements	Nil	4,130.00
Loss/(profit) which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	(8.11)
Collateral required by the applicable NBFC upon entering into swaps	Nil	Nil
Concentration of credit risk arising from swaps	Nil	Nil
Fair value of the swap book	Nil	(8.11)

C.1. Disclosure relating to securitization :

The Company has entered into transaction of Securitization (PTC) of ₹31,835.73 Lakhs during the Year Ended March 31, 2023 and previous years of ₹12,468.90 Lakhs.

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
1)	No. of SPV's sponsored by the company for securitization transactions	13	7
2)	Total amount of securitized assets as per books of the SPVs sponsored by the Company	21,419.96	16,379.13
3)	Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	b) On-balance sheet exposures		
	• First loss	2,944.25	1,489.49
	• Others	Nil	Nil
4)	Amount of exposures to securitization transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Sr No	Particulars	As at March 31, 2023	As at March 31, 2022
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil
	ii) Exposure to third party securitizations		
	• First loss	Nil	Nil
	• Others	Nil	Nil

D. Details of financial assets sold to securitization / reconstruction Company for asset reconstruction:

The Company has not sold financial assets to securitization/reconstruction Company for asset reconstruction during the year (Previous Year: Nil)

E. Details of assignment transactions undertaken by NBFC:

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
i)	No. of Accounts	93,248	41,789
ii)	Book value of loans assets assigned during the year	35,975.22	12,468.90
iii)	Sale consideration received during the year	31,318.89	9,975.12
iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
v)	Interest spread recognized in the statement of profit and loss during the year (including amortization of unamortized interest spread)	1,877.61	579.07

F. Details of non-performing assets purchase / sold

The Company has not purchased/sold non performing financial assets in the current and previous year.

G. Assets Liability Management :

Maturity pattern of certain Assets and Liability as on March 31, 2023

Particulars	Up to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	2,050.00	3,114.45	761.00	5,743.00	20,196.96	2,149.00	-	-	34,014.46
Advances	7,685.39	8,610.57	8,178.66	26,037.46	48,162.57	26,312.36	-	-	1,24,987.01
Investments	-	-	-	-	1,825.75	-	-	-	-
Cash & Cash Equivalent	2,477.83	-	-	-	-	-	-	-	2,477.83
Borrowings	6,568.13	10,484.95	7,093.46	21,007.71	29,180.00	53,917.21	-	1,000	1,29,251.00
Foreign currency assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign currency liabilities (Included in above Borrowings)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

H. Exposure To Capital Market

The Company has no exposure to capital market directly or indirectly in the current and previous year.

I. Exposure to Real Estate Sector

The Company has no exposure to real estate sector directly or indirectly in the current and previous year.

J. Details of financing of parent Company products:

Not Applicable

K. Details of Single Borrower Limit ("SGL") / Group Borrower Limit ("GBL") exceeded by the NBFC

- Loans and advances, excluding advance funding but including off-balance sheet exposures to any single party in excess of 15 per cent of owned fund of the NBFC: **Nil**
- Loans and advances to (excluding advance funding but including debentures/bonds and off-balance sheet exposures) and investment in the shares of single party in excess of 25 per cent of the owned fund of the NBFC: **Nil**

L. Unsecured Advances

- Refer Note No. 3 to the financial statements.
- The Company has not granted any advances against intangible securities (March 31, 2022: **Nil**)

M. Registration obtained from other financial sector regulators.

The Company is registered with following other financial sector regulators (financial regulators as described by Ministry of Finance):

- Ministry of Corporate Affairs
- Ministry of Finance

N. Disclosure of penalties imposed by RBI and other regulators.

No penalties imposed by RBI and other regulator during current year and previous year.

O. Grading assigned by credit rating agencies and migration of ratings during the year-

The Credit Analysis & Research Limited has upgraded the MFI grading, MFI 1, during the year.

P. Rating assigned by credit rating agencies and migration of ratings during the year 2022-23

Sr No.	Instrument	Rating Agency	As per Rating Letter dated	Rating Assigned	Valid Upto	Amount (₹ in Lakhs)
1	Bank Loan Ratings	Acuite Research & Ratings	12-Jan-23	ACUITE A- Outlook - Stable	Note 1	32200
2	Non Convertible Debentures	Acuite Research & Ratings	12-Jan-23	PP-MLD ACUITE A- Outlook Stable	Note 1	4200
3	Non Convertible Debentures	CARE Ratings	03-Jan-23	CARE BBB+ Outlook - Stable	Note 1	4875

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Rating assigned by credit rating agencies and migration of ratings during the year 2022-23 (contd..)

Sr No.	Instrument	Rating Agency	As per Rating Letter dated	Rating Assigned	Valid Upto	Amount (₹ in Lakhs)
4	Non Convertible Debentures	CARE Ratings	03-Jan-23	CARE BBB+ Outlook - Stable	Note 1	3455
5	Non Convertible Debentures	CARE Ratings	03-Jan-23	CARE BBB+ Outlook - Stable	Note 1	2275
6	Securitisation	ICRA	12-Jan-23	ICRA A+ (SO)	Note 1	2275
7	Securitisation	ICRA	09-Dec-22	ICRA AA- (SO) Upgraded from ICRA A+(SO)	Nov-23	1706
8	Securitisation	ICRA	09-Dec-22	ICRA AA- (SO)Upgraded from ICRA A (SO)	Nov-23	804
9	Securitisation	ICRA	07-Nov-22	ICRA A+ (SO)	May-24	2180
10	Securitisation	ICRA	17-Oct-22	ICRA AA- (SO)Upgraded from ICRA A (SO)	Nov-23	1660
11	Securitisation	ICRA	03-Oct-22	ICRA A+ (SO)	Apr-24	1810
12	Securitisation	ICRA	23-Sep-22	ICRA A+ (SO)	Apr-24	2874
13	Securitisation	ICRA	07-Sep-22	ICRA A- (SO)	Mar-24	1347
14	Securitisation	ICRA	12-Jan-23	ICRA A+ (SO)	Oct-23	2235
15	Securitisation	CARE Ratings	28-Mar-23	Provisional CARE A+ (SO)	Nov-24	2702
16	Securitisation	CARE Ratings	12-Jan-23	CARE A (SO)	Nov-23	4443
17	Securitisation	CARE Ratings	09-Nov-22	CARE A+ (SO)	Mar-24	4129
18	Securitisation	CARE Ratings	20-Sep-22	CARE A (SO)	Mar-24	3650

Note 1: The rating is subject to annual surveillance till final repayment / redemption of rated facilities

Ratings assigned by credit rating agencies and migration of ratings during the Previous year 2021-22

Sr No.	Instrument	Rating Agency	As per Rating Letter dated	Rating Assigned	Valid Upto	Amount (₹ in Lakhs)
1	Bank Loan Ratings	Acuite Research & Ratings	30-Sep-22	ACUITE A- Outlook - Stable	Note 1	1020
2	Non Convertible Debentures	Acuite Research & Ratings	30-Sep-22	PP-MLD ACUITE A- Outlook Stable	Note 1	4200
3	Non Convertible Debentures	CARE Ratings	07-Mar-22	CARE BBB+ Outlook - Stable	Note 1	4875
4	Non Convertible Debentures	CARE Ratings	07-Mar-22	CARE BBB+ Outlook - Stable	Note 1	2275
5	Non Convertible Debentures	CARE Ratings	07-Mar-22	CARE BBB+ Outlook - Stable	Note 1	3455
6	Non Convertible Debentures	CARE Ratings	07-Mar-22	CARE PP-MLD BBB+ Outlook - Stable	Note 1	2350
7	Bank Loan Ratings	CARE Ratings	07-Mar-22	CARE BBB+ Outlook - Stable	Note 1	2469

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Ratings assigned by credit rating agencies and migration of ratings during the Previous year 2021-22 (Contd..)

Sr No.	Instrument	Rating Agency	As per Rating Letter dated	Rating Assigned	Valid Upto	Amount (₹ in Lakhs)
8	Securitisation	ICRA	22-Mar-22	ICRA A+ (SO)	Nov-23	2948
9	Securitisation	ICRA	31-Mar-22	ICRA AA- (SO)	Nov-23	1627
10	Securitisation	ICRA	31-Mar-22	ICRA A (SO)	Nov-23	2828
11	Securitisation	ICRA	31-Mar-22	Provisional CARE A+ (SO)	May-23	2686
12	Securitisation	CARE Ratings	09-Mar-22	CARE A (SO)	Dec-22	1115
13	Securitisation	CARE Ratings	09-Mar-22	CARE A- (SO)	Jan-23	1232
14	Securitisation	CARE Ratings	21-Aug-21	CARE A (SO)	Mar-23	1952
15	Securitisation	ICRA	28-Oct-21	ICRA A+ (SO)	Dec-22	1499

Note 1: The rating is subject to annual surveillance till final repayment / redemption of rated facilities

Q. Remuneration of Directors

Refer Note no. 35 of Financial Statements

R. Management

The annual report has a detailed chapter on Management Discussion and Analysis.

S. Net Profit of Loss for the period, prior period items and change in accounting policies

There are no such material items which require disclosures in the notes to account in terms of the relevant Ind AS.

T. Revenue Recognition

Refer Para 3.1 of significant accounting policies to the financial statements.

U. Ind AS 110 - consolidated financial statements (CFS)

Not Applicable.

V. Provisions and Contingencies :

The information on all provisions and contingencies is as under:

Break up of 'provisions and contingencies' showed under the head expenditure in the statement of profit and loss.	As at March 31, 2023	As at March 31, 2022
Provision made towards income tax	2,090.18	1,005.00
Provision for employee benefits	32.78	23.21
Provision towards impaired assets (Stage 3)	713.32	693.77
Provision towards impaired assets (Stage 1 and 2)	-73.61	711.15
Provision towards Interest on Credit impaired assets	183.75	(213.83)

W. Drawn down from Reserves:

There is no draw down from reserves during the year.

X. Concentration of deposits (for deposit taking NBFCs)

Not applicable, Non-Deposit Taking NBFC

Y. Concentration of advances

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

The Company is in Retail Advance Segment hence there is no such substantial Concentration of advances.

Z. Concentration of exposure

The Company is in Retail Advance Segment hence there is no such substantial Concentration.

AA. Concentration of Stage 3 assets

The Company is in Retail Advance Segment hence there is no such substantial Concentration of stage 3 assets.

BB. Sector-wise Stage 3 assets (Gross) :

Sector	% Of Stage 3 assets to Total Advances in that sector as at March 31, 2023	% Of Stage 3 assets to Total Advances in that sector as at March 31, 2022
Micro Finance	2.76%	3.68%

CC. Movement of Stage 3 Assets:

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Net stage 3 assets to net advances (%)	0.05%	0.62%
(ii) Movement of stage 3 assets (gross)		
(a) Opening balance	3,384.60	2591.82
(b) Additions during the year	2,357.88	2805.98
(c) Reductions during the year	(2,086.69)	(2013.20)
(d) Closing balance	3,655.79	3,384.59
(iii) Movement of net stage 3 assets		
(a) Opening balance	505.19	406.19
(b) Additions during the year	264.59	254.68
(c) Reductions during the year	(706.71)	(155.67)
(d) Closing balance	63.07	505.19
(iv) Movement of provisions for stage 3 assets (excluding provisions on standard assets)		
(a) Opening balance	2,879.40	2185.63
(b) Additions during the year	2,093.29	2551.30
(c) Reductions during the year	(1,379.97)	(1857.53)
(d) Closing balance	3,592.72	2879.40

DD. Disclosure of Overseas assets (for those with joint ventures and subsidiaries abroad) and Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms):

Nil

EE. Details of Average interest and charges paid on borrowing and charged on loans given to JLG:

Particulars	Rate of Interest in %
Average interest rate on borrowings	13.08%
Average interest rate on Loans given to JLGs	26.43%

FF. Disclosure Of Customer Complaints

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
a)	No. of complaints pending at the beginning of the year	Nil	Nil
b)	No. of complaints received during the year	134	152
c)	No. of complaints redressed during the year	132	152
d)	No. of complaints pending at the end of the year	2	-

43. Disclosures required as per Circular DOR (NBFC) CC.PD. No. 109/22.10.106/2019-20- Implementation of Indian Accounting Standard (Regulatory (Non-IND AS) Information):

Asset Classification as per RBI Norms	Assets Classification AS per IND AS 109	Gross Carrying Amount as per IND AS	Loss Allowance (Provisions) as required under Ind AS 109	Net Carrying Amounts	Provisions required as per IRACP Norms*	Difference between IND AS 109 Provision and IRACP Norms
A. Performing Assets						
Standard	Stage- 1	1,25,279.52	1,211.94	1,24,067.58	Nil	1,211.94
	Stage- 2	1,408.12	551.76	856.36	Nil	551.76
Sub total		126,687.64	1,763.70	1,24,923.94	Nil	1,763.70
B. Non-Performing Assets						
Sub standards	Stage- 3	3,655.79	3,592.72	63.07	1,895.55	1,697.17
Doubtful up to 1 year	Stage- 3	Nil	Nil	Nil	Nil	Nil
1 to 3 years	Stage- 3	Nil	Nil	Nil	Nil	Nil
More than 3 years	Stage- 3	Nil	Nil	Nil	Nil	Nil
Loss	Stage- 3	Nil	Nil	Nil	Nil	Nil
Subtotal of NPA		3,655.79	3,592.72	63.07	1,895.55	1,697.17
Total	Stage 1	1,25,279.52	1,211.94	1,24,067.58	Nil	1,211.94
	Stage 2	1,408.12	551.76	856.36	Nil	551.76
	Stage 3	3,655.79	3,592.72	63.07	1,895.55	1,697.17
	Total	1,30,343.43	5,356.42	1,24,987.01	1,895.55	3,460.87

*As per Master Circular - 'Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs)-directions dated July 1, 2015 vide reference no. RBI/2015-16/20, DNBR (PD) CC.No.047/03.10.119/2015-16, provisioning for the Non-AP portfolio would be as per the December 02, 2011 directions with effect from April 1, 2013 is "The aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of (a) 1% of the outstanding loan portfolio or (b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more".

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

44. Information as required in terms of Paragraph 19 of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 are mentioned as below (Regulatory (Non-IND AS) Information):

Liabilities Side:

A. Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not paid

Sr No.	Particulars	Year ended March 31, 2023	
		Amount Outstanding	Amount Overdue
a)	Debentures : Secured:	14,812.08	Nil
	: Unsecured (Other Than falling within the meaning of public deposits*)	Nil	Nil
b)	Deferred Credits	Nil	Nil
c)	Term Loans	1,03,553.92	Nil
d)	Inter-Corporate Loans and borrowings	Nil	Nil
e)	Commercial Paper	Nil	Nil
f)	Other loans:		Nil
	i. From Banks (Cash Credit/OD)	11,735.71	Nil
	ii. From a Company	Nil	Nil
	iii. Security Deposits	Nil	Nil
	iv. Advances Received against loan agreements	Nil	Nil

*Please see note 1 below

B. Break-up of (1)(f) above (outstanding public deposits* inclusive of interest accrued thereon but not paid):

Sr No.	Particulars	Year ended March 31, 2023	
		Amount Outstanding	Amount Overdue
a)	In the form of unsecured debentures	Nil	Nil
b)	In the party secured Debentures i.e. debenture where there is shortfall in the value of security	Nil	Nil
c)	Other public deposits	Nil	Nil

*Please see note 1 below

Asset Side:

C. Break-up of loans and advances including bills receivables (other than those included in (D) below)

Sr. No.	Particulars	Amount Outstanding
a)	Secured	Nil
b)	Unsecured	1,24,987.16

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

D. Break up of leased assets and stock on hire and other assets counting towards AFC activities

Sr. No.	Particulars	Amount Outstanding
(i)	Lease assets including lease rentals under sundry debtors:	
	a) Financial Lease	Nil
	b) Operating Lease	Nil
(ii)	Stock on hire including hire charges under sundry debtors:	
	a) Assets on hire	Nil
	b) Repossessed assets	Nil
iii)	Other loans counting towards AFC activities	
	a) Loans where assets have been reprocessed	Nil
	b) Loans other than a) above	Nil

E. Break-up of Investments:

Refer Note 42 (B) Above

F. Borrower group-wise classification of assets financed as in (C) and (D) above:

Sr. No.	Category	Amount net of provisions		
		Secured	Unsecured	Total
1	Related Parties**			
	a) Subsidiaries	Nil	Nil	Nil
	b) Companies with the same group	Nil	1,013.29	1,013.29
	c) Other related parties	Nil	Nil	Nil
2	Other than related parties	Nil	1,23,973.87	1,23,973.87
	Total	Nil	1,24,987.16	1,24,987.16

G. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Sr No.	Category	Market Value/ Breakup or Fair value of NAV	Book Value (Net of Provision)
1	Related parties**		
	a) Subsidiaries	Nil	Nil
	b) Companies in the same group	Nil	Nil
	c) other related parties	Nil	Nil
2	Other than related parties	1,825.75	1,825.75
	Total	1,825.75	1,825.75

**As per Ind AS issued by MCA (Refer Note 3 below)

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2023

(All amounts are in Lakhs unless otherwise stated)

H. Other Information:

Sr No	Particulars	Amount
(i)	Gross non- performing Assets	
	a) Related parties	Nil
	b) Other than related parties	3,655.79
(ii)	Net non-performing assets	
	a) Related parties	Nil
	b) Other than related parties	63.07
(iii)	Assets acquired in satisfaction of debt	Nil

Notes:

- As defined in point xix of paragraph 3 of Chapter - 2 of these Directions.
- Provisioning norms are applicable as prescribed in Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Ind AS issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in E above.

45. There have been no events after the reporting date that requires disclosure in these financial statements.

Signature to notes "1" to "45"

As per our report of even date attached herewith

For, Namra Finance Limited

For, Samir M Shah & Associates,
Chartered Accountants
[Firm Regd. No. 122377W]

[Samir M Shah]
Partner
[M.No.111052]

Place: Ahmedabad
Date: 30.05.2023

Jayendra Patel
Chairman & Managing Director
(DIN - 00011814)

Aalok Patel
Joint Managing Director
(DIN - 02482747)

Vivek Modi
Chief Financial Officer

Jaimish Patel
Company Secretary
(M. No. A42244)



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